



Delivering regional aviation to the world

Chorus Aviation Inc.

Notice of 2018 Annual Meeting of Shareholders and Management Proxy Circular

May 4, 2018
Dartmouth, Nova Scotia

What's Inside

1	Letter to Shareholders from the Chairman and the President and Chief Executive Officer
3	Notice of 2018 Annual Shareholder Meeting
4	Management Proxy Circular
5	About Our Annual Shareholder Meeting
8	Voting Your Shares
16	The Nominated Directors
25	Remuneration of Directors
27	Share Ownership Requirement For Directors
27	Certain Proceedings
27	Statement of Governance Practices
37	Committees
41	Executive Compensation
59	Other Important Information
60	How to Request More Information
A-1	Annex A – Mandate of the Board of Directors



Letter to Shareholders from the Chairman and the President and Chief Executive Officer

Dear Chorus Shareholder:

We are pleased to provide you with the materials for the annual meeting of shareholders of Chorus Aviation Inc. ("Chorus") that will take place on Friday, May 4, 2018 at 9:00 a.m. (Atlantic Time) at the Delta Hotels by Marriott Dartmouth, located at 240 Brownlow Avenue Dartmouth, Nova Scotia.

As a shareholder of Chorus, you have the right to vote your shares on all items that come before the meeting. You can vote your shares either by proxy or in person at the meeting. This management proxy circular (the "circular") provides you with information about the business of the meeting and how to exercise your right to vote. Among other things, we will ask you to approve a resolution authorizing the amendment and restatement of Chorus' Long Term Incentive Plan to provide for an automatic 10 business day extension of the expiry date of share options that expire during or shortly after a trading black-out, and a non-binding advisory resolution regarding Chorus' approach to executive compensation. We are also pleased to nominate Ms. Margaret Clandillon for election to our board of directors. Ms. Clandillon is a highly experienced corporate director with more than 30 years of legal and business experience in aircraft leasing and capital markets. Each proposed resolution is more fully described in this circular. During the meeting, we will also present highlights of our 2017 achievements and the opportunities that 2018 brings.

Significant progress was made in 2017 towards our vision of delivering regional aviation to the world. Inclusive of an unrealized foreign exchange gain of \$60.9 million, Chorus generated net income of \$166.3 million, or \$1.35 per basic share. On an adjusted basis, net income for fiscal 2017 was \$114.5 million, or \$0.93 per basic share.

The successful launch of Chorus Aviation Capital and its rapid build to a global business has propelled the value of Chorus' portfolio of leased aircraft to over one billion dollars, and demonstrated the strength of our growth and diversification strategy. By the end of 2017, Chorus had completed the acquisition of 21 aircraft and leased them to eight well-established regional carriers in eight countries located on six continents. These aircraft have an average age of approximately three years and have an average lease term of approximately seven years. Together, with the 43 aircraft leased under the Capacity Purchase Agreement with Air Canada, Chorus' leased fleet has grown to 64 aircraft.

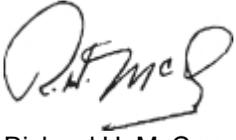
The expertise possessed by Jazz and Voyageur, in the areas of aircraft engineering, maintenance, repair and overhaul, coupled with our expertise in all other areas of regional operations is what differentiates us from the competition in executing our regional aircraft leasing strategy. We are demonstrating our ability to leverage and capitalize on the entire lifecycle of an aircraft – from its origination, to conducting modifications and engineering to suit our customers' needs (including life extension programs on aircraft), to repurposing aircraft and marketing them for flying contracts or disassembly for parts provisioning.

Since the beginning of 2017, we have raised \$300 million to support our growth and diversification strategy, and remain optimistic that Chorus Aviation Capital's growth trajectory will continue.

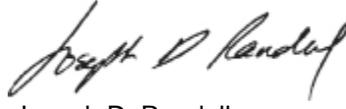
Our contract flying and maintenance, repair and overhaul businesses performed according to our expectations, and contributed to increases in all key financial metrics, including growth in adjusted EBITDA¹ and adjusted net earnings¹ of 15 and 12 percent respectively year over year.

We finished 2017 on a positive note when we returned to the S&P/TSX Composite Index – a validation of our strategy to transform Chorus into a worldwide leader in aviation services. We remain committed to building additional shareholder value as we continue to execute on our foundational businesses in Jazz and Voyageur, and to leverage our industry relationships and expertise as we continue to build Chorus Aviation Capital.

On behalf of our Board of Directors and the Chorus team, we thank you for your support and welcome the opportunity to meet you at our annual meeting.



