



chorus 

Notice of Special Meeting
of Shareholders and
Management Proxy Circular

September 25, 2024

Chorus Aviation Inc.

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Caution regarding forward-looking information

Certain disclosures contained or incorporated by reference in this circular may include forward-looking information or statements within the meaning of applicable securities laws (collectively referred to as, "**forward-looking information**"). This forward-looking information may involve, but is not limited to, the expected date of the meeting, the anticipated closing date of the Transaction, the anticipated receipt of all regulatory approvals to complete the Transaction, Chorus' ability to realize the anticipated benefits of the Transaction, including the implementation of any capital return program for shareholders, the potential impact of the announcement or the Completion of the Transaction on relationships, including with employees, suppliers, customers, investors and other providers of capital, changes in the aviation industry and general economic conditions, the anticipated net proceeds from the Transaction, the anticipated use of proceeds from the Transaction, and comments relating to strategies, expectations, goals, targets, commitments, planned operations or future actions. Forward-looking information, by its nature, is based on assumptions, is subject to important risks and uncertainties and cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Forward-looking information may be identified by the use of terminology such as "believes", "expects", "anticipates", "assumes", "outlook", "plans", "targets", "could", "intend", "may", "project" or other similar terms and phrases, including negative versions thereof, although not all forward-looking information contains these identifying words.

Forward-looking information involves known and unknown risks, uncertainties and actual results, performance or achievements may differ materially from those indicated in forward-looking information due to a number of factors, including the risk factors identified in the "Risk Factors" section of this circular and the other factors identified in the "Risk Factors" section of the Annual Information Form of Chorus Aviation Inc. ("**Chorus**") dated February 22, 2024 (the "**AIF**"). The AIF may be found online on SEDAR+ at www.sedarplus.ca and on Chorus' website at www.chorusaviation.com in the "Investors" section.

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

NON-GAAP FINANCIAL MEASURES

This circular contains references to certain non-GAAP financial measures, non-GAAP ratios and non-GAAP capital management measures that are calculated and presented using methodologies other than in accordance with generally accepted accounting principles in Canada following the adoption of International Financial Reporting Standards ("**GAAP**"). We use these non-GAAP measures in managing Chorus' business, including for performance measurement, capital allocation and valuation purposes and believe that providing these measures on a supplemental basis to our results is helpful to investors in assessing the overall performance of our businesses. These financial measures should not be considered superior to GAAP measures and should not be considered as the sole measure of our performance or in isolation from, or as a substitute for, similar financial measures calculated in accordance with GAAP. We caution readers that these non-GAAP measures or other financial metrics may differ from the calculations disclosed by other entities and, as a result, may not be comparable to similar measures presented by other entities. For a discussion regarding our use of non-GAAP measures in this circular and, where applicable, their reconciliation to the most directly comparable GAAP measures, refer to Schedule E of this circular and our public disclosure record available under Chorus' profile on SEDAR+ at www.sedarplus.ca.

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

Fellow Shareholders:

We are pleased to provide you with the materials for the special meeting of shareholders of Chorus Aviation Inc. ("**Chorus**" or the "**Corporation**") that will take place on September 25, 2024 at 11:00 a.m. (Eastern time) in virtual format only via live audio webcast (the "**meeting**"). The webcast will be available at www.virtualshareholdermeeting.com/chr2024sm.

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 the special resolution are more fully described in the circular.

The Transaction

On July 30, 2024, Chorus and its wholly-owned subsidiary, Chorus Aviation Capital Corp. ("**CACC**" and together with Chorus, the "**Sellers**"), entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with Cruise Bidco ULC and Falko Holdings Limited (collectively, the "**Buyers**"), each of which is an affiliate of investment funds managed by HPS Investment Partners, LLC ("**HPS**"), whereby the Buyers have, together and on a joint and several basis, agreed to purchase Chorus' Regional Aircraft Leasing ("**RAL**") segment, comprised of (i) all of the limited partnership interests in Chorus Aviation Investment Holdings LP held by Chorus (the "**CAIH LP Interests**"), (ii) all of the shares in Chorus Aviation Leasing Inc. held by Chorus' subsidiary, CACC (the "**CALI Interests**"), and (iii) all of the shares in Chorus Aviation Holdings GP Inc. held by Chorus (the "**GP Sale Interests**", and together with the CAIH LP Interests and the CALI Interests, the "**Sale Interests**") (the "**Transaction**"). The Transaction will result in the disposition of Falko Regional Aircraft Limited ("**Falko**"), Falko (Ireland) Limited ("**FIL**") and their respective affiliates in the RAL segment (collectively, the "**Falko Group**"), together with Chorus' ownership of the aircraft in the RAL segment and its interests in the aircraft investment funds in the RAL segment which are managed by the Falko Group. Chorus expects the proceeds of the Transaction, net of aircraft-related debt in the RAL segment that will be retained or prepaid by the Falko Group at or prior to the Completion of the Transaction, to be approximately \$814 million.¹

At the meeting, shareholders of Chorus will be asked to consider and vote on a special resolution (the "**Transaction Resolution**") approving the Transaction in accordance with the *Canada Business Corporations Act* ("**CBCA**").

If the Transaction is completed, Chorus anticipates using the net proceeds of the Transaction to: (i) redeem all of the outstanding Preferred Shares (as defined in the circular); (ii) redeem all of the Series A Debentures (as defined in the circular); (iii) redeem all of the Series B Debentures and the Series C Debentures (each as defined in the circular) which are tendered to Chorus pursuant to Chorus' offer made in accordance with the terms of the relevant indentures; (iv) pay transaction costs; and (v) partially repay the balance then outstanding under Chorus' Operating Credit Facility (as defined in the circular). Any cash remaining after payment of the foregoing amounts will be used for general corporate purposes.

If the Transaction is completed and all of the above-mentioned Preferred Shares and Debentures (as defined in the circular) are redeemed or otherwise repaid, Chorus will cease to have any long-term debt, save for (i) debt in respect of aircraft operated by its subsidiary, Jazz, under the CPA, all of which is supported by fixed payments under the CPA, and (ii) any balance that may be outstanding under the Operating Credit Facility from time to time.

¹ Converted from USD to CAD at an exchange rate of 1 USD to 1.3500 CAD.

Recommendation of the Board

After careful consideration, the Board of Directors of Chorus (the “**Board**”) has, after receiving the Fairness Opinion, unanimously determined: (i) that the Transaction is in the best interests of Chorus; and (ii) to recommend that shareholders vote **IN FAVOUR** of the Transaction Resolution.

Reasons for the Recommendation

In determining that the Transaction is in the best interests of the Corporation, and in making its recommendation, the Board considered and relied upon a number of factors, including:

- the attractive value that can be realized for the RAL segment, which represents \$4.21 per share based on 193,427,537 shares issued and outstanding as of December 31, 2023 and a premium to the implied multiple of the RAL segment;
- the opportunity to significantly reduce the Corporation’s indebtedness for borrowed money, which will eliminate approximately \$1.7 billion of corporate and aircraft-related debt financings (pro forma at December 31, 2023) and reduce the Leverage Ratio² to 1.8x;
- the ability to increase the Corporation’s earnings attributable to shareholders resulting from the elimination of the Preferred Share dividends; and
- the improvement in the Corporation’s ability to return capital to shareholders and invest in future growth resulting from the elimination of approximately \$58 million of annual debt servicing costs and Preferred Share dividends on a pro forma basis.

A full description of the factors considered by the Board is located under the heading “The Transaction – Reasons for the Recommendation” in the circular.

Voting Agreements

Each of BSI Dragonfly Holdings LP (“**BSI**”), which is an affiliate of Brookfield Asset Management, and Air Canada, and each member of the Board (collectively holding, directly or indirectly, or exercising control or direction over, an aggregate of 41,377,027 shares, which represented approximately 21.7% of the issued and outstanding shares, in each case, as of the record date) has entered into a Voting Agreement pursuant to which such security holder, in accordance with, and subject to, the terms of their respective Voting Agreements, agreed to vote the shares which they beneficially own or over which voting control or direction is exercised in favour of the Transaction Resolution at the meeting.

Voting

To be effective, the Transaction Resolution must be approved by the affirmative vote of at least two-thirds (66 2/3%) of the votes cast by the shareholders present in person or represented by proxy at the meeting.

Your vote is important. The circular provides a description of the Transaction and includes certain additional information to assist you in considering how to vote on the Transaction Resolution.

We encourage you to complete, sign, date and return the accompanying form of proxy or voting instruction form, in accordance with the instructions set out therein and in the circular, so that your shares can be voted at the meeting.

If the necessary approvals are obtained and the other conditions to closing are satisfied or waived, it is anticipated that the Transaction will be completed by December 31, 2024.

² Leverage Ratio is a non-GAAP financial measure that is not a recognized measure for financial statement presentation under GAAP. As such, it does not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered as a substitute for or superior to GAAP results. Refer to the heading “Non-GAAP Financial Measures” in this circular.

On behalf of our Board of Directors and the entire Chorus team, we thank our shareholders for your continued support.

Sincerely,

(signed) "*Paul Rivett*"

Paul Rivett
Chair of the Board

(signed) "*Colin Copp*"

Colin Copp
President and Chief Executive Officer

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

When: September 25, 2024 at 11:00 a.m. (Eastern time)

Where: Virtual only meeting via live audio webcast

Online: www.virtualshareholdermeeting.com/chr2024sm

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. At this website, shareholders will be able to attend the meeting live, submit questions in writing and vote their shares while the meeting is being held.

The following business will be considered at the meeting:

- (i) to consider, and if thought advisable, to pass, with or without variation, a special resolution, the full text of which is set forth in Schedule B to the management proxy circular, approving the sale of (a) all of the limited partnership interests in Chorus Aviation Investment Holdings LP held by Chorus to Falko Holdings Limited (“**Holdco Buyer**”), (b) all of the shares in Chorus Aviation Leasing Inc. held by Chorus’ subsidiary, Chorus Aviation Capital Corp. (“**CACC**”), to Cruise Bidco ULC (“**Bidco Buyer**”), and (c) all of the shares in Chorus Aviation Holdings GP Inc. held by Chorus to Bidco Buyer (the “**Transaction**”), as provided for in the sale and purchase agreement dated as of July 30, 2024 between Chorus, CACC, Bidco Buyer, and Holdco Buyer, which Transaction may constitute a sale of all or substantially all of the assets of Chorus; and
- (ii) 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 special meeting of shareholders or any adjournment or postponement thereof if you are a shareholder on the record date of August 16, 2024. Please remember to vote your shares. We encourage you to vote your shares prior to the meeting.

We will hold our meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to physically attend the meeting. Similar to our annual general meetings, 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 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 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.

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 (Eastern time) on September 23, 2024 (the proxy deadline).

Shareholders may contact Kingsdale Advisors, Chorus' strategic shareholder advisor and proxy solicitation agent at 1-866-581-1024 (toll-free in North America) or 1-437-561-5032 (text and call enabled outside North America), or by email at contactus@kingsdaleadvisors.com. To keep current and obtain information about voting your shares, please visit www.ChorusAviationSM.com.

By order of the Board of Directors

(signed) *"Dennis Lopes"*

Dennis Lopes

Senior Vice President, Chief Legal Officer
and Corporate Secretary

August 19, 2024

MANAGEMENT PROXY CIRCULAR

This management proxy circular (“this circular” or “the circular”) is dated August 19, 2024 and the information contained herein is provided in connection with the special meeting of the shareholders of Chorus Aviation Inc. (“Chorus” or the “Corporation”) to be held on September 25, 2024 at 11:00 a.m. (Eastern time) (such meeting, and any adjournment or postponement thereof, the “meeting”). The meeting will be held in a virtual only format and will be conducted via live audio webcast. Shareholders will not be able to physically attend the meeting. A summary of the information shareholders will need to attend the virtual meeting is set out within this circular.

As a shareholder of Chorus, you have the right to vote your shares in respect of the Transaction. To help you make an informed decision, please carefully read this circular, which contains a description of the Transaction and other relevant information. Information contained in this circular should not be construed as financial, legal or tax advice and you are urged to consult your own professional advisors in connection therewith.

All summaries of, and references to, the Sale and Purchase Agreement are qualified in their entirety by reference to the complete text of the Sale and Purchase Agreement. A copy of the Sale and Purchase Agreement may be found under Chorus’ profile on SEDAR+ at www.sedarplus.ca. You are urged to carefully read the full text of the Sale and Purchase Agreement. This circular does not incorporate information found on our website or any information not expressly stated to be incorporated, even if we occasionally refer to it; we, therefore, disclaim any such incorporation by reference. For our caution regarding forward-looking information, see above.

All capitalized terms used in this circular but not otherwise defined herein have the meanings set forth in the Glossary in Schedule A. No person has been authorized to give any information or to make any representation in connection with the Transaction and other matters described herein other than those contained in this circular and, if given or made, any such information or representation should be considered not to have been authorized by Chorus.

This circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer.

This circular does not constitute a notice of redemption under the indenture governing the Debentures (as defined in this circular). 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” and “common shares” refer 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 August 19, 2024 unless otherwise indicated.

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

WHO IS SOLICITING YOUR PROXY

Your proxy is solicited by or on behalf of management for use at the meeting. We expect that the solicitation of proxies will be by mail. Proxies may also be solicited personally, by telephone, Internet or other means of communication by officers, employees or agents of Chorus. The cost of any such solicitation will be borne by Chorus. Chorus has retained Kingsdale Advisors LP (“Kingsdale Advisors”) to solicit proxies from shareholders and provide a broad array of strategic advisory, communications, digital and investor campaign services on a global retainer basis in addition to certain activity-based fees which will accrue during the term of the engagement in the discretion, and upon the direction, of Chorus. The cost of these services is not currently anticipated to exceed \$300,000. If you have any questions regarding the procedures for voting or completing your form of proxy or voting instruction form, please contact Kingsdale Advisors, our strategic shareholder advisor and proxy solicitation agent at 1-866-581-

1024 (toll-free in North America) or 1-437-561-5032 (text and call enabled outside North America), or by email at contactus@kingsdaleadvisors.com. To keep current and obtain information about voting your shares, please visit www.ChorusAviationSM.com.

DELIVERY OF MATERIALS

The Corporation is not using notice-and-access as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and is sending physical copies of the meeting materials, including this circular to shareholders in accordance with NI 54-101.

The Corporation will not send proxy-related materials directly to non-objecting beneficial owners and such materials will be delivered to non-objecting beneficial owners through their intermediaries. The Corporation will pay for intermediaries to deliver to objecting beneficial owners the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary of National Instrument 54-101*. This cost is expected to be nominal.

The delivery of this circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since August 19, 2024.

APPROVAL OF THE CIRCULAR

The board of directors of Chorus has approved the contents of this 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

August 19, 2024

ABOUT OUR SPECIAL MEETING OF SHAREHOLDERS

VIRTUAL ONLY MEETING

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

HOW SHAREHOLDERS CAN ATTEND AND PARTICIPATE IN THE VIRTUAL MEETING

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

Non-registered shareholders who have not duly appointed themselves as proxyholders may still attend the meeting 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.

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

Questions relating to the matters of business received before the meeting will be addressed at the time such matter is being discussed.

If you intend to participate in the meeting, it is important that you are always connected to the Internet during the meeting to vote when the balloting commences. You should ensure you have a strong, preferably high-speed, Internet connection throughout the meeting. **The meeting will begin promptly at 11:00 a.m. (Eastern time) on September 25, 2024**, unless otherwise adjourned or postponed.

HOW TO PARTICIPATE IN THE MEETING

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

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

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

How to Participate in the Meeting – Registered Shareholder

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

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

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

1. Log in online at: www.virtualshareholdermeeting.com/chr2024sm at least 15 minutes before the meeting starts. You should allow ample time to log into the meeting and to complete the related procedures.
2. Enter your 16-digit control number into the shareholder login section (your control number is located on your form of proxy) and click on "Join Meeting".
3. Follow the instructions to access the meeting and vote when prompted.

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

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

How to Participate in the Meeting – Non-Registered Shareholder

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

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

1. Appoint yourself as proxyholder as described below under the heading "Completing the Form of Proxy and Voting Instruction Form" by providing an "appointee name" and designating an 8-character "appointee identification number". Please note that these steps must be completed **prior to the proxy deadline of 11:00 a.m. (Eastern time) on September 23, 2024**, or you will not be able to vote your shares at the meeting during the live webcast.
2. Follow the instructions set out below under the heading "How to Participate in the Meeting – Proxyholder" to log in and vote at the meeting during the live audio webcast.

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

In the event that the proxy deadline is waived by Chorus prior to the meeting, all non-registered shareholders will be able to access and vote at the meeting in the same manner as registered shareholders described above using the 16-digit control number located on the voting instruction form. In that case, if you have previously provided voting instructions or appointed another person to vote on your behalf and you choose to access and vote on any matter at the meeting during the live webcast, then you will revoke all prior voting instructions or appointments. If you do not wish to revoke your prior instructions or appointments, you can still access the meeting and ask questions. You **should not** assume that the proxy deadline will be waived in whole or in part, and you should vote prior to the meeting or appoint yourself or another person to vote on your behalf at the meeting **prior to the proxy deadline of 11:00 a.m. (Eastern time) on September 23, 2024** to ensure your vote is counted at the meeting.

Chorus is also providing a listen-only toll-free conference line as an alternative to the live audio webcast. Using your control number included either on your proxy form or voting instruction form, as applicable,

you will be able to listen to the meeting; however, you will not be able to submit your questions or vote your shares on the phone. To join the listen-only toll-free conference line, you must call 1 (800) 590-8290 (Canada) or 1 (240) 690-8800 (International).

How to Participate in the Meeting – Proxyholder

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

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

1. Log in online at: www.virtualshareholdermeeting.com/chr2024sm. We recommend that you log in at least 15 minutes before the meeting starts. You should allow ample time to log into the virtual meeting and to complete the related procedures.
2. Enter the appointee name and 8-character appointee identification number exactly as it was provided to Broadridge by the shareholder who appointed you as proxyholder and click on "Submit". If this information is not provided by such shareholder, or if you do not enter it exactly as that shareholder provided it to Broadridge, you will not be able to access the meeting or vote their shares on their behalf during the meeting.

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

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

All shareholders must provide the appointee information to their appointed proxyholder exactly as they provided it to Broadridge online at www.proxyvote.com 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. Please read and follow the instructions below carefully:

1. Log in online at: www.virtualshareholdermeeting.com/chr2024sm. 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. Complete the guest log in section and click on "Join Meeting".

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

How to Participate in the Meeting – Questions

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

To ask a question before the meeting, you must visit www.proxyvote.com and log in using your 16-digit control number included either on your proxy form or voting instruction form, as applicable. Once past the log-in screen, please click on "Submit Questions", complete the question form and click "Submit." **To ask a question during the meeting**, you must log in to the live webcast at www.virtualshareholdermeeting.com/chr2024sm, type your questions into the "Ask a Question" field, and click "Submit". **Guests will not be able to submit questions either before or during the meeting.**

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

VOTING YOUR SHARES

YOUR VOTE IS IMPORTANT

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

WHO CAN VOTE

Shareholders of record on August 16, 2024 are entitled to receive notice of and vote at the meeting.

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

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

HOW TO VOTE IN ADVANCE OF THE MEETING

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

You will be providing your proxy voting instructions directly to Broadridge. They must receive your voting instructions **prior to Chorus' proxy deadline of 11:00 a.m. (Eastern time) on September 23, 2024**. Notwithstanding the foregoing, the chair of the meeting has the sole discretion to accept proxies received after such deadline but is under no obligation to do so. The time limit for the deposit of proxies may also be waived or extended by the chair of the meeting at his or her discretion, without notice. Please see the section of this circular titled "Completing the Form of Proxy and Voting Instruction Form" for more information.

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

On the Internet

Please go to the website at www.proxyvote.com or scan the QR Code on the form of proxy or voting instruction form to access the voting website **prior to Chorus' proxy deadline of 11:00 a.m. (Eastern time) on September 23, 2024**, or, if the meeting is adjourned or postponed, not later than 48 hours prior to the adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays). You will need the 16-digit control number found on your form of proxy or voting instruction form.

By Mail

Complete the form of proxy or voting instruction form and return it by mail in the enclosed business reply envelope **for receipt before 11:00 a.m. (Eastern time) on September 23, 2024** or, if the meeting is adjourned or postponed, not later than 48 hours prior to the adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays).

If you have any questions or require more information with regard to the procedures for voting, please contact Kingsdale Advisors, Chorus' strategic shareholder advisor and proxy solicitation agent, at 1-866-581-1024 (toll-free in North America) or 1-437-561-5032 (text and call enabled outside North America), or by email at contactus@kingsdaleadvisors.com. To keep current and obtain information about voting your shares, please visit www.ChorusAviationSM.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 "Against" the Transaction Resolution. A copy of the Transaction Resolution is attached as Schedule B to this circular.

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

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

- Inserting an "appointee name" and designating an 8-character "appointee identification number" (together, this is the "appointee information") online at www.proxyvote.com 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 as this will reduce the risk of any mail disruptions and allow you to share the appointee information you have created with any third-party proxyholder you have appointed to represent

you at the meeting more easily. You must appoint yourself or your third-party proxyholder **prior to Chorus' proxy deadline of 11:00 a.m. (Eastern time) on September 23, 2024.**

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

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

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

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

Non-registered shareholders who do not object to their name being made known to Chorus may be contacted by our proxy solicitors to assist in conveniently voting their shares directly by telephone. Chorus may also utilize the Broadridge QuickVote™ service to assist such shareholders with voting their shares.

If you have any questions or require more information with regard to the procedures for voting, please contact Kingsdale Advisors, Chorus' strategic shareholder advisor and proxy solicitation agent at 1-866-581-1024 (toll-free in North America) or 1-437-561-5032 (text and call enabled outside North America), or by email at contactus@kingsdaleadvisors.com. To keep current and obtain information about voting your shares, please visit www.ChorusAviationSM.com.

CHANGING YOUR VOTE

You can revoke your voting instructions by voting on the Internet or by any other means permitted by law. **Your new voting instructions must be received by Broadridge before 11:00 a.m. (Eastern time) on September 23, 2024.**

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

Non-registered shareholders should consult their intermediary if they wish to revoke their voting instructions. These instructions must be received by Broadridge before 11:00 a.m. (Eastern time) on September 23, 2024.

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

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

VOTING REQUIREMENTS

To be effective, the Transaction Resolution must be approved by the affirmative vote of at least two-thirds (66 2/3%) of the votes cast on the Transaction Resolution by shareholders present in person or represented by proxy at the meeting. 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 August 16, 2024, the record date for the meeting, there were 191,108,856 shares issued and outstanding. Shareholders of record on August 16, 2024 are entitled to receive notice of and vote at the meeting.

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

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

RESTRICTIONS ON VOTING SECURITIES

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

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

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

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

- (iii) the number of Class A Variable Voting Shares outstanding, after giving effect to the applicable proportionate vote decrease described below, (a) exceeds 49% of the total number of all shares outstanding or (b) the total number of votes that would be cast by holders of Class A Variable Voting Shares would exceed 49% of the total number of votes cast at a given meeting of shareholders.

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

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

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

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

PRINCIPAL SHAREHOLDERS

On October 14, 2016, pursuant to an application by Chorus, the securities regulatory authorities in each of the provinces of Canada granted exemptive relief (the "**Decision**") from (i) applicable formal take-over bid requirements, as contained under Canadian securities laws, such that those requirements would only apply to an offer to acquire 20% or more of the outstanding Class B Voting Shares and Class A Variable

Voting Shares of the Corporation on a combined basis, and (ii) applicable early warning reporting requirements, as contained under Canadian securities laws, such that those requirements would only apply to an acquirer who acquires or holds beneficial ownership of, or control or direction over, 10% or more of the outstanding Class B Voting Shares and Class A Variable Voting Shares of the Corporation on a combined basis (or 5% in the case of acquisitions during a take-over bid), and (iii) applicable alternative monthly reporting requirements, as contained under Canadian Securities laws, such that eligible institutional investors may meet the eligibility criteria for alternative monthly reporting by calculating its security holdings using a denominator comprised of all outstanding Class B Voting Shares and Class A Variable Voting Shares on a combined basis, and a numerator including all of the Class B Voting Shares or Class A Variable Voting Shares, as the case may be, beneficially owned or controlled by the eligible institutional investor. A copy of the Decision is available under Chorus' profile on SEDAR+ at www.sedarplus.ca.

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

- Based on its Voting Agreement, BSI together with its affiliates ("**Brookfield**"), owns 25,400,000 Class B Voting Shares (representing approximately 13.3% of the issued and outstanding shares as of August 16, 2024), 18,642,772 share purchase warrants, and 300,000 Series 1 Preferred Shares, each in the capital of the Corporation.

THE TRANSACTION

SUMMARY

On July 30, 2024, the Sellers entered into the Sale and Purchase Agreement with the Buyers each of which is an affiliate of investment funds managed by HPS, whereby the Buyers have, together and on a joint and several basis, agreed to purchase Chorus' RAL segment, comprised of (i) all of the CAIH LP Interests, (ii) all of the CALI Interests, and (iii) all of the GP Sale Interests. The Transaction will result in the disposition of the Falko Group, together with Chorus' ownership of the aircraft in the RAL segment and its interests in the aircraft investment funds in the RAL segment which are managed by the Falko Group. Chorus expects the proceeds of the Transaction, net of aircraft-related debt in the RAL segment that will be retained or prepaid by the Falko Group at or prior to the Completion of the Transaction, to be approximately \$814 million.

BACKGROUND TO THE TRANSACTION

The following is an overview of the context and process leading to the announcement of the Transaction.

On May 3, 2022, Chorus acquired Falko together with certain of its affiliates and equity interests in certain entities and aircraft managed by Falko and its affiliates. Falko was, and remains, a leading aircraft lessor and asset manager focused on the regional aircraft sector, and Chorus intended to leverage Falko's capabilities to transition its aircraft leasing business to an asset-light model. This transition would involve three principal elements: (i) the sale over time of aircraft wholly or majority owned by Chorus; (ii) the growth in Falko's fee income revenue from managing third party capital in Falko-managed aircraft investment funds; and (iii) participation by Chorus in future aircraft leasing transactions through investment alongside third-party investors in Falko-managed funds. Shortly following the Falko acquisition, Chorus merged its legacy aircraft leasing business, Chorus Aviation Capital, into Falko.

In late 2022, management intensified its focus on options for accelerating Chorus' transition to an asset-light leasing model. The Board of Directors of Chorus (the "**Board**") considered proposals for this engagement from Goldman Sachs International ("**Goldman Sachs**") and another international investment bank with expertise in the regional aircraft leasing sector but selected Goldman Sachs for a number of reasons that include Goldman Sachs' experience and expertise as a financial advisor in a wide variety of transactions, and its qualifications and experience advising, and familiarity with,

companies operating in the aviation industry, including its experience as the financial advisor to an affiliate of Fortress Investment Group LLC in its sale of Falko to Chorus. In early 2023, Chorus began working with representatives of Goldman Sachs to market the portfolio of aircraft that had been acquired by Chorus Aviation Capital in the years leading up to the Falko acquisition. This initiative became known as “Project Azif”.

Following management’s identification of the aircraft that would be included in the sale portfolio (the “**Azif portfolio**”), management worked with representatives of Goldman Sachs to identify potential bidders to be approached and to prepare a confidential information memorandum for such bidders. Also during such time, Chorus negotiated and executed non-disclosure agreements with potential bidders. Management updated the Board on Project Azif in May 2023.

Over the summer of 2023, representatives of Goldman Sachs and the Falko management team held discussions with 16 potential bidders, including HPS, regarding Project Azif. During this period, the Board met twice and received updates from management regarding Project Azif.

In the fall of 2023, at the direction of management, representatives of Goldman Sachs sent a formal process letter to nine bidders, including HPS, requesting non-binding indications for the Azif portfolio. In early October 2023, representatives of Goldman Sachs met with the Board to review the non-binding bids received, advising that there were five bids in total, one of which was from HPS. At such time, all non-binding bids that were received on behalf of Chorus expressed interest in Chorus’ entire RAL segment and only two bids were focused on the Azif portfolio specifically. Both bids for the Azif portfolio fell below Chorus’ target price. The Board reviewed management’s analysis of the implications of selling the Azif portfolio and selling the entire RAL segment based on the indicative values received. Based on such analysis, the Board directed representatives of Goldman Sachs to engage further with bidders to determine if other transaction structures were available to improve the bids.

In mid-October 2023, the Board met for an annual strategy session. Representatives of Goldman Sachs attended part of the meeting to provide an update on Project Azif and the status of discussions with bidders. During the meeting, management reviewed several alternatives with the Board, including selling on balance sheet aircraft gradually over time, selling the Azif portfolio at a price below Chorus’ target price, and a full divestiture of the RAL segment (which would include the Falko Group). Management noted the contribution that aircraft sales in the RAL segment were expected to make in financing the repayment of the Corporation’s debt maturities and Series 1 Preferred Shares over the next five years. The Board discussed the risks and benefits of the various alternatives, including the estimated proceeds from those alternatives and their impact on Chorus’ future cash flows, earnings, liquidity and share value. The Board then met *in camera* with Mr. Copp, Chorus’ President and Chief Executive Officer (“**Chorus’ CEO**”) and determined that management should work with representatives of Goldman Sachs to continue exploring alternative transaction structures.

The Board held its quarterly meeting on November 8, 2023. Management and representatives of Goldman Sachs reported that, during their discussions with bidders, bidders demonstrated a lack of interest in such alternative transaction structures and instead were increasingly focused on acquiring ownership and control of the Falko Group as part of any transaction. At the conclusion of the meeting, the Board determined that it would be beneficial to obtain indicative bids for Chorus’ entire RAL segment (including the Falko Group) and that management should be authorized to provide additional information to bidders to enable them to form those views.

In late November and early December 2023, several members of the Board met with management to receive general updates on the process.

The Board met on December 19, 2023, and representatives of Goldman Sachs joined the meeting to provide an update on the sale process, now termed “Project Cruise” to denote the expanded scope of the sale perimeter. Representatives of Goldman Sachs informed the Board that all five bidders, including HPS, had provided updated non-binding indicative bids for the entire RAL segment and proceeded to review their indicative valuations, key assumptions and diligence focus areas. The Board further discussed the indicative bids in light of each bidder’s intent and ability to execute and consummate a transaction. At the conclusion of the meeting, the Board resolved that management should expand the

scope of Chorus' engagement of Goldman Sachs and retain such other advisors as needed for Project Cruise, with a view to obtain binding offers for the acquisition of the RAL segment on the best possible terms for consideration by the Board.

Several members of the Board met with management in early February 2024 to receive an update on Project Cruise. This included discussion of meetings recently held by management with each of the bidders and an update on next steps for confirming bid values and receiving bidder comments on the proposed transaction documents.

On February 22, 2024, the Board met for its regular quarterly meeting. Representatives of Goldman Sachs joined the meeting to review updated non-binding value indications for the RAL segment received from each of the bidders, as well as the status of each bidder's review of the draft transaction documents and outstanding diligence areas. The Board instructed representatives of Goldman Sachs to engage further with bidders in an effort to increase the bid values.

In early March 2024, several members of the Board met with management and Goldman Sachs regarding Project Cruise and discussed the latest bid values as well as the latest status of each bidder's review of the draft transaction documents.

The Board met with management on March 27, 2024 to receive an update regarding Project Cruise. Representatives of Goldman Sachs joined for a portion of the meeting. Management advised that (i) although several bidders (including HPS) remained in the process, each bidder insisted upon being granted exclusivity or, at a minimum, receiving confirmation that they would be one of no more than two bidders advanced to the final round in the process, (ii) two of the bidders had requested consent to bid jointly, which had been granted by management, in consultation with representatives of Goldman Sachs, as it was believed that a joint bid could be stronger than independent bids by such parties, and (iii) the newly combined bidder, together with HPS which had demonstrated a strong interest in the transaction, had been chosen to proceed to the final phase.

The Board met with management twice in April 2024 to receive an update regarding Project Cruise. Management reviewed the different values offered by HPS and the joint bidder, including the principal assumptions underlying their valuations. It was noted that HPS was less advanced than the other bidder in its confirmatory due diligence and review of the transaction documents but was demonstrating strong intent to deploy the resources needed to conclude those work streams in an expeditious manner. Management also reviewed the status of the definitive agreements with each of the bidders, the principal commercial issues that remained to be resolved, and their assessment of the time required to conclude definitive agreements with each bidder. The Board discussed whether to grant a period of exclusive negotiation to HPS, given the higher value of its bid, and determined that management should first attempt to resolve the critical commercial issues with HPS and engage in further discussion with the other bidder to determine if there was any opportunity to increase its price.

The Board held its regular quarterly meeting on May 6, 2024. Representatives of Goldman Sachs joined the meeting to review the current non-binding price offers from each of the two bidders, the status of the work remaining to be completed by each of them, and the status of the transaction documents with each bidder. The Board discussed the difference in value between the two bids, noting that HPS was requesting exclusivity as a condition to continuing work on the proposed transaction. Management then discussed the bids with the Board without representatives of Goldman Sachs present, noting that the most significant commercial issues arising from HPS' mark-up of the then-current draft of the Sale and Purchase Agreement had been discussed and largely resolved with HPS over the course of the preceding weekend, such that management did not foresee a material risk of reaching an impasse over the negotiation of the definitive agreements. At the conclusion of the discussion where the Board weighed the relative merits of each bid as well as maintaining the status quo, the Board authorized management to enter into exclusive negotiations with HPS.

Chorus entered exclusive discussions with HPS in respect of Project Cruise on May 10, 2024. Over the ensuing weeks, Chorus' CEO provided regular updates to the Board on the progress of discussions between the parties.

On June 28, 2024, HPS shared its principal diligence findings with Chorus, and the parties engaged in discussions regarding the impact of those findings on value. The parties continued negotiating the Transaction documents in parallel. Chorus' CEO continued to provide regular updates to the Board on the progress of discussions between the parties.

The Board met with management on July 21, 2024 to receive an update regarding Project Cruise. Management provided an update on anticipated financial impact of the Transaction to Chorus as well as the principal issues that remained outstanding in the Transaction documents. Representatives of Goldman Sachs presented its preliminary financial analyses to the Board regarding the then-current proposal by HPS. The Board reserved judgment on the Transaction pending the conclusion of Chorus' negotiations with HPS and authorized a subset of the Board to reconvene with representatives of Goldman Sachs to review any updated financial analyses in respect of the Transaction in the event that the full Board was unable to reconvene on short notice.

On behalf of the Board, Paul Rivett, Karen Cramm and Frank Yu convened on July 28, 2024 to review, among other things, updated financial analyses prepared by representatives of Goldman Sachs in respect of the Transaction. At such meeting, representatives of Goldman Sachs indicated that, based upon the information and review of Goldman Sachs as of such date and the then-current terms of the Sale and Purchase Agreement, and assuming no material changes to the foregoing, representatives of Goldman Sachs would be in a position to render an opinion regarding the fairness of the Completion Consideration to be paid to the Corporation and CACC pursuant to the Sale and Purchase Agreement.

On the evening of July 29, 2024, representatives of Goldman Sachs rendered the oral opinion of Goldman Sachs to Paul Rivett and Karen Cramm on behalf of the Board (which was subsequently confirmed in writing by delivery of Goldman Sachs' written Fairness Opinion addressed to the Board, dated July 30, 2024) that, as of the date of the subsequently delivered written opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Completion Consideration to be paid to Chorus and CACC pursuant to the Sale and Purchase Agreement was fair, from a financial point of view, to Chorus.

After receiving such opinion and reviewing the financial analyses prepared by representatives of Goldman Sachs, and after due consideration of all other factors the Board deemed relevant, the Board determined that it was advisable and in the best interests of Chorus and that Chorus enter into the Sale and Purchase Agreement and the other documents contemplated thereby and consummate the transactions contemplated therein.

During the early hours of July 30, 2024, Chorus, CACC and the Buyers executed and delivered the Sale and Purchase Agreement, and contemporaneously therewith, the Voting Agreements were each executed and delivered by the parties thereto.

Thereafter, on the same day and before the opening of trading on the TSX, Chorus issued a press release announcing the execution and delivery of the Sale and Purchase Agreement.

RECOMMENDATION OF THE BOARD

After careful consideration, the Board has, after receiving the Fairness Opinion, unanimously determined: (i) that the Transaction is in the best interests of Chorus; and (ii) to recommend that shareholders vote **IN FAVOUR** of the Transaction Resolution.

REASONS FOR THE RECOMMENDATION

In determining that the Transaction is in the best interests of the Corporation, and in making their respective recommendations, the Board considered and relied upon a number of factors, including, among others, those listed below. The Board did not attempt to assign relative weights to the various factors and individual members of the Board may have given different weights to different factors. The following discussion of the information and factors considered and evaluated by the Board is not intended to be exhaustive of all factors considered and evaluated by the Board and is not presented in any order of priority. The conclusions and recommendations of the Board were made in light of the totality of the information and factors considered.

Among other things, the Board considered the following factors:

- **Attractive price, reduced risk, and improved financial metrics:** The Transaction provides an opportunity to realize an attractive value for the assets in the RAL segment in circumstances where the shares have traded at approximately 53% of the net book value of the Corporation.³ If the Transaction closes and all of the Debentures are redeemed:
 - the Corporation's indebtedness for borrowed money will consist only of (i) amortizing secured debt against aircraft operated by the Corporation's subsidiary, Jazz, under the CPA and (ii) any balance that may be outstanding under the Operating Credit Facility from time to time;
 - the Corporation's ability to return capital to shareholders and invest in future growth will be enhanced due to the elimination of approximately \$58 million in combined annual interest payments on the Debentures and dividend payments on the Preferred Shares; and
 - the Corporation's earnings attributable to shareholders will increase due to the elimination of the Preferred Shares.
- **Result of robust process:** The Transaction is the result of an extensive process of soliciting possible interest from a broad set of third parties with interest in the regional aircraft leasing sector. This process initially explored a sale of a large portfolio of aircraft only and developed into a sale of the entire RAL segment only after the Board determined that a higher value could be realized by broadening the Transaction perimeter to include the Falko Group. The process was conducted by Chorus with the assistance of representatives of Goldman Sachs, an international investment bank with experience and expertise as a financial advisor in a wide variety of transactions, and with qualifications and experience advising, and familiarity with, companies operating in the aviation industry, including its experience as financial advisor to an affiliate of Fortress Investment Group LLC in its sale of Falko to Chorus, and in consultation with its legal advisors. See "Background to the Transaction".
- **Fairness Opinion:** Goldman Sachs has provided the Fairness Opinion that, as of July 30, 2024, and based upon and subject to the various assumptions, limitations and qualifications set forth therein, the Completion Consideration (as defined in the Sale and Purchase Agreement) to be paid to Chorus and CACC pursuant to the Sale and Purchase Agreement was fair, from a financial point of view, to Chorus. A copy of the Fairness Opinion is attached to this circular as Schedule C. See "*The Transaction – Fairness Opinion*".
- **Ability to respond to Superior Proposal:** Under the Sale and Purchase Agreement, the Board, in certain circumstances until shareholders have approved the Transaction, is able to consider, accept and enter into a definitive agreement with respect to a Superior Proposal (as defined in the Sale and Purchase Agreement), subject to payment of a USD\$25,000,000 Break Fee. Furthermore, shareholders and Chorus' directors that have entered into Voting Agreements are permitted to vote for and support a Superior Proposal upon the termination of the Sale and Purchase Agreement by Chorus entering into a definitive agreement with respect to a Superior Proposal.
- **Shareholder approval required:** The fact that the Transaction must be approved by the affirmative vote of not less than two-thirds (66 2/3%) of the votes cast thereon at the meeting by shareholders present in person or represented by proxy means that shareholders will be given the opportunity to approve the Transaction.
- **Supported by two of Chorus' largest shareholders:** BSI and Air Canada, the Corporation's two largest shareholders⁴, have entered into Voting Agreements pursuant to which they have (in

³ Refer to Schedule E for further information regarding the calculation of the Corporations price-to-book ratio.

⁴ Based on the knowledge of Chorus' directors and executive officers and on publicly available early warning reports and insider reports as of August 16, 2024.

accordance with, and subject to, the terms of their respective Voting Agreements) agreed to vote their shares in favour of the Transaction Resolution at the meeting.

- **Likelihood of Completion:** The Transaction is only subject to (i) shareholder approval at the meeting, and (ii) customary regulatory approvals and other conditions precedent. The Buyers are required to exercise all reasonable efforts to secure the required regulatory approvals subject to agreed limits in the Sale and Purchase Agreement. The Transaction is not subject to a financing condition, and the Buyers do not have the right to terminate Sale and Purchase Agreement due to an adverse change in the Sale Interests, market conditions, or a breach of warranty. Therefore, if shareholder approval is obtained at the meeting, it is likely that the Transaction will be completed.
- **Shareholders have Dissent Rights:** Registered shareholders who oppose the Transaction may, on strict compliance with certain conditions, exercise their Dissent Rights (as defined below) and receive the fair value of their shares in accordance with Section 190 of the CBCA.

In the course of their deliberations, the Board also considered the risks described in the "Risk Factors" section of this circular and other factors, including that:

- **Transitioning the RAL segment to an asset-light leasing model will take longer than originally anticipated:** When Chorus acquired Falko in May 2022, Chorus intended to transition its RAL segment to an asset-light leasing model by (i) leveraging Falko's experience as an aircraft trader to sell down Chorus' on balance sheet aircraft, and (ii) growing Falko's asset management revenue stream from managing third party capital by growing Falko's fund management business over time. However, between March 2022 and July 2023, the U.S. Federal Reserve Board raised the federal funds rate by a total of 525 basis points. Other central banks, including the Bank of Canada, followed a similar course, significantly increasing borrowing costs throughout the economy and increasing the risk-free rate for investors. Increased borrowing costs have made it more difficult to sell aircraft at attractive valuations and the higher risk-free rate has delayed capital allocation decisions by investors, particularly in relation to alternative asset classes such as aircraft. Although the pace and valuation of aircraft sales and fundraising for Fund III are both expected to improve as interest rates decrease, the timing and magnitude of any such decreases is uncertain, meaning that it may take several years to transition the RAL segment to an asset-light model. Any delay in transitioning the RAL segment to an asset-light model will delay Chorus' ability to return capital to shareholders and invest in future growth.

VOTING AGREEMENTS

On July 30, 2024, Air Canada, BSI and each member of the Board, respectively, as security holder, (collectively holding, directly or indirectly, or exercising control or direction over, an aggregate of 41,377,027 shares, which represented approximately 21.7% of the issued and outstanding shares, in each case, as of the record date) entered into a Voting Agreement pursuant to which such security holder, in accordance with, and subject to, the terms of their Voting Agreement, agreed to vote the shares which they beneficially own or over which voting control or direction is exercised in favour of the Transaction Resolution at the meeting.

The Voting Agreements may be terminated: (i) by written instrument executed by each of the Buyers and the security holder; (ii) by the security holder, provided the security holder is not in material default of its obligations under the Voting Agreement, upon the occurrence of certain breaches of the covenants, representations or warranties of the Buyers in the Voting Agreement or, in the case of the Voting Agreement of each of BSI and Air Canada, upon the making of certain amendments to the Sale and Purchase Agreement without the security holder's written consent; (iii) by the Buyers, provided the Buyers are not in material default of their obligations under the Voting Agreement, upon the occurrence of certain breaches of the covenants, representations or warranties of the security holder in the Voting Agreement; (iv) automatically upon the earliest of (a) the occurrence of the Completion Date; (b) the date on which the Sale and Purchase Agreement terminates or is terminated in accordance with its terms; and (c) in the case of the Voting Agreements of each of BSI and Air Canada, the date which is 240 days after the date of the relevant Voting Agreement.

FAIRNESS OPINION

Goldman Sachs rendered its opinion to the Board that, as of July 30, 2024, and based upon and subject to the various assumptions, limitations and qualifications set forth therein, the Completion Consideration (as defined in the Sale and Purchase Agreement) to be paid to Chorus and CACC pursuant to the terms of the Sale and Purchase Agreement was fair from a financial point of view to Chorus.

The full text of the Fairness Opinion which sets forth, among other things, the assumptions made, procedures followed, information reviewed and matters considered, and limitations on the review undertaken in connection with the Fairness Opinion, is attached as Schedule C to this circular. Goldman Sachs provided advisory services and the Fairness Opinion for the information and assistance of the Board in connection with its consideration of the Transaction. The Fairness Opinion is not a recommendation as to how any shareholder should vote with respect to the Transaction or any other matter.

In connection with rendering the Fairness Opinion and performing its related financial analyses, Goldman Sachs reviewed, among other things:

- the Sale and Purchase Agreement;
- annual reports to shareholders and the Annual Information Forms of Chorus for the three fiscal years ended December 31, 2023;
- certain interim reports to shareholders of Chorus and quarterly financial statements and MD&As;
- certain other communications from Chorus to its shareholders;
- certain publicly available research analyst reports for Chorus;
- audited financial statements for Chorus for the three fiscal years ended December 31, 2023;
- the audited balance sheet for CACC and CAIH LP (the "**Key Targets**") for the three-month period ended March 31, 2024;
- certain internal financial analyses and forecasts for the Key Targets, prepared by the management of Chorus, Falko and FIL, as approved for Goldman Sachs' use by Chorus (the "**Forecasts**");
- certain estimates, including as to the amount and economic impact of the components of Completion Consideration, in each case, as prepared by the management of Chorus and approved for Goldman Sachs' use by Chorus (the "**Adjustment Estimates**"); and
- certain third-party appraisal summaries with respect to the value of the aircraft included in the perimeter of the transaction and related fly-forward analyses for such aircraft (the "**Appraisals**").