Richard H. McCoy
Chairman



Joseph D. Randell
President and Chief Executive Officer

¹Adjusted EBITDA and adjusted net earnings are terms that do not have standardized meanings under generally accepted accounting principles (“GAAP”), and may not be comparable to similar terms presented by other issuers. We refer you to Management’s Discussion and Analysis for the year ended December 31, 2017 at www.chorusaviation.ca for a complete explanation of these terms and why they provide useful information to investors and their reconciliation to GAAP terms.



Notice of 2018 Annual Meeting of Shareholders

Friday, May 4, 2018
9:00 a.m. (Atlantic time)

Delta Hotels by Marriott Dartmouth
240 Brownlow Avenue
Dartmouth, Nova Scotia B3B 1X6

A webcast replay of management's presentation at the annual meeting of shareholders will be made available after the meeting on our website at www.chorusaviation.ca.

Business of the 2018 Annual Shareholder Meeting

The following business will be considered at the meeting:

1. placement before shareholders of the consolidated financial statements of Chorus Aviation Inc. ("Chorus") for the year ended December 31, 2017, including the auditors' report thereon;
2. election of the directors of Chorus who will serve until the end of the next annual meeting of shareholders unless a director leaves the board of directors prior to such time;
3. appointment of auditors of Chorus;
4. approval of a resolution authorizing the amendment and restatement of Chorus' Long Term Incentive Plan to provide for the automatic extension of the expiry date of share options that expire during or shortly after a trading black-out;
5. approval, in an advisory, non-binding capacity, of a resolution regarding Chorus' approach to executive compensation; and
6. consideration of such other business, if any, that may properly come before the meeting or any adjournment or postponement thereof.

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

You are entitled to receive notice of, and vote at, our annual meeting of shareholders or any adjournment or postponement thereof if you are a shareholder on March 12, 2018.

Your vote is important.

As a shareholder of Chorus, it is very important that you read this material carefully and vote your shares, either by proxy or in person at the meeting.

The following pages tell you more about how to exercise your right to vote your shares and provide additional information relating to the matters to be dealt with at the meeting.

By Order of the Board of Directors

Dennis Lopes
Senior Vice President, General Counsel and Corporate Secretary
Dartmouth, Nova Scotia
March 15, 2018



Management Proxy Circular

This management proxy circular (this “**circular**”) is for the annual meeting of the shareholders of Chorus Aviation Inc. (“**Chorus**” or the “**Corporation**”) to be held on May 4, 2018 (such meeting, and any adjournment or postponement thereof, the “**meeting**”). As a shareholder of Chorus, you have the right to vote your shares in respect of the election of the directors, the appointment of the auditors, the amendment and restatement of the Chorus Long-Term Incentive Plan, and the non-binding advisory vote on Chorus’ approach to executive compensation, and on any other items that may properly come before the meeting.

To help you make an informed decision, please read this circular. This circular describes the meeting, the nominee directors, the proposed auditors, our corporate governance practices, the compensation of our directors and certain officers, and the other business to come before the meeting. Financial information regarding Chorus is provided in the consolidated financial statements of Chorus and management’s discussion and analysis (“**MD&A**”) for the year ended December 31, 2017, both of which are available on our website at www.chorusaviation.ca and on SEDAR at www.sedar.com.

Your proxy is solicited by or on behalf of the management of Chorus for use at the meeting. In addition to solicitation by mail, employees or agents may solicit proxies by other means. The cost of any such solicitation will be borne by Chorus. Chorus has retained D.F. King, a division of AST Investor Services Inc. (“**D.F. King**”), to solicit proxies from shareholders and has agreed to pay a fee of \$25,000 for proxy solicitation services plus disbursements and additional fees for ancillary services provided. If you have any questions regarding the procedures for voting or completing your proxy form or voting instruction form, please contact D.F. King toll free in North America at 1-800-884-4590 or collect call from outside North America at 1-201-806-7301, or by email at inquiries@dfking.com.

This circular and related proxy materials are being sent to both registered and non-registered shareholders. The Corporation is not relying on the notice-and-access provisions of securities laws for delivery to either registered or non-registered shareholders. Chorus (or its agent) will send proxy-related materials directly to non-registered shareholders who are “non-objecting beneficial owners” and will deliver proxy-related materials to nominees, custodians and fiduciaries who will be asked to promptly forward them to non-registered shareholders who are “objecting beneficial owners”. The Corporation pays for the delivery of the proxy-related materials to all registered and non-registered shareholders, which includes reimbursing brokers and other persons holding shares in their names, or in the names of nominees, for their costs incurred in sending proxy materials to beneficial owners and obtaining their proxies or voting instructions. If you are a non-registered shareholder, you should receive a voting instruction form along with this circular. Refer to the section entitled “Voting your shares” to find out if you are a non-registered holder.