Goldman Sachs also held discussions with members of the senior management of Chorus, Falko and FIL regarding their assessment of the strategic rationale for, and the potential benefits of, the Transaction and the past and current business operations, financial condition and future prospects of the Key Targets; reviewed the financial terms of certain recent business combinations in the aircraft leasing industry and in other industries; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of rendering the Fairness Opinion, Goldman Sachs has, with Chorus' consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs has assumed with Chorus' consent that the Forecasts and the Adjustment Estimates have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Chorus. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Chorus or any of

its subsidiaries and, except for the Appraisals, Goldman Sachs was not furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on Chorus or the expected benefits of the Transaction in any way meaningful to its analysis. Goldman Sachs has also assumed that the Transaction will be consummated on the terms set forth in the Sale and Purchase Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

The Fairness Opinion did not address the underlying business decision of Chorus to engage in the Transaction, or the relative merits of the Transaction as compared to any strategic alternatives that may be available to Chorus, nor did it address any legal, regulatory, tax or accounting matters. The Fairness Opinion addressed only the fairness from a financial point of view to Chorus, as of the date of the Fairness Opinion, of the Completion Consideration to be paid to Chorus and CACC pursuant to the Sale and Purchase Agreement. Goldman Sachs did not express any view on, and the Fairness Opinion did not address, any other term or aspect of the Sale and Purchase Agreement, the Transaction or any term or aspect of any other agreement or instrument contemplated by the Sale and Purchase Agreement, or entered into or amended in connection with the Transaction, including the Fund Representation Agreements (as defined in the Sale and Purchase Agreement), any allocation of the Completion Consideration, the GP Target Consideration (as defined in the Sale and Purchase Agreement), the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of Chorus; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Chorus, or class of such persons, in connection with the Transaction, whether relative to the Completion Consideration to be paid to Chorus pursuant to the Sale and Purchase Agreement or otherwise. In addition, Goldman Sachs does not express any opinion as to the prices at which Chorus' outstanding shares of common stock, no par value, will trade at any time, as to the potential effects of volatility in the credit, financial and stock markets on Chorus, the Buyers or the Transaction, as to the impact of the Transaction on the solvency or viability of Chorus or the Buyers or the ability of Chorus or the Buyers to pay their respective obligations when they come due. The Fairness Opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date of the Fairness Opinion, and Goldman Sachs assumed no responsibility for updating, revising or reaffirming the Fairness Opinion based on circumstances, developments or events occurring after such date. The Fairness Opinion was approved by a fairness committee of Goldman Sachs.

The Completion Consideration was determined through arm's-length negotiations between Chorus and the Buyers, and the Transaction was approved by the Board. Goldman Sachs provided advice to the Board in connection with, and participated in certain of the negotiations leading to, the Transaction. Goldman Sachs did not, however, recommend any specific amount of consideration to Chorus or the Board or that any specific amount of consideration constituted the only appropriate consideration for the Transaction.

As described above, the Fairness Opinion to the Board was one of many factors taken into consideration by the Board in making its determination to approve the Sale and Purchase Agreement. In evaluating the Transaction, the Board considered, among other things, the advice and financial analyses provided by Goldman Sachs referred to above, in addition to the Fairness Opinion. In assessing the Transaction, the Board took into account that a substantial portion of the fees payable to Goldman Sachs for its services is contingent on the Completion of the Transaction (as described below). The foregoing summary is qualified in its entirety by reference to the Fairness Opinion attached as Schedule C to this circular.

Goldman Sachs and its affiliates are engaged in advisory, underwriting, lending and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and its and their employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other

financial instruments of Chorus, the Buyers, any of their respective affiliates and third parties, including Brookfield Asset Management Inc., an affiliate of a significant shareholder of Chorus (for purposes of this paragraph only, "**Brookfield**"), or any of its respective affiliates and, as applicable, portfolio companies, or any currency or commodity that may be involved in the Transaction. Goldman Sachs acted as financial advisor to Chorus in connection with, and participated in certain of the negotiations leading to, the Transaction. Goldman Sachs has provided certain financial advisory and/or underwriting services to the Buyers and/or their affiliates and portfolio companies from time to time for which Goldman Sachs Investment Banking has received, and may receive, compensation, including having acted as bookrunner for HPS Corporate Lending Fund, a publicly-traded management investment company managed by an affiliate of the Buyers, in connection with its private placement of securities in November 2022 and its investment-grade bond offerings in January 2024 and June 2024. Goldman Sachs has also provided certain financial advisory and/or underwriting services to Brookfield and/or its affiliates and portfolio companies from time to time for which Goldman Sachs Investment Banking has received, and may receive, compensation, including having acted as bookrunners to Modulaire Group and Clarios, each portfolio companies of funds associated with Brookfield, in the repricings of their respective term loans, each in June 2024; as bookrunner to CDK Global Incorporated, a portfolio company of funds associated with Brookfield, in the repricings of its term loans, in October 2023 and May 2024; as bookrunner to BrandSafway, a portfolio company of funds associated with Brookfield, in the repricing of its term loan, in April 2024; and as bookrunner to Westinghouse Electric Company, LLC, a portfolio company of funds associated with Brookfield, in the refinancing of its term loan and revolving credit facility, in January 2024. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to Chorus, the Buyers, Brookfield and their respective affiliates and, as applicable, portfolio companies, for which Goldman Sachs Investment Banking may receive compensation. Affiliates of Goldman Sachs also may have co-invested with the Buyers and their affiliates from time to time and may have invested in limited partnership units of affiliates of Buyers from time to time and may do so in the future.

The Board selected Goldman Sachs as its financial advisor because, among other things, it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the Transaction. The Board engaged Goldman Sachs to act as its financial advisor in connection with the Transaction in December 2023, the terms of which were memorialized in a letter agreement dated June 3, 2024. The engagement letter between Chorus and Goldman Sachs provides for certain fees payable to Goldman Sachs, all of which are contingent upon the Completion of the Transaction. Chorus has also agreed to reimburse Goldman Sachs for certain of its expenses, including legal fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities.

Shareholders are urged to read the Fairness Opinion in its entirety. This summary of the Fairness Opinion is qualified in its entirety by reference to the full text of the Fairness Opinion attached as Schedule C to this circular.

COMPLETION DATE

The Transaction will be completed on the twentieth Business Day following the date on which the last of the conditions to Completion is satisfied or waived, or on such other date as the Sellers' Representative and the Buyers' Representative may agree.

SOURCES OF FUNDS

In connection with the Sale and Purchase Agreement, the Buyers delivered to Chorus the following:

- an equity commitment letter (the "**Equity Commitment Letter**") pursuant to which HPS has committed, subject to the terms and conditions set forth therein, to cause the funding of, or cause to be received by, the Buyers by way of direct and/or indirect contributions the aggregate amount set forth therein prior to Completion for, among other things, the purpose of facilitating the transactions contemplated by the Sale and Purchase Agreement; and
- a debt commitment letter (the "**Debt Commitment Letter**") pursuant to which each lender party thereto has committed, subject to the terms and conditions set forth therein, to lend to the Buyers

the amounts set forth therein for, among other things, the purpose of financing the transactions contemplated by the Sale and Purchase Agreement.

These equity and debt commitments represent all of the funds estimated to be required by the Buyers to consummate the Transaction.

The Sale and Purchase Agreement provides that the Buyers obtaining financing is not a condition to any of its obligations thereunder, regardless of the reasons why financing is not obtained or whether such reasons are within or beyond the control of the Buyers.

TRANSACTION'S IMPACT ON OUTSTANDING DEBENTURES AND PREFERRED SHARES

As of the date of this circular, Chorus has the following outstanding debentures: 5.75% senior unsecured debentures of the Corporation due December 31, 2024 (the "**Series A Debentures**"); 6.00% convertible senior unsecured debentures of the Corporation due June 30, 2026 (the "**Series B Debentures**"); and 5.75% senior unsecured debentures of the Corporation due June 30, 2027 (the "**Series C Debentures**", and together with the Series A Debentures and the Series B Debentures, the "**Debentures**"). The Series A Debentures may be redeemed at the option of the Corporation at any time prior to December 31, 2024, and each series of the outstanding Debentures contains a mandatory change of control redemption offer in the event that Chorus sells all or substantially all of the assets of the Corporation. Given that the Transaction may constitute a sale of all or substantially all of the assets of Chorus, following Completion, the Corporation intends to launch tender offers to redeem the Series B Debentures and Series C Debentures and, to the extent not previously redeemed, the Series A Debentures, in each case, in accordance with the terms of their respective indentures. If 90% or more of the aggregate principal amount of any given series of Debentures is tendered to the Corporation pursuant to a change of control offer, Chorus will have the right to redeem all of the remaining Debentures as more particularly described in the relevant indenture.

In addition, Chorus issued 300,000 Series 1 Preferred Shares (the "**Preferred Shares**") in May 2022 to finance the acquisition of Falko together with certain of its affiliates and equity interests in certain entities and aircraft managed by Falko and its affiliates. The holder of the Preferred Shares has a put right that is triggered in the event: (i) a fundamental change occurs, which includes the disposition by Chorus of a material business; or (ii) a change of control occurs, which includes, among other things, a sale of all or substantially all of the assets of Chorus. Chorus also has the right to redeem the Preferred Shares. Given that the Transaction will result in the disposition of Falko and may constitute a sale of all or substantially all of the assets of Chorus entitling the holder of the Preferred Shares to exercise its put right, upon Completion, Chorus intends to exercise its redemption right.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as described under the heading "Interests of Informed Persons in Material Transactions" or otherwise disclosed in this circular, to the knowledge of Chorus, none of the directors or executive officers of Chorus since the beginning of Chorus' last financial year, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, in any transaction since the commencement of Chorus' most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Chorus or any of its subsidiaries.

REQUIRED SHAREHOLDER APPROVAL

The Buyers and the Sellers are not required to complete the Transaction unless shareholders approve the Transaction Resolution. At the meeting, shareholders will be asked to consider, and if thought advisable, to pass the Transaction Resolution, the full text of which is set out in Schedule B to this circular, approving the Transaction. To be effective, the Transaction Resolution must be approved by the affirmative vote of at least two-thirds (66 2/3%) of the votes cast on the Transaction Resolution by shareholders present in person or represented by proxy at the meeting.

REQUIRED REGULATORY APPROVALS

The Buyers and the Sellers are not required to complete the Transaction unless each of the following regulatory and/or anti-trust conditions (the “**Regulatory Conditions**”) is satisfied or waived in accordance with the terms of the Sale and Purchase Agreement.

United States of America

Insofar as the Transaction satisfies the pre-merger notification thresholds identified in the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “**HSR Act**”):

- (i) all filings having been made and all or any applicable waiting periods (including any extensions thereof or any time periods set forth in any timing agreements with the United States antitrust authorities) under the HSR Act and the rules and regulations thereunder having expired, lapsed or been terminated as appropriate in each case in respect of the Transaction, or any matters arising from the Transaction; and
- (ii) no law, injunction (whether temporary, preliminary or permanent), or legal order having been enacted, entered, promulgated or enforced by any United States antitrust authority or United States court of law which prevents, makes illegal, prohibits, restrains or enjoins the closing of the Transaction, so long as such law, injunction, or legal order remains in effect and has not been lifted, vacated, or otherwise been made unenforceable.

Canada

Insofar as the Transaction satisfies the merger notification thresholds under the Competition Act (Canada), either of the following having occurred:

- (i) the issuance of an advance ruling certificate by the Commissioner of Competition under section 102(1) of the Competition Act (Canada) in respect of the Transaction; or
- (ii) (A) the applicable waiting period under subsection 123(1) of the Competition Act (Canada), and any extension thereof, having expired or having been terminated under subsection 123(2) of the Competition Act (Canada), or the obligation to submit a notification under Part IX of the Competition Act (Canada) having been waived by the Commissioner of Competition pursuant to paragraph 113(c) of the Competition Act (Canada); and (B) unless waived by the Buyers in their sole discretion, the Commissioner of Competition having issued a “no-action” letter confirming that the Commissioner of Competition does not at that time intend to make an application for an order under section 92 of the Competition Act (Canada) in respect of the Transaction and such “no action” letter remains in full force and effect on the Completion Date; and
- (iii) insofar as the Transaction satisfies the thresholds set out in Part IV of the Investment Canada Act (Canada), the Buyers have received written confirmation from the Minister of Innovation, Science, and Industry that he is satisfied or deemed to be satisfied that the Transaction is likely to be of net benefit to Canada.

COMESA

To the extent that the Transaction meets the thresholds for mandatory notification under the COMESA Regulations 2004 (as amended), the Transaction having received the written approval of the COMESA Competition Commission.

Ireland

The Transaction having been notified to the Irish Competition and Consumer Protection Commission (the "CCPC") pursuant to section 18(1) of the Irish Competition Act 2002 (as amended), and:

- (i) the CCPC having informed the Buyers pursuant to section 21(2)(a) of the Irish Competition Act 2002 (as amended) that it has made a determination that the Transaction may be put into effect; or
- (ii) the period specified in section 21(2) of the Irish Competition Act 2002 (as amended) having elapsed without the CCPC having informed the Buyers of the determination (if any) which it has made under section 21(2) of the Irish Competition Act 2002 (as amended).

South Africa

The South African Competition Commission:

- (i) approving the Transaction pursuant to the provisions of the Competition Act, no. 89 of 1998 in the currently applicable version; or
- (ii) not issuing a decision within the statutory time limit of 60 working days following acceptance of the relevant completed filing.

Jersey Financial Services Commission

The Jersey Financial Services Commission (the "JFSC") having provided its written consent, where required (such consent not having been amended or withdrawn), in relation to the change of control in respect of the Fund I GP, the Fund II GP and the Fund III GP resulting from the Transaction, including written confirmation that the JFSC does not object to:

- (i) the Buyers (or their direct or indirect shareholders or any other member of the Buyer Groups or any of the directors or officers of the Buyers or any other member of the Buyer Groups) becoming a shareholder controller, principal person and/or key person of the Fund I GP and/or the Fund II GP and/or the Fund III GP, as the case may be, for the purposes of the Financial Services (Jersey) Law 1998; or
- (ii) each of the current shareholder controllers ceasing to be directly or indirectly interested in 20%, 33% or 50% (as relevant) of the share capital of Fund I GP and/or the Fund II GP and/or the Fund III GP.

The clearances described under the headings 'USA', 'Canada', 'Ireland', 'COMESA' and 'South Africa' are the "**Merger Clearances**". The clearance described under the heading 'Jersey Financial Services Commission' and the Merger Clearances are, together, referred to as the "**Regulatory Approvals**" or the "**Buyer Conditions**".

STOCK EXCHANGE LISTING AND REPORTING ISSUER STATUS

If the Transaction is consummated, the shares will continue to be listed for trading on the TSX under the symbol "CHR", and Chorus will continue to be a reporting issuer (or equivalent) under the securities legislation of each of the provinces and territories of Canada and be required to prepare and file continuous disclosure documents.

RISK FACTORS

Shareholders should carefully consider the following risk factors in evaluating whether to approve the Transaction. These risk factors should be considered in conjunction with the other information included in this circular, including certain sections of documents publicly filed.

There can be no certainty that all conditions to the Transaction will be satisfied or waived. Failure to complete the Transaction could negatively impact the price of the shares or otherwise adversely affect the business of Chorus.

The Completion of the Transaction is subject to a number of conditions, certain of which are outside the control of Chorus, including the approval by the shareholders of the Transaction Resolution and receipt of Regulatory Approvals. With the exception of shareholders who have entered into Voting Agreements, shareholders are not obliged to vote in favour of the Transaction Resolution. Furthermore, although the Buyers are required to take all reasonable steps to secure Regulatory Approvals, the Buyers are not obliged to agree to any remedies as a condition to securing such Regulatory Approvals (i) which are, individually or in aggregate, material to the Target Groups and the GP Target taken as a whole, or (ii) in respect of any securities, businesses, assets or other aspects of the Buyer Groups other than (following Completion) concerning the Target Groups or any member of a Target Group. There can be no certainty, nor can Chorus provide any assurance, that these conditions will be satisfied or waived or, if satisfied or waived, when they will be satisfied or waived.

If the Transaction is not completed, the market price of the shares may decline to the extent that the market price reflects a market assumption that the Transaction will be completed. If the Transaction is not completed and the Board decides to seek another transaction, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the Completion Consideration to be paid pursuant to the Transaction or that the continued operation of the RAL segment under its current business model will yield equivalent or greater value to Chorus compared to the Transaction and the use of proceeds therefrom.

Certain costs related to the Transaction, such as its own legal, accounting and certain financial advisor fees, must be paid by Chorus even if the Transaction is not completed. Furthermore, if the Transaction is not completed because the Transaction Resolution is not approved by shareholders, Chorus will be required to reimburse the Buyers for certain costs they have incurred in connection with the Transaction to a limit of USD\$7,000,000.

In addition, since the Completion of the Transaction is subject to uncertainty, certain officers and employees of Chorus or the Falko Group may experience uncertainty about their future roles with Chorus or the Falko Group. This may adversely affect Chorus' or the Falko Group's ability to attract or to retain key management and personnel in the period until the Transaction is completed or terminated. See "The Transaction – Reasons for the Recommendation."

Events may occur preventing the Buyers' financing from being consummated.

Although the Sale and Purchase Agreement does not contain a financing condition, there is a risk that the conditions set forth in the Debt Commitment Letter may not be satisfied or that other events may arise which could prevent the Buyers from consummating the debt financing contemplated under the Debt Commitment Letter. Since the Buyers are special purpose entities with limited assets, if the Buyers are unable to consummate the debt financing contemplated by the Debt Commitment Letter or the equity investors party to the Equity Commitment Letter are unable to fund the Buyers or otherwise meet their obligations under the Equity Commitment Letter, the Buyers are unlikely to be able to fund the Completion Consideration required to complete the Transaction. In such event, absent the ability of Chorus to specifically enforce the Buyers' obligations to complete the Transaction as provided in the Sale and Purchase Agreement, Chorus' recourse may be limited.

The Sale and Purchase Agreement may be terminated in certain circumstances.

Each of Chorus and the Buyers has the right to terminate the Sale and Purchase Agreement in certain circumstances. Accordingly, there is no certainty, nor can Chorus provide any assurance, that the Sale and Purchase Agreement will not be terminated by either Chorus or the Buyers before the Completion of the Transaction. If the Sale and Purchase Agreement is terminated and the Transaction is not completed, the market price of the shares may decline to the extent that the market price reflects a market assumption that the Transaction will be completed. If the Board decides to seek another transaction, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the Completion Consideration to be paid pursuant to the Transaction or that the continued operation of the RAL segment under its current business model will yield equivalent or greater value to Chorus compared to the Transaction and the use of proceeds therefrom. See "The Sale and Purchase Agreement – Termination".

The Break Fee under the Sale and Purchase Agreement may discourage other parties from attempting to acquire the RAL segment or Chorus.

Under the Sale and Purchase Agreement, Chorus is required to pay a Break Fee of USD\$25,000,000 in the event that (i) the Board makes a Recommendation Change, (ii) Chorus (or an affiliate thereof) enters into a definitive agreement with respect to a Superior Proposal, and (iii) the Sale and Purchase Agreement is terminated. The Break Fee may discourage other parties from attempting to acquire the RAL segment or Chorus, even if those parties would otherwise be willing to offer greater value than that offered under the Transaction. See "The Sale and Purchase Agreement – Fees and Costs".

If Chorus is unable to complete the Transaction or if the Completion of the Transaction is delayed, there could be an adverse effect on Chorus' business, financial condition, operating results and the price of its shares.

The Completion of the Transaction is subject to the satisfaction of certain closing conditions, including the approval by shareholders of the Transaction Resolution and receipt of Regulatory Approvals. A substantial delay in satisfying any of the conditions to closing, could have an adverse effect on the business, financial condition or results of operations of Chorus. If (a) shareholders do not approve the Transaction Resolution, (b) the Buyers are unwilling to accept remedies which are material to the Target Groups and the GP Target as a whole or remedies in respect of the Buyer Groups (excluding, following Completion, the Target Groups and the GP Target) as condition to securing the Regulatory Approvals, or (c) Chorus or the Buyers otherwise fail to satisfy, or obtain a waiver of the satisfaction of, other conditions to Completion, the Sale and Purchase Agreement may be terminated, which could have various adverse consequences for Chorus, including that Chorus would remain liable for significant costs relating to the Transaction, including, among others, certain legal, accounting, financial and tax advisory, and printing expenses. Furthermore, if the Sale and Purchase Agreement is terminated because shareholders do not approve the Transaction Resolution, Chorus will also be required to reimburse the Buyers for certain costs they have incurred in connection with the Transaction to a limit of USD\$7,000,000.

While the Transaction is pending, Chorus is restricted from taking certain actions.

Under the Sale and Purchase Agreement, Chorus must generally conduct the business of the RAL segment in the ordinary course, and before the Completion of the Transaction or termination of the Sale and Purchase Agreement, Chorus is restricted from taking certain specified actions without the consent of the Buyers, including with respect to selling or encumbering assets in the RAL segment, refinancing assets or existing debt in the RAL segment, hiring, dismissing or otherwise changing the terms of employment of employees in the RAL segment, closing Fund III or launching a new investment fund. See "The Sale and Purchase Agreement – Seller Gap Period Undertakings".

The Transaction may divert the attention of management.

The Transaction could cause management's attention to be diverted from the day-to-day operations of Chorus and the RAL segment, respectively. These disruptions could be exacerbated by any delay in the Completion of the Transaction and could have an adverse effect on the business, operating results or prospects of Chorus, particularly if the Transaction fails to close.

Potential payments to shareholders who exercise Dissent Rights could have an adverse effect on Chorus' financial condition.

Registered shareholders have the right to exercise Dissent Rights and to demand payment equal to the fair value of their shares in cash. If Dissent Rights are validly exercised in respect of a significant number of shares, a substantial cash payment may be required to be made to such shareholders, which would have an adverse effect on the Chorus' financial condition and cash resources.

Chorus will have broad discretion in the use of the net proceeds of the Transaction.

Chorus' management has broad discretion concerning the use of the net proceeds from the Transaction as well as the timing of their expenditures, and there can be no assurance as to how the funds will be allocated and there can be no assurance that any of the organic growth projects, strategies or processes Chorus chooses to pursue will result in increased earnings, or that Chorus will be successful in realizing the full potential of the growth opportunities, strategies and processes it pursues. See "Risk factors – Chorus fails to diversify and grow its business" in the Chorus' AIF and "Strategy" in Chorus' most recent annual and interim MD&As. The failure by Chorus' management to apply these funds could result in financial losses that could have a material adverse effect on Chorus' business and cause the price of the shares to decline. Pending their use, Chorus may invest the net proceeds in a manner that does not produce income or that loses value.

Chorus' business will be less diversified following the Completion of the Transaction.

If the Transaction is completed, Chorus' business will be less diversified. As a result, Chorus will likely be impacted more acutely by its economic dependence on Air Canada and factors affecting the industry or the regions in which it operates than it would if it were a more diversified business, thereby negatively impacting its risk profile, including its financial condition and results of operations. See "Economic Dependence" in Chorus' most recent annual and interim MD&As and the discussion of risks relating to the CPA in the "Risk Factors" section of the AIF.

Certain aircraft loans in the RAL segment will be maturing prior to the Completion of the Transaction. Failure to complete the Transaction may result in the need to refinance these loans at terms that could be less favourable to Chorus.

Chorus has certain aircraft loans in the RAL segment that mature during the pendency of the Transaction or shortly after the longstop date in the Sale and Purchase Agreement. Chorus intends to secure extensions from the lenders pursuant to such loans to enable their prepayment upon Completion. However, if the Transaction terminates, Chorus may have to refinance these loans. There can be no assurances that the refinancing will be available in amounts required or on terms as favourable to Chorus as the terms of the existing loans. If Chorus is unable to refinance these loans on acceptable terms to Chorus, or at all, the Corporation could be required to liquidate a portion or all of its assets at times which may not permit realization of the maximum return on such assets. These losses could have an adverse effect on the business, operating results or prospects of Chorus.

Limited ability to return capital to shareholders or invest in growth if the Transaction does not close.

Chorus has significant debt servicing costs and repayment obligations, as well as dividend payment obligations in respect of its Preferred Shares. Although Chorus has been generating significant Free Cash Flow, substantially all of it is currently applied toward servicing the interest on its debt, paying the dividend on the Preferred Shares and making scheduled principal payments under amortizing aircraft debt in the RAL segment. Furthermore, Chorus has debt maturities in respect of its Debentures on

December 31, 2024 (\$86,250,000), June 30, 2026 (\$72,500,000) and June 30, 2027 (\$85,000,000), and faces escalating dividend costs and restrictive covenants beginning May 3, 2028 if it has not redeemed all of its Preferred Shares by that date. Chorus expects to generate sufficient cash over the relevant periods to repay these amounts if the Transaction does not close; however, there can be no assurance that Chorus will be successful in doing so, and variability as to the timing and quantum of net proceeds from asset sales may limit Chorus' ability to increase or sustain share buybacks, pay dividends on the shares, or invest in future growth.

Risk Factors Related to the Business of Chorus.

Whether or not the Transaction is completed, Chorus will continue to face many of the risks that it currently faces with respect to its business and affairs. A description of the risk factors applicable to Chorus is contained under the heading "Risk Factors" section of Chorus' AIF (which section is specifically incorporated by reference into this circular), which can be found on our website at www.chorusaviation.com and under our profile on SEDAR+ at www.sedarplus.ca.

THE SALE AND PURCHASE AGREEMENT

The Transaction will be carried out pursuant to the Sale and Purchase Agreement. The following is a summary of the principal terms of the Sale and Purchase Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Sale and Purchase Agreement, which is incorporated by reference herein and has been filed under Chorus' profile on SEDAR+ at www.sedarplus.ca.

General

The Sellers and the Buyers entered into the Sale and Purchase Agreement on July 30, 2024.

Conditions to the Transaction Becoming Effective

Shareholder Approval and Regulatory Conditions

The Buyers and the Sellers are not required to complete the Transaction unless each of the Buyer Conditions and the Seller Condition is satisfied or waived in accordance with the terms of the Sale and Purchase Agreement. See "Required Shareholder Approval" and "Required Regulatory Approvals" sections of this circular for further information.

Mutual Compliance Condition

Additionally, neither the Buyers nor the Sellers are required to complete the Transaction unless: (i) each Seller (in the case of any Buyer) or each Buyer (in the case of any Seller) complies with all its material obligations under clause 6 and Schedule 5 of the Sale and Purchase Agreement; and (ii) the sale and purchase of all of the Sale Interests is completed simultaneously (collectively, the "**Completion Requirements Condition**").

Additional Condition regarding Security Discharge

Further, neither the Buyers nor the Sellers are required to complete the Transaction unless either (i) all security in relation to, and encumbrances securing, the Prepayment Financing are fully and finally released and discharged (effective in each case upon Completion) or (ii) the Buyers' Representative consents in writing to the waiver of all or part of this requirement (the "**Security Condition**", and together with the Buyer Conditions, the Seller Condition and the Completion Requirements Condition, the "**Conditions**").

Obligations of Parties Regarding Satisfaction of Conditions

The Sale and Purchase Agreement contains customary obligations on the Buyers and the Sellers with respect to the satisfaction of the Conditions.

Obligations of Buyers

The Buyers have agreed to use all reasonable efforts to achieve satisfaction of the Buyer Conditions as soon as possible after the date of the Sale and Purchase Agreement (i.e., July 30, 2024) and in any event not later than 5.00 p.m. London time on the Longstop Date. This includes taking all reasonable steps in order to obtain any consent or approval of a Governmental Agency that is required, or in order to perform any action required by a Governmental Agency, in each case, for Completion to occur, including:

- (i) in the case of the Merger Clearances, providing within the time limits required by applicable law, any commitments, undertakings, obligations or other remedies concerning the Target Groups or any member of a Target Group (including the sale, divestiture, licence or disposition of any businesses or assets of a Target Group or any member of a Target Group) that any Governmental Agency indicates may be required in order to procure the satisfaction of any such Condition by the Longstop Date, including proposing, negotiating, offering to commit, accepting and agreeing with the relevant Governmental Agency to effect (and if such offer is accepted, commit to effect) by agreement, order or otherwise the sale, divestiture, license or disposition of any necessary securities, business or assets of a Target Group or any member of a Target Group, and to procure that all such steps are taken by all relevant persons, provided that the Buyers are not obliged to agree to any remedies (a) which are, individually or in the aggregate, material to the Target Groups and the GP Target taken as a whole, or (b) in respect of any securities, businesses, assets or other aspects of the Buyer Groups other than (following Completion) concerning the Target Groups or any member of a Target Group; and
- (ii) in the case of the Buyer Condition set out at clause 5.1(g) of the Sale and Purchase Agreement (relating to the consent of the JFSC), to the extent any consent or notification of no objection or similar is given subject to any conditions or undertakings required by the JFSC, the Buyers are required to accept such other conditions and/or other undertakings in the form proposed and take all other steps necessary to satisfy such Buyer Condition provided that the Buyers are not obliged to agree to any such conditions, undertakings or remedies (a) which are, individually or in the aggregate, material to the Target Groups and the GP Target taken as a whole, or (b) in respect of any deregulation, divestment, restructuring or refinancing of any securities, businesses, assets or other aspects of the Buyer Groups other than (following Completion) concerning the Target Groups or any member of a Target Group,

in each case subject to the Sellers having complied with their respective obligations pursuant to clause 5.6(b) of the Sale and Purchase Agreement in connection with any of the foregoing steps required to be taken by the Buyers.

Obligations of Sellers

Each Seller has agreed to:

- (i) make any Seller Filings required to be sent or submitted to satisfy the Buyer Conditions within 15 Business Days after the date of the Sale and Purchase Agreement (i.e., July 30, 2024); and
- (ii) provide (or procure, so far as it is able to, the provision of), without unreasonable delay (having regard to any applicable deadlines), such information, documentation, reasonable co-operation and reasonable assistance to the Buyers as any Buyer may reasonably request in connection with the satisfaction of the Buyer Conditions, including:

- (a) any information reasonably requested by a Buyer relating to a Seller, any member of any Seller Group, any member of any Target Group and/or the GP Target that is necessary to assist the Buyers in preparing Filings (other than Seller Filings), submissions, correspondence and communications related to the Merger Clearances;
- (b) any information requested by any Governmental Agency relating to a Seller, any member of any Seller Group, any member of any Target Group and/or the GP Target;
- (c) reasonable access to personnel of a Seller, any member of any Seller Group, any member of any Target Group and/or the GP Target, where necessary to support in the obtaining of the Merger Clearances; and
- (d) any other assistance as any Buyer may reasonably request where necessary to support in the obtaining of the Merger Clearances.

Prohibitions on Agreements or Arrangements Impeding Fulfilment of Conditions

Both the Buyers and the Sellers have agreed not to, prior to the earlier of (i) Completion or (ii) termination of the Sale and Purchase Agreement in accordance with its terms, enter into or perform (and have agreed to procure that, in the case of the Sellers, none of the members of the Principal Target Groups nor any Affiliate controlled by the Sellers or, in the case of the Buyers, no Purchaser Parent Fund shall enter into or perform) any agreement or arrangement which would, or is reasonably likely to, materially delay, impede or prejudice the fulfilment of any of the Conditions, including, in the case of the Buyers, any acquisition of a competing business of a Target Group.

Waiver of Conditions

The Buyers' Representative (on behalf of the Buyers jointly) may, at any time, waive in whole or in part and conditionally or unconditionally the Buyer Conditions other than the Buyer Condition in clause 5.1(a) of the Sale and Purchase Agreement (i.e., the Merger Clearance relating to the United States of America), provided that the prior written consent of the Sellers' Representative is required if the relevant waiver would, or would be reasonably likely to: (i) have a material adverse effect on the Seller Groups as a whole; or (ii) result in a breach of law by a member of the Seller Groups. The Buyers' Representative (on behalf of the Buyers) and the Sellers' Representative (on behalf of the Sellers jointly) may together, at any time, waive in whole or in part and conditionally or unconditionally the Buyer Condition in clause 5.1(a) of the Sale and Purchase Agreement and the Seller Condition by agreement in writing.

Consideration Mechanic and No-Leakage Undertaking

Consideration

The consideration payable for the sale and purchase of the CAIH LP Interests and CALI Interests (being the Completion Consideration) is determined by a customary locked box mechanism, pursuant to which the Buyers and the Sellers have agreed an initial Equity Value for the CAIH LP Interests and CALI Interests as at the Locked Box Date (being December 31, 2023) which is adjusted in accordance with Schedule 3 of the Sale and Purchase Agreement to determine the Completion Consideration. The principal elements of the Completion Consideration are as follows:

- an Equity Value for each of the CAIH LP Interests and the CALI Interests (totaling USD\$578,362,678); *plus*
- an amount equal to 8% per annum accruing on the Equity Value for the period from (but excluding) the Locked Box Date to (and including) the Completion Date; *less*
- amounts relating to the costs of prepayment of certain Debt Financing, including the Pay-Off Amount less the aggregate amount of outstanding principal and accrued but unpaid interest thereon relating to the Prepayment Financing; *plus*

- the aggregate amount of any Capital Contributions made by the Sellers in accordance with Part A of Schedule 3 of the Sale and Purchase Agreement; *plus*
- an amount equal to 8% per annum accruing on any Capital Contribution (other than a Capital Contribution as contemplated by paragraph (a)(i)(1) of the definition of Capital Contribution in the Sale and Purchase Agreement) for the period from (but excluding) the date on which such Capital Contribution was made to (and including) the Completion Date; *less*
- the total amount of any Leakage to, or to benefit, the Relevant Leakage Persons; *less*
- an amount equal to 8% per annum accruing on any such Leakage item for the period from (but excluding) the date that such Leakage item occurred to (and including) the Completion Date, and taking into account various other agreed adjustments (both positive and negative) as are more particularly described in Schedule 3 of the Sale and Purchase Agreement.

The consideration for the GP Target is fixed at USD\$1.

The Completion Consideration and the consideration for the GP Target are payable on Completion in accordance with the terms of the Sale and Purchase Agreement. There is no holdback amount or element of deferred consideration.

No-leakage undertaking

The Sellers have given a customary 'no-leakage' undertaking to the Buyers, pursuant to which the Sellers are liable to pay to the Buyers any amount of Leakage (other than Permitted Leakage, as is set out in Schedule 8 of the Sale and Purchase Agreement) to or for the benefit of any Relevant Leakage Person during the period from (and excluding) the Locked Box Date to (and including) and the Completion Date. The Buyers must notify the Sellers' Representative of any claim for such Leakage within the 6-month period following Completion, otherwise the Sellers will not be liable for such claim. Where any Leakage becomes known prior to Completion, the Completion Consideration is reduced by a corresponding amount (plus an accrual thereon) as is more particularly described under the "Consideration" section above.

Seller Gap Period Undertakings

Clauses 7.2 to 7.13 of the Sale and Purchase Agreement impose certain requirements on the Sellers with respect to the management and running of the business of the Target Groups and the GP Target in the gap between the date of signing of the Sale and Purchase Agreement and Completion (the "**Gap Period**").

During the Gap Period, the Sellers must generally conduct the business of the Target Groups and the GP Targets in the ordinary course and in compliance with applicable laws and contractual obligations. Further, there are restrictions on specified actions without the consent of the Buyers, including with respect to (and without limitation):

- (i) acquiring, selling or encumbering assets in Target Groups or the GP Target;
- (ii) refinancing assets or existing debt in the Target Groups or the GP Target;
- (iii) hiring, dismissing or otherwise changing the terms of employment of employees;
- (iv) changing the share capital structure or taking other corporate actions (e.g., liquidations) relating to entities in the Target Groups or the GP Target;
- (v) amending the terms of, or terminating, Material Contracts or Lease Documents connected to the Target Groups or the GP Target;
- (vi) closing Fund III; or

- (vii) launching a new investment fund.

Please refer to clauses 7.2 to 7.13 of the Sale and Purchase Agreement for further information regarding these Gap Period undertakings.

The nature of the Sellers' obligations under the relevant clauses of the Sale and Purchase Agreement differs with respect to their application to Controlled Entities on the one hand and Non-Controlled Entities on the other hand:

- (i) The Sellers are required to procure that the Controlled Entities comply with the relevant provisions of clause 7 of the Sale and Purchase Agreement.
- (ii) The Sellers' obligations under certain provisions of clause 7 are qualified with respect to Non-Controlled Entities. If a Non-Controlled Entity seeks consent from a member of a Seller Group or a Principal Target Group, Chorus Aviation Investment Holdings LP or Falko RAOF Founder Partner III L.P. to do something that is not permitted under the relevant provisions of clause 7, the Sellers are generally obliged to procure that such person does not provide consent to that thing. The Sellers are not, however, under a hard obligation to procure that Non-Controlled Entities generally comply with clause 7 of the Sale and Purchase Agreement by procuring that the Non-Controlled Entities do not do the thing that is restricted (save that there are some exceptions, including without limitation clause 7.10 of the Sale and Purchase Agreement, where the Sellers are under a hard obligation to procure compliance by the Non-Controlled Entities).

No Shop Obligations and Right to Match

No Shop

Subject to clause 9.20 of the Sale and Purchase Agreement, until the earlier of Completion or termination of the Sale and Purchase Agreement in accordance with its terms, each Seller has agreed to (and agreed to procure that the members of the Seller Groups, the Relevant Persons who are Controlled Entities and their respective Representatives will):

- (i) withdraw immediately from, and not enter into, any discussions, negotiations or dealings with any person that is not a member of the Buyer Groups or their Affiliates or Representatives relating to a (a) Restricted Transaction or (b) Chorus Acquisition Proposal; and
- (ii) not directly or indirectly:
 - (a) without prejudice to clause 5.11 of the Sale and Purchase Agreement, solicit proxies, or become a participant in a solicitation, in opposition to, or competition with, the Sale and Purchase Agreement or the Transaction;
 - (b) other than a Recommendation Change in accordance with clause 5.11 of the Sale and Purchase Agreement, publicly withdraw support from the Transaction or publicly approve or recommend any Chorus Acquisition Proposal or Restricted Transaction;
 - (c) other than in accordance with clause 5.11 of the Sale and Purchase Agreement, enter, or propose publicly to enter, into any agreement, arrangement or understanding related to any Chorus Acquisition Proposal or Restricted Transaction;
 - (d) without prejudice and subject to clause 9.20 of the Sale and Purchase Agreement, solicit, initiate or knowingly encourage or otherwise knowingly facilitate any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, a Restricted Transaction or a Chorus Acquisition Proposal; or
 - (e) without prejudice to clause 5.11 of the Sale and Purchase Agreement, requisition or join in the requisition of any meeting of securityholders of Chorus for the purpose of considering any resolution related to a Chorus Acquisition Proposal or Restricted Transaction or, without the consent of the Buyers, any other matter that could reasonably

be expected to adversely affect, prevent or materially delay the meeting or the Completion of the Transaction.

Inbound Approaches

If any member of a Seller Group, any member of a Principal Target Group, the GP Target or any of their respective Representatives receives or otherwise becomes aware of an inquiry, proposal or offer that constitutes, or could reasonably be expected to constitute or lead to, a Restricted Transaction or a Chorus Acquisition Proposal (an “**Inbound Approach**”), or any related request for information, access or disclosure of confidential information relating to any member of a Seller Group, any member of a Target Group or the GP Target in connection with an Inbound Approach, Chorus is required to promptly (and in any event within one Business Day) notify the Buyers’ Representative of such Inbound Approach or related request. Chorus is required to keep the Buyers reasonably informed of the status of such Inbound Approach or related request, including with respect to engagement and the status of any discussions or negotiations (to the extent permitted in accordance with clause 9.20 of the Sale and Purchase Agreement) and any material changes to any such Inbound Approach or related request.

Notwithstanding the “no shop” obligations described above and in clause 9.18 of the Sale and Purchase Agreement, if, prior to the Transaction Resolution being approved by the shareholders, any member of a Seller Group, any member of a Principal Target Group, the GP Target or any of their respective Representatives receives an Inbound Approach, Chorus may (i) respond to such Inbound Approach and engage and participate in discussions or negotiations with the possible alternative purchaser (the “**Alternative Purchaser**”) and (ii) provide the Alternative Purchaser with information in relation to the Target Groups and/or the GP Target, in each case, if and only to the extent that:

- (i) the Board first determines acting reasonably after consultation with its financial advisors and external legal counsel, that such Inbound Approach constitutes or may reasonably be expected to result in, a Superior Proposal; and
- (ii) Chorus has been, and continues to be, in compliance with its obligations under clause 9.18 (i.e., the ‘no-shop’ obligations outlined in the ‘No Shop’ section of this circular) and clause 9.19 (i.e., the obligations dealing with inbound approaches described in the previous paragraph of the “Inbound Approaches” section of this circular) of the Sale and Purchase Agreement.

Right to Match

If any member of a Seller Group, any member of a Principal Target Group, the GP Target or any of their respective Representatives receives an Inbound Approach that the Board determines constitutes or, following permitted negotiations with the Alternative Purchaser in accordance with clause 9.20 of the Sale and Purchase Agreement, subsequently constitutes a Superior Proposal before the Transaction Resolution is approved by the shareholders, Chorus is required to, and Chorus has agreed to procure that the members of the Seller Groups and the Relevant Persons who are Controlled Entities will, save to the extent doing so would result in a breach of applicable law that is material to the Seller Groups as a whole:

- (i) notify the Buyers’ Representative in writing, that the Board has determined that such Inbound Approach constitutes or, following permitted negotiations with the Alternative Purchaser in accordance with clause 9.20 of the Sale and Purchase Agreement, subsequently constitutes a Superior Proposal, at least five Business Days prior to any Recommendation Change and otherwise in compliance with clause 5.11 of the Sale and Purchase Agreement, including the amount and type of consideration offered by the Alternative Purchaser, a copy of any proposed definitive agreement(s) in respect of such Superior Proposal and any ancillary documents containing material terms and conditions of such Superior Proposal, including the cash value that the Board has, after consultation with its external financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal (this notice being referred to in the Sale and Purchase Agreement as a Right to Match Notice);

- (ii) provide the Buyers with any material information relating to the Target Groups and/or the GP Target not previously made available to the Buyer Groups or any of its Representatives, which had been shared by or on behalf of Chorus or any member of the Seller Groups or the Relevant Persons (excluding the Non-Controlled Entities) with the Alternative Purchaser in connection with its Inbound Approach; and
- (iii) (a) offer the Buyers a right (but not the obligation) to amend the Sale and Purchase Agreement and other relevant transaction documents in order for such Inbound Approach to cease to be a Superior Proposal (this right being referred to in the Sale and Purchase Agreement as the Right to Match), and (b) not effect a Recommendation Change prior to the earlier of (1) the time at which the Buyers' Representative gives notice in writing to the Sellers' Representative that it will not exercise the Right to Match; and (2) the expiry of the Acceptance Period, or (3) if the Buyers' Representative gives notice in writing to exercise the Right to Match, the end of the 10 Business Day period following the Buyers' Representative responding to the Right to Match (or such other period as may be agreed) during which the Sellers and the Buyers, each acting reasonably, shall negotiate and amend the terms of the Sale and Purchase Agreement and the other relevant transaction documents to make it (and them) reflect the terms of such Right to Match, in each case, subject to clause 5.11 of the Sale and Purchase Agreement.

The Buyers have five (5) Business Days following receipt of the Right to Match Notice, or such longer period as Chorus may approve in writing (this period being referred to in the Sale and Purchase Agreement as the "Acceptance Period"), to respond to the Right to Match by notice in writing from the Buyers' Representative and may either irrevocably accept or reject the Right to Match (including providing the Buyers' proposed terms) by no later than the end of such Acceptance Period. Each successive amendment to any Superior Proposal constitutes a new Superior Proposal and the Buyers will be afforded a new five (5) Business Day Acceptance Period in connection with such new Superior Proposal.

If, during the Acceptance Period, the Buyers' Representative notifies Chorus in writing that the Buyers are exercising the Right to Match and the Board determines that such Right to Match would, upon acceptance, result in the Inbound Approach previously constituting a Superior Proposal ceasing to be a Superior Proposal, the Sellers and the Buyers, each acting reasonably, shall negotiate and amend the terms of the Sale and Purchase Agreement and the other relevant transaction documents to make it (and them) reflect the terms of such Right to Match.

If:

- (i) the Buyers' Representative gives written notice to Chorus that the Buyers do not intend to accept the Right to Match; or
- (ii) the Buyers' Representative and the Buyers provide no response to the Right to Match during the Acceptance Period; or
- (iii) the Sellers and the Buyers fail to amend the terms of the Sale and Purchase Agreement and/or other relevant transaction document(s) within 10 Business Days of the Buyers' Representative responding to the Right to Match (or such other period as may be agreed for this purpose),

the Buyers will be deemed to have rejected the Right to Match and Chorus will be free to negotiate an agreement in relation to the relevant Superior Proposal or Chorus Acquisition Proposal with the relevant Alternative Purchaser subject to keeping the Buyers' Representative (on behalf of the Buyers) reasonably informed as to status and timing and the Board shall then have the right to effect a Recommendation Change.

Recommendation Changes

At any time before the Transaction Resolution is approved by Chorus shareholders, the Board is permitted under the terms of the Sale and Purchase Agreement to make a determination to not make,

or to withdraw, revoke or to adversely qualify, modify or amend, the Board Recommendation (a "**Recommendation Change**") if and only if: (i) Chorus has received a Superior Proposal not in breach of the Sale and Purchase Agreement; and (ii) the Board, having duly consulted its financial advisors and external legal counsel, determines (acting reasonably) that failure to make a Recommendation Change is, or would be, inconsistent with its fiduciary duties; and (iii) Chorus or any member of the Seller Groups so authorised by the Board has entered into a definitive agreement with respect to such Superior Proposal in accordance with the Sale and Purchase Agreement following compliance with, and subject to, the no-shop and right to match provisions in the Sale and Purchase Agreement.

Termination

The Sale and Purchase Agreement may not be terminated by any party other than as detailed in this "Termination" section of this circular.