In this circular, “we”, “us” and “our” refer to Chorus and “management” refers to Chorus’ management. “You” and “your” refer to the shareholders of Chorus, and “shares” refers to the Class A Variable Voting Shares and Class B Voting Shares of Chorus. All monetary amounts are stated in Canadian Dollars unless otherwise indicated, and all information in this circular is current as of March 15, 2018 unless otherwise indicated. If you have any questions about any of the information in this circular, please call Chorus Investor Relations at (902) 873-5094 for service in English or French.

Approval of this circular

The board of directors of Chorus (the “**Board of Directors**” or the “**Board**”) approved the contents of this circular and authorized it to be sent to each shareholder who is eligible to receive notice of, and vote his, her or its shares, at our annual meeting of shareholders, as well as to each director of Chorus and to the auditors of Chorus. Shareholders who own shares of Chorus on March 12, 2018 will be eligible to receive this circular.

Dennis Lopes
Senior Vice President, General Counsel and Corporate Secretary
Dartmouth, Nova Scotia
March 15, 2018

About Our Annual Meeting of Shareholders

Business of the Meeting

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

1. placement before shareholders of the consolidated financial statements of Chorus for the year ended December 31, 2017, including the auditors' report thereon;
2. election of the directors of Chorus who will serve until the end of the next annual meeting of shareholders unless a director leaves the board of directors prior to such time;
3. appointment of auditors of Chorus;
4. approval of a resolution authorizing the amendment and restatement of Chorus' Long Term Incentive Plan to provide for the automatic extension of the expiry date of share options that expire during or shortly after a trading black-out;
5. approval, in an advisory, non-binding capacity, of a resolution, the text of which is contained in this circular, regarding Chorus' approach to executive compensation; and
6. consideration of such other business, if any, that may properly come before the meeting or any adjournment or postponement thereof.

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

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

1) Placement of financial statements of Chorus

The consolidated financial statements of Chorus for the year ended December 31, 2017, including the auditors' report thereon, are available on our website at www.chorusaviation.ca and on SEDAR at www.sedar.com. Copies of such statements will also be available at the meeting.

2) Election of the directors of Chorus

Nine directors are to be elected to the Board of Directors. Each director elected at the meeting will serve until the end of the next annual shareholder meeting unless he or she leaves the Board prior to such time.

Eight of the nine individuals to be nominated as directors are currently members of the Board of Directors. Ms. Clandillon is a new nominee. The individuals nominated for election as directors at the meeting are Margaret Clandillon, Gary M. Collins, Karen Cramm, Richard D. Falconer, R Stephen Hannahs, Sydney John Isaacs, Richard H. McCoy, Marie-Lucie Morin and Joseph D. Randell. Please see "The Nominated Directors" section in this circular for additional information relating to each such nominee.

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

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

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

If you do not specify how you want your shares voted, the persons named as proxyholders will cast the votes represented by proxy at the meeting FOR the election as directors of each of the nominees named in this circular.

3) Appointment of auditors

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

Fees payable for the years ended December 31, 2017 and December 31, 2016 to PricewaterhouseCoopers LLP and its affiliates were \$972,743 and \$1,151,758, respectively, as detailed below:

	Year Ended December 31,	
	2017	2016
	\$	\$
Audit fees	556,026	410,000
Audit-related fees	16,867	162,545
Tax fees – compliance/preparation	131,196	51,244
Tax fees – other	268,654	482,409
Other	-	45,560
	972,743	1,151,758

The nature of each category of fees is described below:

Audit fees. Audit fees were paid for professional services rendered for the audit of the annual financial statements of the Corporation and its affiliates, for the reviews of quarterly reporting by the Corporation, and for services normally provided in connection with statutory and regulatory filings or engagements. The increase in audit fees in 2017 relates to the growth of the leasing business and requirements for statutory filings in Ireland.

Audit-related fees. Audit-related fees were paid for professional services related to pension plan audits and accounting consultation.

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

Tax fees - other. Tax fees were paid for professional services rendered with respect to tax advice, tax planning and consulting. Fees in 2016 mainly relate to consulting in respect of the establishment of Chorus' aircraft leasing business. In 2017, Chorus engaged another firm, which is not affiliated with PricewaterhouseCoopers, to provide tax consulting services related to the aircraft leasing business going forward.

Other. Other fees paid in 2016 were for pension filing software and a review of the security of Voyageur's information technology infrastructure.

If you do not specify how you want your shares voted, the persons named as proxyholders will cast the votes represented by proxy at the meeting FOR the appointment of PricewaterhouseCoopers LLP as auditors.

4) Long Term Incentive Plan amendment and restatement

The Chorus Long Term Incentive Plan ("LTIP") is used by Chorus to attract, retain and motivate employees in key positions, and to align their interests with those of shareholders. The LTIP contemplates the grant of restricted share units and options to purchase shares (see the "Executive Compensation" section of this circular for a summary of the key terms of the LTIP).

As of the date of this circular, 2,930,500 options are outstanding, and each option has an exercise period (i.e., the period from the date of vesting to the date of expiry) of two years. Because options are currently held by insiders of Chorus, the exercise period is further shortened by routine and special black-outs imposed by Chorus which prohibit insiders from trading in Chorus securities (including exercising their options). For this reason, Chorus is proposing that the LTIP be amended and

restituted to include a new clause that provides for an automatic 10 business day extension of the expiry date of options that expire during, or within five business days after, a routine or special trading black-out imposed by Chorus.

At the meeting, shareholders will be asked to approve an ordinary resolution in the form set out below to amend and restate the LTIP to add the new clause described above as section 5.8 and to make a consequential amendment to subsection 21(e) of the LTIP. To be adopted, the ordinary resolution needs to be approved by a majority of the votes cast at the meeting by proxy or in person. The Board recommends that shareholders vote in favour of this resolution.

Form of Resolution

“BE IT RESOLVED THAT the Chorus Aviation Inc. Long Term Incentive Plan (the “LTIP”) be amended and restated as follows:

- 1) The following shall be added to the LTIP as section 5.8:

“Black-out Period – If an Option expires during, or within five (5) Business Days after, a routine or special trading black-out period imposed by the Corporation to restrict trades in the Corporation’s securities, then, notwithstanding any other provision of this Plan, unless the delayed expiration would result in tax penalties, the Option shall expire ten (10) Business Days after the trading black-out period is lifted by the Corporation.”

- 2) Clause (v) of subsection 21(e) of the LTIP shall be deleted in its entirety and replaced with the following:

“an extension of the term of an Option beyond its original expiry date (except where the expiry date would have fallen within a black-out period applicable to the Member or within five (5) Business Days following the expiry of such a black-out period);”

A copy of the current LTIP is available on SEDAR at www.sedar.com.

If you do not specify how you want your shares voted, the persons named as proxyholders will cast the votes represented by proxy at the meeting FOR the passing of the ordinary resolution approving the amendment and restatement of the LTIP to add the proposed new section 5.8 and amend subsection 21(e).

5) Advisory vote on approach to executive compensation

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

Form of Resolution

“BE IT RESOLVED THAT, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Chorus Aviation Inc. (“Chorus”), the shareholders accept the approach to executive compensation disclosed in Chorus’ Management Proxy Circular dated March 15, 2018.”

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

If you do not specify how you want your shares voted, the persons named as proxyholders will cast the votes represented by proxy at the meeting FOR the advisory, non-binding resolution in respect of Chorus’ approach to executive compensation.

6) Consideration of other business

We will also report on other items that are significant to our business and invite questions and comments from shareholders.

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 or in person, at the meeting.

Voting

You can attend the meeting or you can appoint someone else to vote your shares at the meeting (a “**proxyholder**”). You may appoint a proxyholder or one or more alternative proxyholders, who do not have to be shareholders, by inserting the proxyholder’s name in the appropriate space provided in the form of proxy or voting instruction form. A duly appointed proxyholder who attends the meeting on your behalf may act at the meeting in the manner and to the extent authorized, and with the authority conferred by, the proxy or voting instruction form.

The persons who are named on the form of proxy or voting instruction form provided with this circular are directors or officers of Chorus and will vote your shares for you. **You have the right to appoint someone else to be your proxyholder.** If you appoint someone else, he or she must attend the meeting to vote your shares.

How to vote – registered shareholders

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 AST Trust Company (Canada) (Chorus’ transfer agent) at 1-800-387-0825.

A form of proxy, which allows you to provide your voting instructions by Internet, facsimile, mail, email or telephone, should be enclosed with this circular. Please contact AST Trust Company (Canada) at 1-800-387-0825 if you have not received a form of proxy.