Pursuant to clauses 6.15 and 6.17 of the Sale and Purchase Agreement, if Completion does not take place because:

- (i) any Buyer or Seller does not comply with its material obligations under clause 6 and Schedule 5 of the Sale and Purchase Agreement, then:
 - (a) provided no Seller is in default of such material obligations, the Sellers shall proceed to Completion to the extent reasonably practicable or postpone Completion to a date which is not more than 20 Business Days after the Completion Date; or
 - (b) provided no Buyer is in default of such material obligations, the Buyers shall proceed to Completion to the extent reasonably practicable or postpone Completion to a date which is not more than 20 Business Days after the Completion Date; or
- (ii) the Security Condition is not satisfied or waived by the Buyers, then:
 - (a) provided no Seller is in default of its material obligations under clause 6, clause 7.27 and Schedule 5 of the Sale and Purchase Agreement, the Sellers shall postpone Completion to a date which is not more than 20 Business Days after the Completion Date; or
 - (b) provided no Buyer is in default of its material obligations under clause 6, clause 7.27 and Schedule 5 of the Sale and Purchase Agreement, the Buyers shall postpone Completion to a date which is not more than 20 Business Days after the Completion Date,

(such postponed Completion Date being the "**Extended Completion Date**"). If Completion does not take place on the Extended Completion Date because:

- (iii) any Buyer or Seller does not comply with any of its material obligations under clause 6 and Schedule 5 of the Sale and Purchase Agreement, then:
 - (a) provided no Seller is in default of such material obligations, the Sellers may proceed to Completion to the extent reasonably practicable or terminate the Sale and Purchase Agreement; or
 - (b) provided no Buyer is in default of such material obligations, the Buyers may proceed to Completion to the extent reasonably practicable or terminate the Sale and Purchase Agreement; or
- (iv) the Security Condition is not satisfied or waived by the Buyers, then:
 - (a) provided no Seller is in default of its material obligations under clause 6, clause 7.27 and Schedule 5 of the Sale and Purchase Agreement, the Sellers may terminate the Sale and Purchase Agreement; or

- (b) provided no Buyer is in default of its material obligations under clause 6, clause 7.27 and Schedule 5 of the Sale and Purchase Agreement, the Buyers may terminate Sale and Purchase Agreement.

Each of the Sellers' Representative (on behalf of the Sellers), on the one hand, and the Buyers' Representative (on behalf of the Buyers), on the other hand, have the right to terminate the Sale and Purchase Agreement with immediate effect pursuant to clause 5.13(b) of the Sale and Purchase Agreement if the Board makes a Recommendation Change.

Each of the Sellers' Representative (on behalf of the Sellers), on the one hand, and the Buyers' Representative (on behalf of the Buyers), on the other hand, have the right to terminate the Sale and Purchase Agreement with immediate effect pursuant to clause 5.15 of the Sale and Purchase Agreement if the Transaction Resolution is not passed by the shareholders.

If any of the Conditions have not been satisfied or waived by 5.00 p.m. London time on the Longstop Date, the Buyers' Representative (but only if all Buyers have complied with their obligations under clause 5 of the Sale and Purchase Agreement) or the Sellers' Representative (but only if all Sellers have complied with their obligations under clause 5 of the Sale and Purchase Agreement) may terminate the Sale and Purchase Agreement pursuant to clause 5.20 of the Sale and Purchase Agreement.

Fees and Costs

The Buyers and the Sellers are responsible for paying their own costs relating to the negotiation, preparation and execution of the Sale and Purchase Agreement and the other documents referred to therein except as expressly identified otherwise therein.

Notwithstanding the foregoing:

- If the Board makes a Recommendation Change prior to the Longstop Date and the Sellers' Representative (on behalf of the Sellers) or the Buyers' Representative (on behalf of the Buyers) elects to terminate the Sale and Purchase Agreement in accordance with clause 5.13(b) of the Sale and Purchase Agreement, the Sellers are liable to pay a Break Fee of USD\$25,000,000 (inclusive of any applicable VAT) to HPS within 5 Business Days of such termination of the Sale and Purchase Agreement.
- If the Transaction is not approved by Chorus shareholders at the meeting and the Sellers' Representative (on behalf of the Sellers) or the Buyers' Representative (on behalf of the Buyers) elects to terminate the Sale and Purchase Agreement in accordance with clause 5.15 of the Sale and Purchase Agreement, the Sellers' Representative is obliged to (on behalf of the Sellers) pay or procure the payment to HPS of the aggregate amount of the professional costs, fees and expenses (inclusive of any applicable VAT) of the Buyer Groups for the purposes of the Transaction, up to a maximum of USD\$7,000,000 (inclusive of any applicable VAT), within 5 Business Days of the termination of the Sale and Purchase Agreement.

Sellers' Non-solicitation and Non-competition/Restrictive Covenants

Pursuant to clause 10.13 of the Sale and Purchase Agreement, each Seller (for itself and as agent for and on behalf of each member of the Restricted Seller Group) undertakes to each Buyer that it will not, for the period commencing on the date of the Sale and Purchase Agreement (i.e., July 30, 2024) and ending on the earlier of termination of the Sale and Purchase Agreement in accordance with its terms (see the "Termination" section of this circular) and the date that is 18 months after Completion, directly or indirectly solicit, endeavour to entice away, employ or offer to employ, or assist any person to do any of the foregoing in respect of: (i) certain specified senior employees of a member of the Target Groups or the GP Target who is, at the relevant time, a director, an officer or employee of any member of a Target Group or the GP Target; or (ii) any individual who is, at the relevant time, a director, officer or employee of any member of a Target Group or the GP Target, subject to certain customary carveouts in respect of this limb (ii) for general solicitations to the public or untargeted general advertising or recruiting through an employment agency.

Pursuant to clause 10.14 of the Sale and Purchase Agreement, each Seller (for itself and as agent for and on behalf of each member of the Restricted Seller Group) undertakes to each Buyer that it will not, without consent of the Buyers (not to be unreasonably withheld) for a period commencing on the date of the Sale and Purchase Agreement (i.e., July 30, 2024) and ending on the earlier of the termination of the Sale and Purchase Agreement in accordance with its terms (see the "Termination" section of this circular) and the second anniversary of the Completion Date, be directly or indirectly engaged (other than through the Target Groups or the GP Target prior to the Completion Date) in carrying on the business of leasing regional aircraft configured primarily for commercial passenger service ("**Regional Aircraft**") within certain Restricted Territories, provided that the foregoing does not prohibit or otherwise restrict any member of the Seller Groups from:

- (i) leasing Regional Aircraft to any other member of the Seller Groups;
- (ii) leasing Regional Aircraft to Air Canada or its Affiliates, provided such aircraft are operated by a member of the Seller Groups for or on behalf of Air Canada or any of its Affiliates;
- (iii) leasing Regional Aircraft in a manner generally consistent with the leasing activity carried on by Voyageur Aviation Corp. in the 24-month period preceding the date of the Sale and Purchase Agreement (i.e., July 30, 2024);
- (iv) leasing Regional Aircraft which (i) have been removed from commercial service with a member of the Seller Groups; (ii) are acquired with a view to part-out; or (iii) are leased in connection with a fractional ownership scheme;
- (v) leasing Regional Aircraft to the extent it is not material to the business of the Restricted Seller Group (taken as a whole) immediately following Completion; and
- (vi) holding for investment purposes only (including where such securities are received in settlement of a debt) any securities in any company engaged in the business of leasing Regional Aircraft where members of the Restricted Seller Group do not exercise, directly or indirectly, any management function in the undertaking concerned or any material influence in that undertaking, which is taken to be the case if the securities held by members of the Restricted Seller Group in such company do not confer more than five (5) per cent. of the votes which could normally be cast at a general meeting of such company.

Each Seller covenants to the Buyers that, from the date of the Sale and Purchase Agreement (i.e., July 30, 2024) to the date that is twenty-four (24) months after the Completion Date, such Seller shall not and such Seller shall procure that any person controlled by such Seller shall not: (A) acquire a direct interest in any Purchaser Parent Fund; or (B) knowingly acquire an indirect interest in any Purchaser Parent Fund (subject to carveouts relating to the holding or acquisition of an interest in, or the holding or acquisition by, a mutual fund, pooled fund, closed-end fund, market index fund, exchange traded fund or similar investment vehicle).

Buyers' Non-solicitation Covenant

Pursuant to clause 10.11 of the Sale and Purchase Agreement, each Buyer (for itself and as agent for each of its Affiliates (excluding any portfolio companies thereof)) undertakes to each Seller that neither such Buyer nor any of its Affiliates (excluding any portfolio companies thereof) shall, until the earlier of Completion and 18 months following termination of the Sale and Purchase Agreement in accordance with its terms (see the "Termination" section of this circular), without the prior written consent of the Sellers' Representative, directly or indirectly solicit, endeavour to entice away, employ or offer to employ, or assist any person to do any of the foregoing in respect of: (i) certain specified senior employees of a the Target Groups or the GP Target who is, at the relevant time, a director, an officer or employee of any member of a Target Group or the GP Target; or (ii) any individual who is, at the relevant time, a director, officer or employee of any member of a Target Group or the GP Target, subject to certain customary carveouts in respect of this limb (ii) for general solicitations to the public or untargeted general advertising or recruiting through an employment agency.

Financing Undertakings

The Sale and Purchase Agreement contains customary warranties by the Buyers that they have, and will have at Completion, necessary cash resources, equity commitments and/or definitive fundable loan agreements from their financing sources on a certain funds basis on the terms set out in the Equity Commitment Letter and the Debt Commitment Letter to meet the payment obligations of the Buyers pursuant to the Sale and Purchase Agreement. The Buyers undertake to exercise their rights (if any) under the Buyer Financing Documents to procure the draw down of all funds required to enable them to fulfil their payment and funding obligations on Completion. The Buyers have acknowledged and agreed that the Buyers' obligations under the Sale and Purchase Agreement are not subject to any conditions regarding its ability to obtain financing for the consummation of the Transaction. For the avoidance of doubt, if any such financing is not obtained, the Buyers will continue to be obliged to consummate the Transaction, subject to and on the terms contemplated by the Sale and Purchase Agreement.

The Sale and Purchase Agreement also contains certain financing co-operation covenants whereby (i) the Sellers may be required to provide, or procure so far as they are reasonably and lawfully able to in respect of the members of the Principal Target Groups, reasonable cooperation (at the sole expense of the Buyers) reasonably requested by any Buyer in connection with the Buyers' debt financing under the Buyer Financing Documents for the purposes of financing the Transaction, and (ii) the Buyers and Sellers will each employ all reasonable efforts to agree and implement arrangements on or before Completion for the payment of amounts under the Prepayment Financing.

Warranties and Indemnities

Sellers' warranties

The Sellers give certain Fundamental Warranties to the Buyers on the date of the Sale and Purchase Agreement (i.e., July 30, 2024) and which will be repeated on Completion, which are set out in clauses 9.1 to 9.7 of the Sale and Purchase Agreement. Such Fundamental Warranties include: (i) customary warranties in respect of the Sellers' title to the CAIH LP Interests, the CALI Interests and the GP Sale Interests; (ii) customary warranties in respect of the capacity of the Sellers to enter into and perform their obligations under the Sale and Purchase Agreement; (iii) insolvency warranties in respect of the Warranted Target Group and the GP Target; (iv) warranties in respect of ownership by the Target Groups of the aircraft and engines set out in Schedule 4 of the Sale and Purchase Agreement; and (v) warranties in respect of certain tax matters.

Before bringing a claim against a Seller in respect of the Fundamental Warranties, the Sellers are first required to claim against the W&I Insurance Policy obtained by the Buyers and use reasonable endeavours to pursue such claim. A Seller's liability in respect of such Fundamental Warranty Claim shall be reduced by the amount recovered under the W&I Insurance Policy (less all reasonable costs, charges and expenses (including taxes) actually incurred by the Buyers in bringing such claim).

Management Warranty Deed

Contemporaneous with the execution of the Sale and Purchase Agreement, certain members of the management team of the Target Groups have entered into a customary warranty deed with the Buyers pursuant to which such managers give warranties to the Buyers in respect of the corporate structure, business and tax affairs of the Target Groups and the GP Target. Such warranties are given on the date of the Sale and Purchase Agreement (i.e., July 30, 2024) and will be repeated on Completion. The liability of those warrantors is capped at USD\$1 in total and the Buyers' sole recourse (save in the case of fraud of a warrantor) is against the W&I Insurance Policy obtained by the Buyers. For the avoidance of doubt, the Sellers are not party to and are not liable under that warranty deed.

Tax Covenant

The Sellers and the Buyers have also entered into a customary Tax Covenant, which is contained in Schedule 10 of the Sale and Purchase Agreement and covers taxation in respect of the period up to Completion, subject to the usual exclusions for a transaction of this nature. The Sellers' liability for claims

under the Tax Covenant is capped at USD\$1 other than in respect of certain specific pre-Completion tax matters (referred to in the Sale and Purchase Agreement as Tax Covenant Special Claims).

The liability of the Sellers for Tax Covenant Special Claims given by the Sellers is subject to certain limitations, as described below in the "Limitations on Liability" section of this circular.

Indemnities

Each Seller has agreed to use reasonable endeavours to procure that each member of each Target Group is released and discharged in full from any Target Group Third-Party Assurance. Pending such release and subject to Completion, the Sellers have agreed to indemnify on an after-tax basis the Buyers and each member of the Target Groups against all amounts paid by any of them pursuant to such Target Group Third-Party Assurance in respect of a liability of the Sellers or any relevant member of the Seller Groups. The Buyers have agreed to corresponding obligations and a corresponding indemnity in favour of the Sellers in respect of the Seller Group Third-Party Assurances.

The Sellers have also agreed to indemnify the Buyer Groups against all losses, liabilities and costs (on an after-tax basis) suffered or incurred by any Buyer, any member of the Target Groups or the GP Target, in respect of or in connection with:

- (i) the sale of certain aircraft formerly owned by a member of the Target Group, including in relation to the sale of such aircraft from a member of the Target Groups to a third party which occurred after the Locked Box Date, whether such losses, liabilities or costs arise before, on or after Completion; and
- (ii) any amounts that any member of a Buyer Group pays or becomes liable to pay to, pursuant to a legally binding commitment entered into prior to Completion, any lender or other third party in connection with any Prepayment Financing at any time after Completion, save for any amount which was taken into account in the calculation of the Pay-Off Amount.

Limitations on Liability

The liability of the Sellers for claims under the Sale and Purchase Agreement is limited as set out in Schedule 6 of the Sale and Purchase Agreement. The principal limitations relate to: (i) financial caps on the Sellers' liability (see paragraph 1 of Schedule 6 of the Sale and Purchase Agreement); and (ii) time limitations on the period during which the Buyers are entitled to bring claims against the Sellers (see paragraph 2 of Schedule 6 of the Sale and Purchase Agreement).

The aggregate liability of the Sellers for all Claims (which excludes Third Party Assurance Indemnity Claims and claims for Leakage) and Tax Covenant Special Claims is capped at the aggregate amount of the Completion Consideration plus GP Target Consideration; however, if Completion does not occur such cap for Claims made prior to Completion will be USD\$622,700,000. The Sellers' liability for: (i) Third Party Assurance Indemnity Claims is uncapped; and (ii) claims for Leakage is capped at the amount of Leakage received.

The aggregate liability for all Tax Covenant Claims (other than the Tax Covenant Special Claims) is capped at USD\$1. The Sellers' liability in the event of certain specific tax indemnities is as more particularly described in paragraph 1.3 of Schedule 6 of the Sale and Purchase Agreement. The Buyers' sole recourse for such Tax Covenant Claims (other than the Tax Covenant Special Claims) is a claim against the W&I Insurance Policy.

Claims for breach of the Fundamental Warranties are subject to time limits. In relation to Fundamental Warranty Claims (other than a Fundamental Tax Warranty Claim), the Buyers are required to make a claim against the Sellers within 3 years of the Completion Date. The claim limitation period is 7 years following the Completion Date for Fundamental Tax Warranty Claims.

Tax Covenant Claims, including Tax Covenant Special Claims, are also subject to certain time limits.

In addition to financial and time limitations, Schedule 6 of the Sale and Purchase Agreement sets out other customary limitations for a transaction of this nature.

The limitations on liability do not apply to a claim against a Seller if and to the extent it arises or is increased as a result of fraud by that Seller, as is customary in a transaction governed by English law.

Buyers' warranties

The Buyers also give a limited set of warranties to the Sellers, including customary capacity warranties, which are set out in clause 10.1 of the Sale and Purchase Agreement. These are given on the date of the Sale and Purchase Agreement (i.e., July 30, 2024) and will be repeated on Completion.

Insurance Matters

Under the Sale and Purchase Agreement, the Sellers (at their own cost and expense) have agreed to procure that a member of the Seller Group shall put in place, with effect from Completion, and maintain until the sixth anniversary of the Completion Date, run-off directors' and officers' insurance in respect of those directors and/or officers of any member of a Target Group who resign from any board or as an officer of a member of a Target Group at or prior to Completion as a result of the Transaction, providing, insofar as is reasonably available on reasonable commercial terms, a scope and amount of cover substantially equivalent to that which is in place as at the date of the Sale and Purchase Agreement (i.e., July 30, 2024). Subject to the Sellers' compliance with this obligation, the Buyers have agreed not to adversely amend or repeal any provisions in the constitutional documents of any member of the Target Groups which relate to the immunity and indemnity of the relevant entity's directors, managers, officers or equivalent position.

The Buyers have obtained a W&I Insurance Policy and the "Warranties and Indemnities" section of this circular above describes circumstances in which the Sellers' recourse for a breach of the Sale and Purchase Agreement is a claim against the W&I Insurance Policy.

The Sale and Purchase Agreement contains detailed provisions governing, as amongst the Sellers and the Buyers, the benefit of and access to certain Target Group and Seller Group insurance policies following Completion. Such provisions are detailed in clause 12 of the Sale and Purchase Agreement.

Governing Law and Jurisdiction

The Sale and Purchase Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law. The courts of England and Wales have exclusive jurisdiction to settle any dispute arising from or connected with the Sale and Purchase Agreement.

DESCRIPTION OF CHORUS AFTER THE TRANSACTION

Use of Proceeds

Chorus expects a sale price of \$1.9 billion for the RAL segment, with \$814 million in net proceeds from the Transaction (net of estimated transaction expenses).

If the Transaction is completed, Chorus anticipates using the net proceeds of the Transaction to: (i) redeem all of the outstanding Preferred Shares; (ii) redeem all of the Series A Debentures; (iii) redeem all of the Series B Debentures and the Series C Debentures which are tendered to Chorus pursuant to Chorus' offer made in accordance with the terms of the relevant indentures; (iv) pay transaction costs; and (v) partially repay the balance then outstanding under the Operating Credit Facility. Any cash remaining after payment of the foregoing amounts will be used for general corporate purposes.

If the Transaction is completed and all of the above-mentioned Preferred Shares and debt are redeemed or otherwise repaid, Chorus will cease to have any long-term debt, save for (i) debt in respect of aircraft operated by its subsidiary, Jazz, under the CPA, all of which is supported by fixed payments under the CPA, and (ii) any balance that may be outstanding under the Operating Credit Facility from time to time.

Post Sale Pro Forma 2023 Metrics

Chorus has prepared the unaudited Pro Forma Consolidated Financial Statements (the "**Pro Forma Statements**") to provide illustrative information regarding Chorus after the Transaction. A copy of the Pro Forma Statements is attached to this circular as Schedule D.

The Pro Forma Statements are based on Chorus' consolidated financial statements for the year ended December 31, 2023 (the "**2023 Financial Statements**") and have been prepared to retroactively show the effect of the Transaction on Chorus had the Transaction closed on January 1, 2023. The pro forma adjustments to the 2023 Financial Statements are intended to illustrate the financial effect of the Transaction on Chorus; however, such adjustments are tentative and are based on current management estimates and assumptions.

The Pro Forma Statements are not audited. Furthermore, since the Pro Forma Statements are based on historical financial results, they are not indicative of future financial results and should not be regarded as a forecast or projection of Chorus' future earnings, financial position or cash flows. Undue reliance should not be placed on the Pro Forma Statements.

Post-Transaction, Chorus is anticipated to have a strengthened balance sheet, greater liquidity and an improved ability to return capital to shareholders. With \$1.7 billion (pro forma as at December 31, 2023) in corporate financings removed, Chorus anticipates eliminating approximately \$58 million in annual debt servicing costs and Preferred Share dividends. On a pro forma basis, this would have resulted in a 17% higher Adjusted Earnings available to Common Shareholders per Common Share in 2023 based on 193,427,537 shares issued and outstanding as the elimination of the debt servicing costs and the Preferred Share dividend payments will more than offset earnings lost from the divesture of the RAL segment. Chorus is anticipated to benefit from an improved Leverage Ratio of 1.8x which will be well below management's targeted range of 2.5x to 3.5x. Chorus anticipates pro forma liquidity in excess of \$250 million, which is comprised of, among other things, cash on hand, \$150 million of available credit under the Operating Credit Facility (net letters of credit that reduce the amount available under the Operating Credit Facility) and \$50 million under the Bi-Lateral Credit Facility. On a pro forma basis, the sale of the RAL segment would have increased Chorus' Adjusted Return on Equity in 2023 to 11.0%, an increase of approximately 36%.⁵

GENERAL

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described below or otherwise described in this circular, to the knowledge of Chorus, no informed person of Chorus, any proposed director of Chorus, or any associate or affiliate of any informed person or proposed director, has or has had any direct or indirect material interest in any transaction since the commencement of Chorus' most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

In connection with the acquisition of Falko and the private placement of shares, Preferred Shares and share purchase warrants to BSI in May 2022, Chorus entered into an Investor Rights Agreement with BSI (the "**Brookfield IRA**") pursuant to which, among other things, David Levenson and Frank Yu were appointed to the Board. The private placement is described in the Corporation's Material Change Report dated May 3, 2022, which is available under Chorus' profile on SEDAR+ at www.sedarplus.ca. The Brookfield IRA is also available under Chorus' profile on SEDAR+ at www.sedarplus.ca.

If Chorus does not elect to redeem all or part of the Preferred Shares, BSI will have the right to require Chorus to redeem all or part of the Preferred Shares following Completion of the Transaction. In either

⁵ Adjusted Earnings available to Common Shareholders per Common Share, Leverage Ratio and Adjusted Return on Equity are non-GAAP financial measures or non-GAAP ratios that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered as a substitute for or superior to GAAP results. Refer to the heading "Non-GAAP Financial Measures" in this circular.

scenario, the Corporation would be required to redeem the Preferred Shares for an amount equal to the greater of (i) the liquidation preference of each Preferred Share plus any accrued and unpaid dividends and (ii) a prescribed multiple on invested capital. For more information, refer to the Corporation's Restated Articles of Incorporation which are available under Chorus' profile on SEDAR+ at www.sedarplus.ca.

If all of the Preferred Shares are redeemed following Completion of the Transaction, BSI will cease to hold the Board Target Number of Series 1 Preferred Shares (as defined in the Brookfield IRA) and, unless otherwise determined by a vote of a majority of the remaining members of the Board, Mr. Levenson will resign from the Board.

Executives of the Corporation and certain of its subsidiaries, including the Falko Group, hold restricted share units ("RSUs") and, in the case of two Falko executives, share purchase options ("Options") which have been issued pursuant to the Chorus Aviation Inc. Long-Term Incentive Plan as amended and restated as of August 4, 2022 (the "LTIP"). Pursuant to the terms of the LTIP, and unless otherwise provided for in an award agreement, a sale of all or substantially all of the assets of the Corporation constitutes a Change of Control (as defined in the LTIP) which triggers (i) the immediate vesting of RSUs and Options, and (ii) the expiry of Options 90 days after the Change of Control (as defined in the LTIP). The Board has determined that upon Completion of the Transaction, all outstanding RSUs and Options will immediately vest in accordance with the terms of the LTIP, except that the RSUs issued in February 2024 will vest immediately as aforesaid only for employees of the Falko Group. The LTIP is available under Chorus' profile on SEDAR+ at www.sedarplus.ca.

Chorus and Air Canada are parties to an Investor Rights Agreement (the "Air Canada IRA") which was entered into in connection with the private placement of shares to Air Canada in February 2019. Concurrent with the execution of Air Canada's Voting Agreement on July 30, 2024, the parties amended and restated the Air Canada IRA to: (i) provide Air Canada pro rata preemptive rights in respect of any future issues of shares or securities that are convertible or exercisable into, or exchangeable for, shares for so long as Air Canada or its affiliates holds the Board Target Number of Shares (as defined in the Air Canada IRA); (ii) reduce the Board Target Number of Shares from 7.5% to 6.5%; (iii) simplify the process by which Air Canada nominates a director for election to the Board; and (iv) provide Air Canada the right to amend the terms of its director nomination right to match, subject to certain exceptions, the terms of any more favourable right that may be granted by the Corporation to any of its security holders in future. The amended and restated Air Canada IRA is available under Chorus' profile on SEDAR+ at www.sedarplus.ca.

AUDITORS

PricewaterhouseCoopers LLP has served as auditors to the Corporation since its inception. PricewaterhouseCoopers LLP has confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation and regulations.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

DISSENT RIGHTS OF SHAREHOLDERS

Section 190 of the CBCA provides registered shareholders of a corporation with the right to dissent from certain resolutions that effect extraordinary corporate transactions or fundamental corporate changes, such as the sale, lease or exchange of all or substantially all the property of a corporation other than in the ordinary course of business of the corporation (the “**Dissent Rights**”). Pursuant to Section 190 of the CBCA, registered shareholders who have validly exercised Dissent Rights (a “**Dissenting Shareholder**”) may be entitled, in the event that the Transaction is completed, to be paid by the Corporation the fair value of the shares held by such Dissenting Shareholder (the “**Dissenting Shares**”) determined as of the close of business on the day before the Transaction Resolution was adopted at the meeting.

The following is only a summary of the Dissent Rights and the provisions of the CBCA regarding the rights of Dissenting Shareholders, which are technical and complex. A copy of Section 190 of the CBCA is attached as Schedule F to this circular. It is recommended that any registered Shareholder wishing to avail themselves of the Dissent Rights seek legal advice, as failure to strictly comply with the provisions of the CBCA may prejudice their Dissent Rights.

Section 190 of the CBCA provides that a Dissenting Shareholder may only make a claim under that section with respect to all of the shares of a class held by the Dissenting Shareholder on behalf of any one beneficial owner and registered in the Dissenting Shareholder’s name. One consequence of this provision is that only a registered shareholder may exercise the Dissent Rights in respect of shares that are registered in that registered shareholder’s name.

In many cases, shares beneficially owned by a non-registered shareholder are registered either: (a) in the name of an intermediary that the non-registered shareholder deals with in respect of the shares; or (b) in the name of, or in the name of a nominee of, a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant. Accordingly, a non-registered shareholder will not be entitled to exercise its Dissent Rights directly (unless the shares are reregistered in the non-registered shareholder’s name). A non-registered shareholder that wishes to exercise Dissent Rights should immediately contact the intermediary with whom the non-registered shareholder deals in respect of its shares and either (i) instruct the intermediary to exercise the Dissent Rights on the non-registered shareholder’s behalf (which, if the shares are registered in the name of CDS Clearing and Depository Services Inc. or its nominee or other clearing agency, may require that such shares first be re-registered in the name of the intermediary), or (ii) instruct the intermediary to re-register such shares in the name of the non-registered shareholder, in which case the non-registered shareholder would be able to exercise the Dissent Rights directly. In addition, pursuant to Section 190 of the CBCA, a Dissenting Shareholder may not exercise Dissent Rights in respect of only a portion of such Dissenting Shareholder’s shares but may dissent only with respect to all shares held by such Dissenting Shareholder.

The dissent procedures require that a registered shareholder who wishes to dissent must send a written notice of objection (“**Dissent Notice**”) to the Transaction Resolution to Chorus, to the attention of the Corporate Secretary at 100 King Street West, Suite 6100, 1 First Canadian Place, Toronto, Ontario, M5X 1B8, no later than 5:00 p.m. (Eastern time) on September 24, 2024 (or 5:00 p.m. (Eastern time) on the day which is the business day immediately preceding any adjourned or postponed meeting) and must otherwise strictly comply with the dissent procedures. **A registered shareholder who intends to exercise Dissent Rights in respect of the Transaction Resolution should seek legal advice as failure to strictly comply with the dissent procedures will result in loss of Dissent Rights.**

The provision of a Dissent Notice does not deprive a Dissenting Shareholder of such shareholder’s right to vote at the meeting; however, a shareholder is not entitled to exercise the Dissent Rights with respect to any shares if the shareholder votes (or instructs or is deemed, by submission of an incomplete proxy or otherwise, to have instructed the shareholder’s proxyholder to vote) in favour of the Transaction Resolution. **A vote against the Transaction Resolution, an abstention from voting or the execution or exercise of a proxy does not constitute a Dissent Notice.** A Dissenting Shareholder, however, may vote as a proxy for a shareholder whose proxy required an affirmative vote, without affecting the Dissenting Shareholder’s right to exercise the Dissent Rights.

The Corporation is required within ten (10) days after the shareholders adopt the Transaction Resolution to notify each Dissenting Shareholder that the Transaction Resolution has been adopted. Such notice is not required to be sent to any shareholder that voted FOR the Transaction Resolution or who has withdrawn its Dissent Notice.

A Dissenting Shareholder that has not withdrawn its Dissent Notice prior to the meeting must, within twenty (20) days after receipt of notice that the Transaction Resolution has been adopted, or if the Dissenting Shareholder does not receive such notice, within twenty (20) days after learning that the Transaction Resolution has been adopted, send to the Corporation a written notice containing such Dissenting Shareholder's name and address, the number of Dissenting Shares, and a demand for payment of the fair value of such shares (the "**Demand for Payment**"). Within thirty (30) days after sending the Demand for Payment, the Dissenting Shareholder must send to the Corporation Certificates representing the Dissenting Shares. The Corporation or the depository will endorse on Certificates received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return such Certificates to the Dissenting Shareholder. A Dissenting Shareholder that fails to make a Demand for Payment in the time required, or to send Certificates representing Dissenting Shares in the time required, has no right to make a claim under Section 190 of the CBCA.

Under Section 190 of the CBCA, after sending a Demand for Payment, a Dissenting Shareholder ceases to have any rights as a shareholder in respect of its Dissenting Shares other than the right to be paid the fair value of the Dissenting Shares by the Corporation, unless: (a) the Dissenting Shareholder withdraws its Dissent Notice before the Corporation makes an Offer to Pay (as defined below); (b) the Corporation fails to make an Offer to Pay in accordance with Section 190(12) of the CBCA and the Dissenting Shareholder withdraws the Demand for Payment; or (c) the Board of Directors revokes the Transaction Resolution.

The Corporation is required, not later than seven (7) days after the later of the Effective Date and the date on which a Demand for Payment is received from a Dissenting Shareholder, to send to each Dissenting Shareholder that has sent a Demand for Payment a written offer to pay for its Dissenting Shares in an amount considered by the Board of Directors to be the fair value of the Dissenting Shares, accompanied by a statement showing the manner in which the fair value was determined ("**Offer to Pay**"). The Corporation must pay for the Dissenting Shares of a Dissenting Shareholder within ten (10) days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such offer lapses if the Corporation does not receive an acceptance within thirty (30) days after the Offer to Pay has been made.

If the Corporation fails to make an Offer to Pay for a Dissenting Shareholder's Dissenting Shares, or if a Dissenting Shareholder fails to accept an Offer to Pay that has been made, the Corporation may, within fifty (50) days after the Effective Date or within such further period as a court may allow, apply to a court to fix a fair value for the Dissenting Shares. If the Corporation fails to apply to a court, a Dissenting Shareholder may apply to a court for the same purpose within a further period of twenty (20) days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application. Any such application by the Corporation or a Dissenting Shareholder must be made to a court in Ontario or a court having jurisdiction in the place where the Dissenting Shareholder resides if the Corporation carries on business in that province.

Before making any such application to a court itself after receiving a notice that a Dissenting Shareholder has made an application to a court, the Corporation will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of a Dissenting Shareholder's right to appear and be heard in person or by counsel. Upon an application to a court, all Dissenting Shareholders that have not accepted an Offer to Pay will be joined as parties and be bound by the decision of the court. Upon any such application to a court, the court may determine whether any other person is a Dissenting Shareholder that should be joined as a party, and the court will then fix a fair value for the Dissenting Shares of all Dissenting Shareholders. The final order of a court will be rendered against the Corporation in favour of each Dissenting Shareholder for the amount of the fair value of its Dissenting Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of

interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment.

OTHER INFORMATION AND MATTERS

There is no information or matter not disclosed in this circular but known to Chorus that would be reasonably expected to affect the decision of shareholders to vote for or against the Transaction Resolution.

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

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.

Contact Information

Attention: Chair of the Board,
3 Spectacle Lake Drive, Suite 380,
Dartmouth, Nova Scotia B3B 1W8

If the envelope is marked "Private and Confidential", it will be delivered, unopened, to the Chair of the Board of Directors, or such other independent director to whom it is addressed.

In a sealed envelope marked "Private and Confidential – Attention, Chair of the Board of Directors of Chorus Aviation Inc."

HOW TO REQUEST MORE INFORMATION

DOCUMENTS YOU CAN REQUEST

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

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

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

These documents are also available on our website at www.chorusaviation.com and on SEDAR+ at www.sedarplus.ca. All of our news releases are also available on our website.

RECEIVING INFORMATION ELECTRONICALLY

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

How to sign up – shareholders generally

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

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

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

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

CONSENT OF GOLDMAN SACHS

August 19, 2024

Board of Directors
Chorus Aviation Inc.
3 Spectacle Lake Drive, Suite 380
Dartmouth, Nova Scotia
B3B 1W8 Canada

Re: Management proxy circular of Chorus Aviation Inc., dated August 19, 2024 (the "circular")

Ladies and Gentlemen:

Reference is made to our opinion letter, dated July 30, 2024 ("Opinion Letter"), with respect to the fairness from a financial point of view to Chorus Aviation Inc. ("Chorus") of the Completion Consideration (as defined in the Sale and Purchase Agreement) to be paid to Chorus and its wholly-owned subsidiary, Chorus Aviation Capital Corp. ("CACC"), pursuant to the Sale and Purchase Agreement, dated as of July 30, 2024, by and among Cruise Bidco ULC, Falko Holdings Limited, Chorus and CACC, in connection with the purchase from Chorus and CACC of (i) all of the outstanding shares in Chorus Aviation Leasing Inc., (ii) all of the limited partnership units in Chorus Aviation Investment Holdings LP and (iii) all of the outstanding shares in Chorus Aviation Holdings GP Inc.

The Opinion Letter is provided for the information and assistance of the Board of Directors of Chorus in connection with its consideration of the transaction contemplated therein. We understand that Chorus has determined to include our Opinion Letter in the circular. In that regard, we hereby consent to the reference to our Opinion Letter in the Letter to Shareholders from the Chair of the Board and the President and Chief Executive Officer and under the headings "The Transaction – Background to the Transaction", "The Transaction – Recommendation of the Board", "The Transaction – Reasons for the Recommendation", "The Transaction – Fairness Opinion" and "Schedule A – Glossary of Defined Terms" and to the inclusion of the Opinion Letter in Schedule C of the circular. Notwithstanding the foregoing, it is understood that our consent is being delivered solely in connection with the delivery of the circular, and that our Opinion Letter is not to be used, circulated, quoted or otherwise referred to, for any other purpose, nor is it to be filed with, included in or referred to in whole or in part in any registration statement, proxy statement or any other document (including any subsequent amendments to the circular), except in accordance with our prior written consent.

Very truly yours,

"Goldman Sachs International"
GOLDMAN SACHS INTERNATIONAL

SCHEDULE A
GLOSSARY OF DEFINED TERMS

“**2023 Financial Statements**” means Chorus’ consolidated financial statements for the year ended December 31, 2023.

“**Acceptance Period**” has the meaning given to it in the Sale and Purchase Agreement.

“**Adjustment Estimates**” has the meaning given to it in this circular under the heading “The Transaction – Fairness Opinion”.

“**Affiliate**” has the meaning given to it in the Sale and Purchase Agreement.

“**AIF**” means the Annual Information Form of Chorus dated February 22, 2024.

“**Aircraft**” has the meaning given to it in the Sale and Purchase Agreement.

“**Alternative Purchaser**” has the meaning given to it in this circular under the heading “The Sale and Purchase Agreement”.

“**Appraisals**” has the meaning given to it in this circular under the heading “The Transaction – Fairness Opinion”.

“**Bidco Buyer**” means Cruise Bidco ULC.

“**Bi-Lateral Credit Facility**” means the credit facility provided pursuant to the credit agreement dated November 1, 2023 between Chorus, as borrower, and The Bank of Nova Scotia, as lender, as amended on July 30, 2024 (and as same may be further amended from time to time).

“**Board**” means the board of directors of Chorus.

“**Board Recommendation**” has the meaning given to it in the Sale and Purchase Agreement.

“**Break Fee**” means USD\$25,000,000.

“**Brookfield**” has the meaning given to it in this circular under the heading “Principal Shareholders”.

“**Brookfield IRA**” has the meaning given to it in this circular under the heading “General – Interest of Informed Persons of Material Transactions”.

“**BSI**” means BSI Dragonfly Holdings LP.

“**Business Day**” means a day other than a Saturday or Sunday or a public holiday in Dublin, St. Helier (Jersey), Frankfurt, London, New York or Toronto.

“**Buyer Conditions**” has the meaning given to it in this circular under the heading “The Transaction – Required Regulatory Approvals”.

“**Buyer Financing Documents**” has the meaning given to it in the Sale and Purchase Agreement.

“**Buyers**” means Bidco Buyer and Holdco Buyer, each an affiliate of investment funds managed by HPS.

“**Buyers’ Representative**” has the meaning given to it in the Sale and Purchase Agreement.

“**Buyer Group**” and “**Buyer Groups**” have the meanings given to each in the Sale and Purchase Agreement.

“**CACC**” means Chorus Aviation Capital Corp.

“**CAD**” means Canadian dollar.

"CAIH LP Interests" means the limited partnership interests in Chorus Aviation Investment Holdings LP held by Chorus.

"CALI Interests" means the shares in Chorus Aviation Leasing Inc. held by Chorus' subsidiary, CACC.

"Capital Contributions" has the meaning given to it in the Sale and Purchase Agreement.

"CCPC" has the meaning given to it in this circular under the heading "Required Regulatory Approvals".

"Chorus" or the **"Corporation"** means Chorus Aviation Inc.

"Chorus Acquisition Proposal" means a proposal made by a person other than any of the Buyers for the acquisition, directly or indirectly, in a single transaction or a series of related transactions, including by way of amalgamation, arrangement or reorganisation, of 20% or more of the issued and outstanding voting equity securities of Chorus or 20% or more of the assets, on a consolidated basis, of the Regional Aircraft Leasing segment and the Regional Aviation Services segment of Chorus.

"circular" means the notice of the meeting proposing the Transaction Resolution and accompanying management proxy circular of Chorus dated August 19, 2024, including all schedules, appendices and exhibits thereto and enclosures therewith, to be sent to the shareholders in connection with the meeting, as amended, supplemented or otherwise modified from time to time.

"Completion Consideration" has the meaning given in Part B of Schedule 3 of the Sale and Purchase Agreement.

"Completion Date" means the Completion of the Transaction on the twentieth business day following the date on which the last of the conditions as set out in the Sale and Purchase Agreement are satisfied (or waived in accordance with the terms of the Sale and Purchase Agreement) or on such other date as the Sellers' Representative and the Buyer may agree in writing.

"Completion of the Transaction" or **"Completion"** means completion of the sale and purchase of the Target Interests in accordance with the Sale and Purchase Agreement.

"Conditions" has the meaning given to it in this circular under the heading "The Sale and Purchase Agreement".

"Controlled Entities" has the meaning given to it in the Sale and Purchase Agreement.

"CPA" means the amended and restated capacity purchase agreement effective January 1, 2015 between Jazz and Air Canada, as further amended from time to time.

"Debentures" means, collectively, the Series A Debentures, Series B Debentures and the Series C Debentures.

"Debt Commitment Letter" has the meaning given to it in this circular under the heading "Sources of Funds".

"Debt Financing" has the meaning given to it in the Sale and Purchase Agreement.

"Decision" has the meaning given to it in this circular under the heading "Principal Shareholders".

"Demand for Payment" has the meaning given to it in this circular under the heading "General – Dissent Rights of Shareholders".

"Dissent Notice" has the meaning given to it in this circular under the heading "General – Dissent Rights of Shareholders".

"Dissent Rights" has the meaning given to it in this circular under the heading "General – Dissent Rights of Shareholders".

"Dissenting Shareholder" has the meaning given to it in this circular under the heading "General – Dissent Rights of Shareholders".

"Dissenting Shares" has the meaning given to it in this circular under the heading "General – Dissent Rights of Shareholders".

"Equity Commitment Letter" has the meaning given to it in this circular under the heading "Sources of Funds".

"Equity Value" has the meaning given to it in the Sale and Purchase Agreement.

"Extended Completion Date" has the meaning given to it in this circular under the heading "The Sale and Purchase Agreement".

"Fairness Opinion" means the written opinion of Goldman Sachs that, as of July 30, 2024 and based upon and subject to the various assumptions, limitations and qualifications set forth therein, the Completion Consideration (as defined in the Sale and Purchase Agreement) to be paid to the Corporation and CACC pursuant to the Sale and Purchase Agreement was fair from a financial point of view to the Corporation.

"Falko" means Falko Regional Aircraft Limited, private limited company incorporated in England with company number 07644196.

"Falko Group" means Falko, FIL and their respective affiliates in the RAL segment.

"FIL" means Falko (Ireland) Limited, a private company limited by shares incorporated in Ireland with registration number 600536.

"Filing" has the meaning given to it in the Sale and Purchase Agreement.

"Forecasts" has the meaning given to it in this circular under the heading "The Transaction – Fairness Opinion".

"Free Cash Flow" means cash provided by operating activities less net changes in non-cash balances related to operations, capital expenditures excluding aircraft acquisitions and improvements plus net proceeds on asset sales (proceeds on disposal of property and equipment less the related debt repayments for the assets sold).

"Fund I GP" means Falko RAOF GP Limited, a no par value limited company incorporated in Jersey with registered number 117833.

"Fund II" means Falko Regional Aircraft Opportunities Fund II L.P., a limited partnership formed under the laws of Jersey whose registered office is at IFC 5 St Helier Jersey JE1 1ST.

"Fund II GP" means Falko RAOF GP II Limited, a no par value limited company incorporated in Jersey with registered number 126602.

"Fund III GP" means Falko RAOF GP III Limited, a no par value limited company incorporated in Jersey with registered number 142769.

"Fund III" means Falko Regional Aircraft Opportunities Fund III L.P., a limited partnership formed under the laws of Jersey whose registered office is at IFC 5 St Helier Jersey JE1 1ST.

"Fund Target Group" has the meaning given to it in the Sale and Purchase Agreement.

"Fundamental Tax Warranty Claim" has the meaning given to it in the Sale and Purchase Agreement.

"Fundamental Warranties" has the meaning given to it in the Sale and Purchase Agreement.

"Fundamental Warranty Claim" has the meaning given to it in the Sale and Purchase Agreement.

"Gap Period" has the meaning given to it in this circular under the heading "The Sale and Purchase Agreement".

"Goldman Sachs" means Goldman Sachs International.

“Governmental Agency” has the meaning given to it in the Sale and Purchase Agreement.

“GP Sale Interests” means the shares in Chorus Aviation Holdings GP Inc. held by Chorus.

“GP Target” means Chorus Aviation Holdings GP Inc.

“GP Target Consideration” has the meaning given in the Sale and Purchase Agreement.

“HPS” means HPS Investment Partners, LLC.

“Holdco Buyer” means Falko Holdings Limited.

“Inbound Approach” an inquiry, proposal or offer that constitutes, or could reasonably be expected to constitute or lead to, a Restricted Transaction or a Chorus Acquisition Proposal.

“Jazz” means Jazz Aviation LP, a limited partnership established under the laws of the Province of Ontario on November 18, 2010.

“JFSC” has the meaning given to it in this circular under the heading “The Transaction – Required Regulatory Approvals”.

“Key Targets” has the meaning given to it in this circular under the heading “The Transaction – Fairness Opinion”.

“Leakage” has the meaning given to it in the Sale and Purchase Agreement.

“Lease Documents” has the meaning given to it in the Sale and Purchase Agreement.

“Leverage Ratio” means net debt to trailing 12-month Adjusted EBITDA.

“Locked Box Date” has means 31 December 2023.

“Longstop Date” has the meaning given to it in the Sale and Purchase Agreement.

“LTIP” means the Chorus’ Long-Term Incentive Plan as amended and restated as of August 4, 2022 (as same may be amended from time to time).

“Material Contract” has the meaning given to it in the Sale and Purchase Agreement.

“Mayo” means Mayo Aircraft Leasing Limited.

“MD&A” means Management’s Discussion and Analysis of Results of Operations and Financial Condition of Chorus.

“meeting” means the special meeting of the shareholders of Chorus to be held on September 25, 2024 at 11:00 a.m. (Eastern time) and any adjournment or postponement thereof.

“Merger Clearances” has the meaning given to it in this circular under the heading “The Transaction – Required Regulatory Approvals”.

“Non-Controlled Entities” has the meaning given to it in the Sale and Purchase Agreement.

“Offer to Pay” has the meaning given to it in this circular under the heading “Voting Your Shares – Dissent Rights of Shareholders”.

“Operating Credit Facility” means the committed operating credit facility provided pursuant to the Third Amended and Restated Credit Agreement dated March 4, 2024 (as same may be amended from time to time) between Chorus, as borrower, The Bank of Nova Scotia as sole lead arranger, bookrunner, administrative agent and issuing bank, and the lenders from time to time parties thereto.

“Opinion Letter” has the meaning given to it in this circular under the heading “Consent of Goldman Sachs”.

“Options” means share purchase options of Chorus issued pursuant to the LTIP.

"Pay-Off Amount" has the meaning given to it in the Sale and Purchase Agreement.

"Permitted Leakage" has the meaning given to it in the Sale and Purchase Agreement.

"Pre-Completion Permitted Transaction" has the meaning given to it in the Sale and Purchase Agreement.

"Preferred Shares" means the 300,000 issued and outstanding Series 1 Preferred Shares in the capital of the Corporation.

"Prepayment Financing" has the meaning given to it in the Sale and Purchase Agreement.

"Principal Target" has the meaning given to it in the Sale and Purchase Agreement.

"Principal Target Groups" has the meaning given to it in the Sale and Purchase Agreement.

"Purchaser Parent Fund" has the meaning given to it in the Sale and Purchase Agreement.

"RAL" means regional aircraft leasing, and **"RAL segment"** refers to the Regional Aircraft Leasing segment of Chorus.

"Recommendation Change" has the meaning given to it in this circular under the heading "The Sale and Purchase Agreement".

"Regional Aircraft" has the meaning given to it in this circular under the heading "The Sale and Purchase Agreement".

"Regulatory Approvals" has the meaning given to it in this circular under the heading "Required Regulatory Approvals".

"Regulatory Conditions" has the meaning given to it in this circular under the heading "The Transaction – Required Regulatory Approvals".

"Release Condition" has the meaning given to it in this circular under the heading "The Sale and Purchase Agreement".

"Relevant Leakage Persons" has the meaning given to it in the Sale and Purchase Agreement.

"Relevant Persons" has the meaning given to it in the Sale and Purchase Agreement.

"Representatives" has the meaning given to it in the Sale and Purchase Agreement.

"Restricted Seller Group" has the meaning given to it in the Sale and Purchase Agreement.

"Restricted Territories" has the meaning given to it in the Sale and Purchase Agreement.

"Restricted Transaction" means a possible acquisition of any member(s) of any Target Group(s) or any substantially similar transaction provided such transaction would result in the relevant person acquiring control of any one or more of Falko, FIL, a Principal Target Group, the Principal Targets' interests in the Fund Target Groups, the GP Target and/or a majority of the Aircraft.

"Right to Match" has the meaning given to it in the Sale and Purchase Agreement.

"Right to Match Notice" has the meaning given to it in the Sale and Purchase Agreement.

"RSUs" means restricted share units of Chorus issued pursuant to the LTIP.

"Sale and Purchase Agreement" means the sale and purchase agreement by and among Chorus, CACC and the Buyers dated as of July 30, 2024.

"Sale Interests" means, collectively, the CAIH LP Interests, CALI Interests and the GP Sale Interests.

"Security Condition" has the meaning given to it in this circular under the heading "The Sale and Purchase Agreement".

“**Seller Condition**” has the meaning given to in this circular under the heading “The Sale and Purchase Agreement”.

“**Seller Filings**” has the meaning given to it in the Sale and Purchase Agreement.

“**Seller Group**” and “**Seller Groups**” have the meanings given to each in the Sale and Purchase Agreement.

“**Seller Group Third-Party Assurances**” has the meaning given to it in the Sale and Purchase Agreement.

“**Sellers**” means Chorus and CACC.

“**Sellers’ Representative**” has the meaning given to it in the Sale and Purchase Agreement.

“**Series A Debentures**” means the 5.75% senior unsecured debentures of the Corporation due December 31, 2024.

“**Series B Debentures**” means the 6.00% convertible senior unsecured debentures of the Corporation due June 30, 2026.

“**Series C Debentures**” means the 5.75% senior unsecured debentures of the Corporation due June 30, 2027.

“**shareholder**” and “**common shareholder**” means a holder of shares.

“**shares**” and “**common shares**” refer to the common shares in the authorized share capital of the Corporation consisting of Class A Variable Voting Shares and Class B Voting Shares.

“**Superior Proposal**” has the meaning given to it in the Sale and Purchase Agreement.

“**Target Group**” has the meaning given to it in the Sale and Purchase Agreement.

“**Target Group Third Party Assurance**” has the meaning given to it in the Sale and Purchase Agreement.

“**Target Interests**” means the CAIH LP Interests, the CALI Interests and the GP Sale Interests.

“**Tax Covenant**” has the meaning given to it in the Sale and Purchase Agreement.

“**Tax Covenant Claims**” has the meaning given to it in the Sale and Purchase Agreement.

“**Tax Covenant Special Claims**” has the meaning given to it in the Sale and Purchase Agreement.

“**Third Party Assurance Indemnity Claims**” has the meaning given to it in the Sale and Purchase Agreement.

“**Transaction**” means the sale of all the CAIH LP Interests, the CALI Interests and the GP Sale Interests to the Buyers.

“**Transaction Resolution**” means the special resolution of the shareholders of Chorus approving the Transaction, the full text of which is set forth in Schedule B to this circular.

“**TSX**” means the Toronto Stock Exchange.

“**Unsecured Credit Facility**” means the US \$100.0 million unsecured credit facility between Chorus, as borrower, and Export Development Canada, as lender, which was fully repaid in April 2024.

“**USD**” means U.S. dollar.

“**VAT**” has the meaning given to it in the Sale and Purchase Agreement.

“**Voting Agreement**” means a voting agreement between the Buyers and (i) each of BSI and Air Canada, respectively, and (ii) each member of the Board as of July 30, 2024, in each case pursuant to which such

shareholder, in accordance with, and subject to, the terms of their Voting Agreement, agrees to, *inter alia*, vote the shares which they beneficially own in favour of the Transaction Resolution at the meeting.

"W&I Insurance Policy" has the meaning given to it in the Sale and Purchase Agreement.

"Warranted Target Group" means the Target Groups excluding Fund II's Fund Target Group.

**SCHEDULE B
TRANSACTION RESOLUTION**

BE IT RESOLVED THAT, BY SPECIAL RESOLUTION:

1. in accordance with section 189(3) of the *Canada Business Corporations Act*, the sale of (a) all of the limited partnership interests in Chorus Aviation Investment Holdings LP held by Chorus Aviation Inc. (the "**Company**") to Falko Holdings Limited (the "**Holdco Buyer**"), (b) all of the shares in Chorus Aviation Leasing Inc. held by the Company's subsidiary, Chorus Aviation Capital Corp. to Cruise Bidco ULC (the "**Bidco Buyer**"), and (c) all of the shares in Chorus Aviation Holdings GP Inc. held by the Company to the Bidco Buyer (the "**Transaction**"), as provided for in the sale and purchase agreement (the "**Agreement**") dated as of July 30, 2024 between the Company, Chorus Aviation Capital Corp., the Bidco Buyer and the Holdco Buyer, which Transaction may constitute a sale of all or substantially all of the assets of the Company, all as more particularly described in the management proxy circular of the Company dated August 19, 2024, be and is hereby authorized, confirmed and approved;
2. the Agreement and all transactions contemplated therein, the actions of the directors of the Company in approving the Agreement and any amendments, modifications or supplements thereto in accordance with its terms and the actions of the officers of the Company in executing and delivering the Agreement and any amendments, modifications or supplements thereto are hereby confirmed, ratified, authorized and approved;
3. notwithstanding that this resolution has been duly passed, the directors of the Company are hereby authorized and empowered in their sole and absolute discretion, without further notice to, or approval of, any securityholders of the Company:
 - (a) to amend, modify or supplement the Agreement if and to the extent permitted by the Agreement; or
 - (b) subject to the terms of the Agreement, decide not to proceed with the Transaction;
4. any one or more directors or officers of the Company is hereby authorized and directed, for and on behalf of and in the name of the Company, to execute and deliver, whether under corporate seal of the Company or not, all such agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions and the Agreement in accordance with the terms of the Agreement, including:
 - (a) all actions required to be taken by or on behalf of the Company, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and all other documents or declarations required under the Agreement or otherwise to be entered into by the Company, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**SCHEDULE C
FAIRNESS OPINION**

[see attached]



PERSONAL AND CONFIDENTIAL

July 30, 2024

Board of Directors
Chorus Aviation Inc.
3 Spectacle Lake Drive, Suite 380
Dartmouth, Nova Scotia
B3B 1W8 Canada

Ladies and Gentlemen:

You have requested our opinion as to the fairness from a financial point of view to Chorus Aviation Inc. (the "Company") of the Completion Consideration (as defined in the Agreement, as defined below) to be paid to the Company and its wholly-owned subsidiary, Chorus Aviation Capital Corp. ("CACC"), pursuant to the Sale and Purchase Agreement, dated as of July 30, 2024 (the "Agreement"), by and among Cruise Bidco ULC ("Bidco Buyer"), Falko Holdings Limited ("Holdco Buyer" and together with Bidco Buyer, the "Buyers"), the Company and CACC, in connection with the purchase from the Company and CACC of (i) all of the outstanding shares in Chorus Aviation Leasing Inc. ("CALI") and (ii) all of the limited partnership units in Chorus Aviation Investment Holdings LP ("CAIH LP" and together with CALI, the "Principal Targets") and (iii) all of the outstanding shares in Chorus Aviation Holdings GP Inc.

Goldman Sachs International and its affiliates (collectively, "Goldman Sachs") are engaged in advisory, underwriting, lending and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of the Company, Buyers, any of their respective affiliates and third parties, including Brookfield Asset Management Inc., a significant shareholder of the Company ("Brookfield"), or any of its respective affiliates and, as applicable, portfolio companies, or any currency or commodity that may be involved in the transaction contemplated by the Agreement (the "Transaction"). We have acted as financial advisor to the Company in connection with, and have participated in certain of the negotiations leading to, the Transaction. We expect to receive fees for our services in connection with the Transaction, all of which are contingent upon consummation of the Transaction, and the Company has agreed to reimburse certain of our expenses arising, and indemnify us against certain liabilities that may arise, out of our engagement. We have provided certain financial advisory and/or underwriting services to the Buyers and/or their affiliates and portfolio companies from time to time for which Goldman Sachs Investment Banking has received, and may receive, compensation, including having acted as bookrunner for HPS

Corporate Lending Fund, a publicly-traded management investment company managed by an affiliate of the Buyers, in connection with its private placement of securities in November 2022 and its investment-grade bond offerings in January 2024 and June 2024. We have also provided certain financial advisory and/or underwriting services to Brookfield and/or its affiliates and portfolio companies from time to time for which Goldman Sachs Investment Banking has received, and may receive, compensation, including having acted as bookrunners to Modulaire Group and Clarios, each portfolio companies of funds associated with Brookfield, in the repricings of their respective term loans, each in June 2024; as bookrunner to CDK Global Incorporated, a portfolio company of funds associated with Brookfield, in the repricings of its term loans, in October 2023 and May 2024; as bookrunner to BrandSafway, a portfolio company of funds associated with Brookfield, in the repricing of its term loan, in April 2024; as bookrunner to Westinghouse Electric Company, LLC, a portfolio company of funds associated with Brookfield, in the refinancing of its term loan and revolving credit facility, in January 2024. We may also in the future provide financial advisory and/or underwriting services to the Company, Buyers, Brookfield and their respective affiliates and, as applicable, portfolio companies, for which Goldman Sachs Investment Banking may receive compensation. Affiliates of Goldman Sachs also may have co-invested with Buyers and their affiliates from time to time and may have invested in limited partnership units of affiliates of Buyers from time to time and may do so in the future.

In connection with this opinion, we have reviewed, among other things, the Agreement, annual reports to shareholders and the Annual Information Forms of the Company for the three fiscal years ended December 31, 2023; certain interim reports to shareholders of the Company and quarterly financial statements and MD&As; certain other communications from the Company to its shareholders; certain publicly available research analyst reports for the Company; audited financial statements for the Company for the three fiscal years ended December 31, 2023; audited balance sheet for the Principal Targets for the three month period ended March 31, 2024; certain internal financial analyses and forecasts for the Principal Targets, prepared by the management of the Company, Falko Regional Aircraft Limited ("FRAL") and Falko (Ireland) Limited ("FIL", together with FRAL, "Falko"), as approved for our use by the Company (the "Forecasts"); certain estimates, including as to the amount and economic impact of the components of Completion Consideration, in each case, as prepared by the management of the Company and approved for our use by the Company (the "Adjustment Estimates"); and certain third-party appraisal summaries with respect to the value of the aircraft included in the perimeter of the transaction and related fly-forward analyses for such aircraft (collectively, the "Appraisals"). We have also held discussions with members of the senior management of the Company and Falko regarding their assessment of the strategic rationale for, and the potential benefits of, the Transaction and the past and current business operations, financial condition and future prospects of the Principal Targets; reviewed the financial terms of certain recent business combinations in the aircraft leasing industry and in other industries; and performed such other studies and analyses, and considered such other factors, as we deemed appropriate.

For purposes of rendering this opinion, we have, with your consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, us, without assuming any responsibility for independent verification thereof. In that regard, we have assumed with your consent that the Forecasts and the Adjustment Estimates have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company. We have not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Company or any of its subsidiaries and, except for the Appraisals, we have not been furnished with any such evaluation or appraisal. We have assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Company or the

expected benefits of the Transaction in any way meaningful to our analysis. We have assumed that the Transaction will be consummated on the terms set forth in the Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to our analysis.

Our opinion does not address the underlying business decision of the Company to engage in the Transaction, or the relative merits of the Transaction as compared to any strategic alternatives that may be available to the Company; nor does it address any legal, regulatory, tax or accounting matters. This opinion addresses only the fairness from a financial point of view to the Company, as of the date hereof, of the Completion Consideration to be paid to the Company and CACC pursuant to the Agreement. We do not express any view on, and our opinion does not address, any other term or aspect of the Agreement, or the Transaction or any term or aspect of any other agreement or instrument contemplated by the Agreement or entered into or amended in connection with the Transaction, including the Fund Representation Agreement (as defined in the Agreement), any allocation of the Completion Consideration, the GP Target Consideration (as defined in the Agreement), the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of the Company; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of the Company, or class of such persons, in connection with the Transaction, whether relative to the Completion Consideration to be paid to the Company and CACC pursuant to the Agreement or otherwise. We are not expressing any opinion as to the prices at which the Company's outstanding shares of common stock, no par value (the "Shares"), will trade at any time, as to the potential effects of volatility in the credit, financial and stock markets on the Company, Buyers or the Transaction, as to the impact of the Transaction on the solvency or viability of the Company or Buyers or the ability of the Company or Buyers to pay their respective obligations when they come due. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof and we assume no responsibility for updating, revising or reaffirming this opinion based on circumstances, developments or events occurring after the date hereof. Our advisory services and the opinion expressed herein are provided solely for the information and assistance of the Board of Directors of the Company in connection with its consideration of the Transaction and such opinion does not constitute a recommendation as to how any holder of Shares should vote with respect to such Transaction or any other matter. This opinion has been approved by a fairness committee of Goldman Sachs.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Completion Consideration to be paid to the Company and CACC pursuant to the Agreement is fair from a financial point of view to the Company.

Very truly yours,

GOLDMAN SACHS INTERNATIONAL

By: 

Managing Director

**SCHEDULE D
PRO FORMA STATEMENTS**

Pro Forma Balance Sheet

As at December 31, 2023 (unaudited) (expressed in thousands of Canadian dollars)	December 31, 2023			Pro Forma Balance Sheet Post Sale Repayment of Corporate Debt & Preferred Shares					
	Chorus Aviation Inc. As Reported	Assets Classified as held for sale	Restated Chorus Aviation Inc.	Sale of two airBaltic aircraft ⁽¹⁾	Sale of RAL ⁽²⁾	FX change ⁽³⁾	Continuing operations	Redemption/ Repayment Preferred Shares, Series A, Series B and Series C Debentures and Operating Credit Facility ^{(3),(4)}	Pro Forma Chorus Aviation Inc.
Assets									
Current assets									
Cash	85,985	55,432	30,553	29,339	813,935	-	873,828	(794,166)	79,662
Restricted cash	90,432	90,208	224	-	-	-	224	-	224
Accounts receivable – trade and other	222,279	51,759	168,569	-	-	-	170,520	-	170,520
Inventories	206,533	118	206,415	(86,743)	-	-	119,672	-	119,672
Prepaid expenses and deposits	22,334	7,881	14,453	-	-	-	14,453	-	14,453
Current portion of finance lease receivables	2,278	1,354	924	-	-	-	924	-	924
Income tax receivable	970	901	69	-	-	-	69	-	69
Assets classified as held for sale	-	-	2,274,519	-	(2,325,262)	50,743	-	-	-
	630,811	207,654	2,697,676	(57,404)	(1,512,398)	50,743	1,179,688	(794,166)	385,524
Finance lease receivables	39,492	39,492	-	-	-	-	-	-	-
Property and equipment	2,966,563	1,882,019	1,084,544	-	-	-	1,084,544	-	1,084,544
Intangibles	14,600	12,919	1,681	-	-	-	1,681	-	1,681
Goodwill	8,966	1,816	7,150	-	-	-	7,150	-	7,150
Investments	24,823	24,823	-	-	-	-	-	-	-
Deferred income tax asset	18,286	18,286	-	-	-	-	-	-	-
Other long-term assets	147,326	87,510	59,816	-	-	-	59,816	-	59,816
	3,850,867	2,274,519	3,850,867	(57,404)	(1,511,326)	50,743	2,332,880	(794,166)	1,538,715
Liabilities									
Current liabilities									
Accounts payable and accrued liabilities	346,599	88,484	258,115	-	-	-	258,115	-	258,115
Current portion of lease liabilities	3,309	836	2,473	-	-	-	2,473	-	2,473
Current portion of long-term incentive plan	2,877	-	2,877	-	-	-	2,877	-	2,877
Current portion of long-term debt	430,082	170,120	259,962	(57,814)	-	-	202,148	(85,376)	116,771
Preferred Share dividends payable	8,680	-	8,680	-	-	-	8,680	-	8,680
Income tax payable	10,915	4,547	6,368	-	-	-	6,368	-	6,368
Liabilities directly associated with assets held for sale	-	-	1,215,767	-	(1,240,954)	25,187	-	-	-
	802,462	263,987	1,754,242	(57,814)	(1,240,954)	25,187	480,661	(85,376)	395,284
Lease liabilities	7,267	3,214	4,053	-	-	-	4,053	-	4,053
Long-term debt	1,314,922	754,937	559,985	-	-	-	559,985	(212,058)	347,927
Deferred income tax liability	212,919	9,494	203,425	-	-	-	203,425	-	203,425
Other long-term liabilities	232,828	184,135	48,693	-	-	-	48,693	-	48,693
	2,570,398	1,215,767	2,570,398	(57,814)	(1,240,954)	25,187	1,296,817	(297,434)	999,383
Equity attributable to shareholders	1,193,884	972,165	1,193,884	410	(181,993)	23,762	1,036,063	(496,732)	539,331
Equity attributable to non-controlling interest	86,585	86,586	86,585	-	(88,379)	1,794	-	-	-
Equity	1,280,469	1,058,751	1,280,469	410	(270,372)	25,556	1,029,888	(496,732)	539,331
	3,850,867	2,275,519	3,850,867	(57,404)	(1,511,326)	50,743	2,332,880	(794,166)	1,538,715

1. The RAL segment sold two A220 aircraft in January 2024 that are excluded from the Transaction.
2. RAL segment assets were converted from USD to CAD at an exchange rate of 1 USD to 1.3500 CAD versus the December 31, 2023 USD/CAD exchange rate of 1.3226.
3. Actual cash payment related to the redemption of the Series A, Series B and Series C Debentures will be \$6.3 million higher due to the netting of deferred transaction costs and interest accretion. Repayment of Operating Credit Facility balance of \$60 million as at June 30, 2024.
4. Chorus will be required to pay a premium of US \$63.3 million on the redemption of the Preferred Shares.

Pro Forma Income Statement

For the twelve months ended December 31, 2023 (unaudited) (expressed in thousands of Canadian dollars)	Chorus Aviation Inc. As Reported	Discontinued operations with impairment ⁽¹⁾	Continuing operations	Redemption/Repayment Preferred Shares, Series A, Series B and Series C Debentures and Operating Credit Facility ⁽²⁾	Pro Forma Chorus Aviation Inc.
Passenger	1,294,133	-	1,294,133	-	1,294,133
Other	386,942	281,464	105,478	-	105,478
Operating revenue	1,681,075	281,464	1,399,611	-	1,399,611
Operating expenses					
Salaries, wages and benefits	523,363	30,449	492,914	-	492,914
Depreciation, amortization and impairment	238,005	146,526	91,479	-	91,479
Aircraft maintenance materials, supplies and services	312,148	15	312,133	-	312,133
Airport and navigation fees	143,890	-	143,890	-	143,890
Terminal handling services	22,067	-	22,067	-	22,067
Other	209,836	31,238	178,598	-	178,598
	1,449,309	208,228	1,241,081	-	1,241,081
Operating income	231,766	73,236	158,530	-	158,530
Non-operating (expenses) income					
Interest revenue	6,096	3,911	2,185	-	2,185
Interest expense	(104,594)	(61,756)	(42,838)	22,982	(19,856)
Gain on disposal of property and equipment	13	-	13	-	13
Gain on fair value of investments	3,555	3,555	-	-	-
Foreign exchange gain	23,091	3,937	19,154	-	19,154
Impairment on discontinued operations ⁽³⁾	-	(181,993)	-	-	-
	(71,839)	(232,346)	(21,487)	22,982	1,495
Income (loss) before income taxes	159,927	(159,110)	137,044	22,982	160,025
Income tax expense					
Current income tax	(21,295)	(3,443)	(17,852)	(6,205)	(24,057)
Deferred income tax	(32,526)	(14,964)	(17,562)	-	(17,562)
	(53,821)	(18,407)	(35,414)	(6,205)	(41,619)
Net income (loss)	106,106	(177,517)	101,630	16,777	118,407
Net income attributable to non-controlling interest	4,753	4,753	-	-	-
Net income (loss) attributable to shareholders	101,353	(182,270)	101,630	16,777	118,407
Preferred Share dividends declared ⁽²⁾	(35,426)	-	(35,426)	35,426	-
Earnings (loss) attributable to common shareholders	65,927	(182,270)	66,204	52,203	118,407
Earnings (loss) attributable to common shareholders, per share, basic	0.34	(0.93)	0.34	0.27	0.61
Earnings (loss) attributable to common shareholders, per share, diluted	0.33	(0.93)	0.33	0.26	0.61
Continuing operations	101,630	-	101,630	16,777	118,407
Discontinued operations	(277)	(182,270)	-	-	-
	101,353	(182,270)	101,630	16,777	118,407

- The cumulative translation adjustment ("CTA") is estimated to be a \$20.6 million gain based on a USD/CAD exchange rate of 1 USD to 1.3500 CAD. The CTA will be recognized to the income statement once the Transaction is completed at the USD/CAD exchange rate in effect at that date.
- Estimated interest expense savings of \$23.0 million relate to the redemption/repayment of Series A, B and C Debentures of \$16.7 million and Operating Credit Facility interest of \$6.3 million. Preferred Share dividends are converted to CAD at an exchange rate of 1 USD to 1.3500 CAD.
- Impairment is calculated based on a USD/CAD exchange rate of 1 USD to 1.3500 CAD using the measurement to fair value less non-controlling interest and costs to sell.

Pro Forma Leverage Ratio

	December 31, 2023				
	Chorus Aviation Inc. As Reported	Discontinued operations	Continuing operations	Redemption/ Repayment Series A, Series B and Series C Debentures and Operating Credit Facility and Cash retained ⁽¹⁾	Pro Forma Chorus Aviation Inc. ⁽²⁾
<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i>					
Long-term debt and lease liabilities (including current portion)	1,755,580	986,921	768,659	297,434	471,225
Less: Cash	(85,985)	(55,432)	(30,553)	49,109	(79,662)
Net debt	1,669,595	931,489	738,106	346,542	391,563
Adjusted EBITDA	458,666	237,130	221,536	-	221,536
Leverage Ratio	3.6	3.9	3.3	-	1.8

1. Includes repayment of the \$60 million balance under the Operating Credit Facility as at June 30, 2024.
2. The assumed USD/CAD foreign exchange rate for the sale of the RAL segment is 1 USD to 1.3500 CAD.

Pro Forma Free Cash Flow

	December 31, 2023				
	Chorus Aviation Inc. As reported	Discontinued operations	Continuing operations	Redemption/ Repayment Series A, Series B and Series C Debentures and Operating Credit Facility	Pro Forma Chorus Aviation Inc.
<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i>					
Cash provided by operating activities	299,675	94,045	205,630	16,777	222,407
Add (deduct)					
Net Changes in non-cash balances	62,055	71,608	(9,553)	-	(9,553)
Capital expenditures, excluding aircraft acquisitions	(15,251)	(876)	(14,375)	-	(14,375)
Heavy checks	(15,776)	-	(15,776)	-	(15,776)
	330,703	164,777	165,927	16,777	182,703
Net proceeds on asset sales	720	720	-	-	-
Free Cash Flow	331,423	165,497	165,926	16,777	182,703

Repayment of Long-term Borrowings

(unaudited) (expressed in thousands of Canadian dollars)	December 31, 2023				
	Chorus Aviation Inc. As reported	Discontinued operations	Continuing operations	Redemption/ Repayment Series A, Series B and Series C Debentures and Operating Credit Facility	Pro Forma Chorus Aviation Inc.
Repayment of long-term borrowings	341,234	165,246	175,988	-	175,988
Repayment of Unsecured Credit Facility	67,480	-	67,480	-	67,480
Repayment of long-term borrowings excluding Unsecured Credit Facility	273,754	165,246	108,508	-	108,508
Free Cash Flow After Debt Repayment	57,669	251	57,418	16,777	74,195

Pro Forma Adjusted Return on Equity

(unaudited) (expressed in thousands of Canadian dollars)	Trailing 12-Months ended December 31, 2023				
	Chorus Aviation Inc. As Reported	Discontinued operations	Continuing operations	Redemption/ Repayment Series A, Series B and Series C Debentures and Operating Credit Facility	Pro Forma Chorus Aviation Inc.
Adjusted Net Income	98,048	46,055	51,993	16,777	68,770
Non-controlling interest	(4,753)	(4,753)	-	-	-
Preferred Share dividends declared	(35,426)	-	(35,426)	35,426	-
Adjusted Earnings available to Common Shareholders	57,869	41,302	16,567	52,203	68,770
Average equity attributable to Common Shareholders excluding cash					
Average Shareholders' equity ⁽¹⁾	1,274,446	-	1,274,446	(370,443)	904,003
Less:					
Average Non-controlling interest	(87,718)	(87,718)	-	(43,859)	(43,859)
Average Preferred Shares	(375,217)	-	(375,217)	187,609	(187,608)
Average Cash	(93,006)	(68,080)	(24,926)	(24,554)	(49,480)
	718,505	(155,798)	874,303	(251,248)	623,055
Adjusted Return on Equity	8.1%				11.0%

- Reflects an adjustment to Average Shareholders' Equity for the difference in USD/CAD foreign exchange rates used to value RAL segment net assets at December 31, 2023 (1 USD to 1.3226 CAD) and the assumed USD/CAD foreign exchange rate for the sale of the RAL segment (1 USD to 1.3500 CAD).

Pro Forma Adjusted Metrics

	Year ended December 31, 2023				
	Chorus Aviation Inc. As reported	Discontinued operations	Continuing operations	Redemption/ Repayment Preferred Shares, Series A, Series B and Series C Debentures and Operating Credit Facility ⁽²⁾	Pro Forma Chorus Aviation Inc.
<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i>					
Operating income	231,766	73,236	158,530	-	158,530
Depreciation and amortization excluding impairment ⁽¹⁾	238,005	146,526	91,479	-	91,479
Employee separation program ⁽¹⁾	1,442	-	1,442	-	1,442
Defined Benefit Pension Revenue ⁽²⁾	(29,916)	-	(29,916)	-	(29,916)
Gain on fund investments	3,568	3,568	-	-	-
Lease repossession costs ⁽¹⁾	13,800	13,800	-	-	-
Adjusted EBITDA⁽³⁾	458,666	237,130	221,536	-	221,536
Earnings before tax	159,927	22,883	137,044	22,982	160,025
Impairment provision ⁽¹⁾	30,591	30,591	-	-	-
Employee separation program ⁽¹⁾	1,442	-	1,442	-	1,442
Defined Benefit Pension Revenue ⁽²⁾	(29,916)	-	(29,916)	-	(29,916)
Lease repossession costs ⁽¹⁾	13,800	13,800	-	-	-
Unrealized foreign exchange gain	(5,768)	(3,354)	(2,413)	-	(2,413)
Realized foreign exchange gain on intercompany loan ⁽⁴⁾	(26,437)	-	(26,437)	-	(26,437)
Adjusted EBT⁽³⁾	143,639	63,920	79,719	22,982	102,701

- Included in operating expenses.
- Air Canada agreed to compensate Jazz for the one-time impact of the wage increase on the Jazz defined benefit pension plan of \$29.9 million, which will be repaid in 60 equal monthly payments beginning on December 1, 2023. In accordance with IFRS, the associated impact of the wage scale pension assumption change in the pension liability was charged directly to other comprehensive income.
- Adjusted EBITDA and Adjusted EBT are non-GAAP financial measures that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results. Refer to the heading "Non-GAAP Financial Measures" in this circular.
- Realized foreign exchange gain relates to the extinguishment of intercompany loan receivables in the fourth quarter of 2023. During the term of these intercompany loan receivables, the unrealized foreign exchange gain or loss was recognized on the loan receivable. The intercompany loan payable was recorded in one of Chorus' subsidiaries with a USD functional currency such that the foreign exchange offset was recognized in exchange differences on foreign operations in other comprehensive income. The elimination of the realized foreign exchange from adjusted net income reflects the economics of the intercompany transaction.

Pro Forma Adjusted Metrics (continued)

(unaudited) (expressed in thousands of Canadian dollars)	Year ended December 31, 2023				
	Chorus Aviation Inc. As reported	Discontinued operations	Continuing operations	Redemption/ Repayment Preferred Shares, Series A, Series B and Series C Debentures and Operating Credit Facility ⁽²⁾	Pro Forma Chorus Aviation Inc.
Net Income	106,106	4,476	101,629	16,777	118,406
Impairment provision ⁽¹⁾	30,591	30,591	-	-	-
Employee separation program ⁽¹⁾	1,442	-	1,442	-	1,442
Defined Benefit Pension Revenue ⁽²⁾	(29,916)	-	(29,916)	-	(29,916)
Lease repossession costs ⁽¹⁾	13,800	13,800	-	-	-
Unrealized foreign exchange gain	(5,768)	(3,354)	(2,413)	-	(2,413)
Realized foreign exchange gain on intercompany loan ⁽³⁾	(26,437)	-	(26,437)	-	(26,437)
Tax recovery on adjusted items ⁽⁴⁾	8,230	542	7,688	-	7,688
Adjusted Net Income⁽⁵⁾	98,048	46,055	51,993	16,777	68,770
Adjusted Earnings available to Common Shareholders per Common Share					
Add (Deduct) items to get to Adjusted Earnings available to Common Shareholders					
Adjusted Net Income	98,048	46,055	51,993	16,777	68,770
Non-controlling interest	(4,753)	(4,753)	-	-	-
Preferred Shares	(35,426)	-	(35,426)	35,426	-
Adjusted Earnings available to Common Shareholders⁽⁵⁾	57,869	41,302	16,567	52,203	68,770
Adjusted Earnings available to Common Shareholders per Common Share – basic⁽⁵⁾	0.30	0.21	0.09	0.26	0.35

- Included in operating expenses.
- Air Canada agreed to compensate Jazz for the one-time impact of the wage increase on the Jazz defined benefit pension plan of \$29.9 million, which will be repaid in 60 equal monthly payments beginning on December 1, 2023. In accordance with IFRS, the associated impact of the wage scale pension assumption change in the pension liability was charged directly to other comprehensive income.
- Realized foreign exchange gain relates to the extinguishment of intercompany loan receivables in the fourth quarter of 2023. During the term of these intercompany loan receivables the unrealized foreign exchange gain or loss was recognized on the loan receivable. The intercompany loan payable was recorded in one of Chorus' subsidiaries with a USD functional currency such that the foreign exchange offset was recognized in exchange differences on foreign operations in other comprehensive income. The elimination of the realized foreign exchange from adjusted net income reflects the economics of the intercompany transaction.
- In the second quarter of 2022, Chorus recognized a deferred tax asset on certain adjusted expenses related to repossessions of aircraft and lease restructurings in FIL's aircraft portfolio. In the second quarter of 2023, Chorus recognized a provision against the deferred tax asset as the aircraft have not yet been re-leased.
- Adjusted Net Income, Adjusted Earnings available to Common Shareholders and Adjusted Earnings available to Common Shareholders per Common Share are non-GAAP financial measures or non-GAAP ratios that are not recognized measures for financial statement presentation under GAAP. As such, they do not have standardized meanings, may not be comparable to similar measures presented by other issuers and should not be considered a substitute for or superior to GAAP results. Refer to the heading "Non-GAAP Financial Measures" in this circular.

Please refer to Section 4 under the heading "Post Sale Pro Forma Non-GAAP Financial Measures June 30, 2024" of the MD&A for the three and six-months ended June 30, 2024 and dated August 13, 2024 for pro forma financial information in respect of the Transaction as at June 30, 2024, which information is incorporated by reference herein.

SCHEDULE E RECONCILIATION OF CERTAIN NON-GAAP MEASURES

ADJUSTED NET INCOME

Adjusted Net Income and Adjusted Net Income per share is used by Chorus to assess performance without the effects of unrealized foreign exchange gains or losses on long-term debt and lease liability related to aircraft, realized foreign exchange on intercompany loans, employee separation program costs, impairment provisions, lease repossession costs net of security packages realized, restructuring expected credit loss ("ECL") provision, Defined Benefit Pension Revenue, strategic advisory fees and the applicable tax expense (recovery). Chorus manages its exposure to currency risk on such long-term debt by billing the lease payments within the CPA in the underlying currency (US dollars) related to the aircraft debt. These items are excluded because they affect the comparability of Chorus' financial results, period-over-period, and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring due to ongoing currency fluctuations between the Canadian and US dollar. "Defined Benefit Pension Revenue" means the revenue recognized in 2023 related to the reimbursement of the impact of the new pilot wage scales on the defined benefit pension plan for pilots from Air Canada to be paid over 60 equal monthly payments beginning on December 1, 2023.

ADJUSTED EBT AND ADJUSTED EBITDA

Adjusted EBT and Adjusted EBITDA should not be used as exclusive measures of cash flow because these measures do not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows, forming part of Chorus' financial statements. EBT is defined as earnings before income tax.

Adjusted EBT (EBT before employee separation program costs, impairment provisions, lease repossession costs net of security packages realized, restructuring ECL provision, Defined Benefit Pension Revenue, strategic advisory fees and other items such as foreign exchange gains and losses) is a non-GAAP financial measure used by Chorus as a supplemental financial measure of operational performance. Management believes Adjusted EBT assists investors in comparing Chorus' performance by excluding items, which it does not believe will re-occur over the longer-term (such as employee separation program costs, impairment provisions, lease repossession costs net of security packages realized, restructuring ECL provision, Defined Benefit Pension Revenue and strategic advisory fees) as well as items that are non-cash in nature such as foreign exchange gains and losses.

EBITDA is defined as earnings before net interest expense, income taxes, depreciation and amortization and impairment and is a non-GAAP financial measure that is used frequently by companies in the aviation industry as a measure of performance. Adjusted EBITDA (EBITDA before employee separation program costs, strategic advisory fees, impairment provisions, lease repossession costs net of security packages realized, restructuring ECL provision, Defined Benefit Pension Revenue and other items such as foreign exchange gains or losses) is a non-GAAP financial measure used by Chorus as a supplemental financial measure of operational performance. Management believes Adjusted EBITDA assists investors in comparing Chorus' performance by excluding items, which it does not believe will re-occur over the longer-term (such as employee separation program costs, impairment provisions, lease repossession costs net of security packages realized, restructuring ECL provision, Defined Benefit Pension Revenue and strategic advisory fees) as well as items that are non-cash in nature such as foreign exchange gains and losses. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows, forming part of Chorus' financial statements.

<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i>	Year ended December 31,	
	2023 \$	2022 \$
Net income	106,106	51,917
<i>Add (Deduct) items to get to Adjusted net income</i>		
Impairment provisions ⁽¹⁾	30,591	20,499
Restructuring expected credit loss provision ⁽¹⁾⁽²⁾	—	10,353
Employee separation program ⁽¹⁾	1,442	2,296
Strategic advisory fees ⁽¹⁾	—	8,524
Defined Benefit Pension Revenue ⁽³⁾	(29,916)	—
Lease repossession costs ⁽¹⁾	13,800	28,059
Unrealized foreign exchange loss (gain)	(5,768)	7,356
Realized foreign exchange gain on intercompany loan ⁽⁴⁾	(26,437)	—
Tax (recovery) expense on adjusted items ⁽²⁾	8,230	(10,162)
	(8,058)	66,925
Adjusted Net Income	98,048	118,842
<i>Add (Deduct) items to get to Adjusted EBT</i>		
Income tax expense	53,821	21,933
Tax expense (recovery) on adjusted items ⁽²⁾	(8,230)	10,162
Adjusted EBT	143,639	150,937
<i>Add (Deduct) items to get to Adjusted EBITDA</i>		
Net interest expense	98,498	100,843
Depreciation and amortization excluding impairment	207,414	182,114
Foreign exchange loss	9,114	6,256
Gain on disposal of property and equipment	(13)	(172)
Loss on fair value of investments	14	1,068
	315,027	290,109
Adjusted EBITDA	458,666	441,046

1. Included in operating expenses.

2. In the second quarter of 2022, Chorus recognized a deferred tax asset on certain adjusted expenses related to repossessions of aircraft and lease restructurings in FIL's aircraft portfolio. In the second quarter of 2023, Chorus recognized a provision against the deferred tax asset as the aircraft have not yet been re-leased.

3. Air Canada agreed to compensate Jazz for the one-time impact of the wage increase on the Jazz defined benefit pension plan of \$29.9 million which will be repaid in 60 equal monthly payments beginning on December 1, 2023. In accordance with IFRS, the associated impact of the wage scale pension assumption change in the pension liability was charged directly to other comprehensive income.

4. Realized foreign exchange gain relates to the extinguishment of intercompany loan receivables in the fourth quarter of 2023. During the term of these intercompany loan receivables the unrealized foreign exchange gain or loss was recognized on the loan receivable. The intercompany loan payable was recorded in one of Chorus' subsidiaries with a USD functional currency such that the foreign exchange offset was recognized in exchange differences on foreign operations in other comprehensive income. The elimination of the realized foreign exchange from adjusted net income reflects the economics of the intercompany transaction.

Adjusted Earnings available to Common Shareholders per Common Share

Adjusted Earnings available to Common Shareholders per Common Share is used by Chorus to assess performance and is calculated as Adjusted Net Income less non-controlling interest and Preferred Share dividends declared.

	Year ended December 31,	
	2023 \$	2022 \$
<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars, except per Share amounts)</i>		
Adjusted Net Income	98,048	118,842
<i>Add (Deduct) items to get to Adjusted Earnings available to Common Shareholders</i>		
Net income attributable to non-controlling interest	(4,753)	(3,027)
Preferred Share dividends declared	(35,426)	(22,902)
Adjusted Earnings available to Common Shareholders	57,869	92,913
Adjusted Earnings available to Common Shareholders per Common Share - basic	0.30	0.48

Leverage Ratio

Net debt to trailing 12-month Adjusted EBITDA (also referred to herein as "Leverage Ratio") is used by Chorus as a means to measure financial leverage. Leverage is not a recognized measure under GAAP, and therefore is unlikely to be comparable to similar measures presented by other companies. Management believes leverage to be a useful term when monitoring and managing debt levels. In addition, as leverage is a measure frequently analyzed for public companies, Chorus has calculated the amount to assist readers in this review. Leverage should not be construed as a measure of cash flows.

	December 31, 2023 \$	December 31, 2022 \$
<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i>		
Long-term debt (including current portion)	1,755,580	2,030,276
Less:		
Cash	(85,985)	(100,027)
Net debt	1,669,595	1,930,249
Adjusted EBITDA	458,666	441,046
Leverage Ratio	3.6	4.4

Free Cash Flow

Free Cash Flow is a non-GAAP measure used as an indicator of financial strength and performance. Chorus believes that this measurement is useful as an indicator of its ability to service its debt, meet other ongoing obligations and reinvest in the company and return capital to shareholders. Readers are cautioned that Free Cash Flow does not represent residual cash flow available for discretionary expenditures.

Free Cash Flow is defined as cash provided by operating activities less net changes in non-cash balances related to operations, capital expenditures excluding aircraft acquisitions and improvements plus net proceeds on asset sales (proceeds on disposal of property and equipment less the related debt repayments for the assets sold).

The following table provides a reconciliation of Free Cash Flow to cash flows from operating activities, which is the most comparable financial measure calculated and presented in accordance with GAAP:

	2023	2022
<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i>	\$	\$
Cash provided by operating activities	299,675	279,512
Add (Deduct)		
Net changes in non-cash balances related to operations	62,055	(28,773)
Capital expenditures, excluding aircraft acquisitions	(15,251)	(15,914)
Capitalized major maintenance overhauls	(15,776)	(15,974)
	330,703	218,851
Net proceeds on asset sales	720	152,468
Free Cash Flow	331,423	371,319

Adjusted Return on Equity

Adjusted Return on Equity is a non-GAAP financial measure used to gauge a corporation's profitability and how efficient it is in generating profits. Adjusted Return on Equity is calculated based on Chorus' Adjusted Net Income less non-controlling interest and Preferred Share dividends declared divided by Average shareholders' equity excluding non-controlling interest, Preferred Shares and cash.

	December 31, 2023	December 31, 2022
<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars)</i>	\$	\$
Adjusted Net Income	98,048	118,842
Add (Deduct) items to get to Adjusted earnings available to shareholders		
Net income attributable to non-controlling interest	(4,753)	(3,027)
Preferred Share dividends declared	(35,426)	(22,902)
Adjusted Earnings available to Common Shareholders	57,869	92,913

Average equity attributable to Common Shareholders excluding cash		
Average Shareholders' equity	1,274,446	979,446
<i>Add (Deduct) items to get to average equity attributable to shareholders excluding cash</i>		
Average Non-controlling interest	(87,718)	(44,425)
Average Preferred Shares	(375,217)	(187,608)
Average Cash	(93,006)	(111,800)
	718,505	635,613
Adjusted Return on Equity	8.1%	14.6%

Price-to-Book Value Ratio

Price-to-book value (P/B) is a common valuation metric used to measure a company's equity value in relation to its book value per share.

<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars, except shares issued and outstanding, and Book Value per share - basic)</i>	December 31, 2023
	\$
Equity attributable to shareholders	1,193,884
Add (Deduct)	
Issuance of preferred shares, net of transaction costs and related tax ⁽¹⁾	(375,217)
Net equity attributable to shareholders	818,667
Common shares issued and outstanding	193,427,537
Book value per share – basic	\$4.23

<i>(unaudited)</i> <i>(expressed in Canadian dollars, except price-to-book value ratio)</i>	December 31, 2023
	\$
Chorus common share price ⁽²⁾	\$2.23
Book value per common share - basic	\$4.23
Chorus Price-to-book value ratio	0.53x

<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars, except price-to-book value ratio)</i>	December 31, 2023
	\$
Net sales proceeds	813,935
RAL equity attributable to shareholders	972,165
RAL Price-to-book value ratio	0.84x

1. On May 3, 2022, and in connection with the acquisition of Falko Regional Aircraft Limited and related interests in aircraft, BSI Dragonfly Holdings LP subscribed for US \$300 million of Preferred Shares in exchange for US \$291 million (CAD \$375,217) in cash.
2. Share price is based on the 90-day volume weighted average price of Chorus' shares on the Toronto Stock Exchange up to, and including, July 16, 2024.

RAS Calculated Value and RAL Implied Market Value³

<i>(unaudited)</i> <i>(expressed in thousands of Canadian dollars, except EV/EBITDA multiple)</i>	\$
RAS Segment 2023 Adjusted EBITDA ⁽¹⁾	249,280
Corporate Segment 2023 Adjusted EBITDA ⁽¹⁾	(27,745)
Add (Deduct):	
Forecasted change in Fixed Margin from 2023 to 2025 ⁽²⁾	(3,680)
Forecasted change in revenue from Aircraft Leasing under the CPA from 2023 to 2025 ⁽²⁾	(35,889)
Adjusted EBITDA for Price-to-Book Calculation Pro Forma 2025	181,966
EV / EBITDA Multiple⁽³⁾	7.0x
Enterprise Value	1,273,762
Add (Deduct):	
RAS Minimum Cash Balance	30,000
RAS Long-term debt (excluding lease liabilities) as at December 31, 2023	(400,631)
RAS Calculated Value	903,131

Current Market Capitalization⁽⁴⁾	537,016
Add (Deduct)	
RAS Calculated Value (per above)	(903,131)
RAL Implied Market Value	(366,115)

1. Per the MD&A dated February 22, 2024.
2. Forecasted change in Fixed Margin and revenue from aircraft leasing under the CPA are calculated as the difference between 2023 annual figures and 2025 forecast provided in the Outlook section of the MD&A dated May 6, 2024.
3. RAS EV/EBITDA 7.0x multiple per Chorus' investor presentation dated March 29, 2023.
4. Market capitalization is calculated as the July 26, 2024 closing share price of \$2.81 on the Toronto Stock Exchange multiplied by 191,108,856 shares outstanding as at June 30, 2024.

SCHEDULE F
SECTION 190 OF THE CBCA

Right to dissent

190 (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;

- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

(19) On an application to a court under subsection (15) or (16),

- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due;
or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

QUESTIONS? NEED HELP VOTING?



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