By proxy

You will be providing your proxy voting instructions directly to AST Trust Company (Canada). They must receive your voting instructions **prior to Chorus’ proxy deadline of 9:00 a.m. (Atlantic time) on May 2, 2018.** Notwithstanding the foregoing, the chair of the meeting has the sole discretion to accept proxies received after such deadline, but is under no obligation to do so. Please see the section of this circular titled “Completing the Proxy and Voting Instruction Form” for more information.

On the Internet

Go to the website at www.astvotemyproxy.com and follow the instructions on the screen. Your voting instructions are then submitted electronically over the Internet. You can appoint a person other than the directors or officers of Chorus named on the form of proxy as your proxyholder. This person does not have to be a shareholder. Fill in the name of the person you are appointing in the space provided on the website. Complete your voting instructions and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting.

You will need the 13-digit Control Number found on your form of proxy.

The cut-off time for voting on the Internet is 9:00 a.m. (Atlantic time) on May 2, 2018, 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).

By facsimile, mail or e-mail

Complete the form of proxy and return it by facsimile to either 1-866-781-3111 or (416) 368-2502, or return it by mail in the enclosed business reply envelope, or scan and e-mail it to proxyvote@astfinancial.com **for receipt before 9:00 a.m. (Atlantic time) on May 2, 2018,** 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 return your proxy by facsimile, mail or e-mail, you can appoint a person other than the directors or officers of Chorus named in the form of proxy as your proxyholder. This person does not have to be a shareholder. Fill in the name of the person you are appointing in the blank space provided on the form of proxy. Complete your voting

instructions, date and sign the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting.

By telephone

You may also provide voting instructions by calling 1-888-489-7352 (Canada and the United States) **prior to Chorus' proxy deadline of 9:00 a.m. (Atlantic time) on May 2, 2018.**

In person at the meeting

You do not need to complete or return your form of proxy. Please register your attendance with AST Trust Company (Canada) upon arrival at the meeting.

If you have any questions or require more information with regard to the procedures for voting, please contact D.F. King, Chorus' proxy solicitation agent toll free in North America at 1-800-884-4590 or collect outside North America at 1-201-806-7301 or by email at inquiries@dfking.com.

How to vote – non-registered shareholders

Chorus is paying for the delivery of proxy-related materials to all non-registered shareholders who have not declined to receive these materials, including non-registered shareholders that have provided instructions to the intermediary holding their shares that they object to the intermediary disclosing information about their ownership (referred to as "objecting beneficial owners").

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 AST Trust Company (Canada) at 1-800-387-0825.

Non-objecting beneficial owners

If you are a non-objecting beneficial owner and Chorus or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, Chorus (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. A voting instruction form, which allows you to provide your voting instructions on the Internet or by facsimile, mail, email or telephone, should be enclosed with this circular. Please contact AST Trust Company (Canada) at 1-800-387-0825 if you have not received a voting instruction form.

By proxy

You will be providing your proxy voting instructions directly to AST Trust Company (Canada) (Chorus' transfer agent). They must receive your voting instructions **prior to Chorus' proxy deadline of 9:00 a.m. (Atlantic time) on May 2, 2018.** Notwithstanding the foregoing, the chair of the meeting has the sole discretion to accept proxies received after such deadline, but is under no obligation to do so. Please see the section of this circular titled "Completing the Proxy and Voting Instruction Form" for more information.

On the Internet

Please go to the website at www.astvotemyproxy.com. You will need the 13-digit Control Number found on your voting instruction form.

Upon accessing the website, follow the instructions on the screen. Your voting instructions will be submitted electronically over the Internet. You can appoint a person other than the directors or officers of Chorus named on the voting instruction form as your proxyholder. This person does not have to be a shareholder. Fill in the name of the person you are appointing in the space provided on the website. Complete your voting instructions and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting.

The cut-off time for voting on the Internet is 9:00 a.m. (Atlantic time) on May 2, 2018, 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).

By facsimile, mail or email

You may also vote your shares by completing the voting instruction form and returning it by facsimile to 1-866-781-3111 or (416) 368-2502, or by mail in the enclosed business reply envelope, or scanning and e-mailing it to proxyvote@astfinancial.com **for receipt before 9:00 a.m. (Atlantic time) on May 2, 2018**, 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 can appoint a person other than the directors or officers of Chorus named on the voting instruction form as your proxyholder. This person does not have to be a shareholder. Fill in the name of the person you are appointing in the blank space provided on the voting instruction form. Complete your voting instructions, date and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting.

By telephone

You may also provide your voting instructions by calling 1-888-489-7352 (Canada and the United States) **prior to Chorus' proxy deadline of 9:00 a.m. (Atlantic time) on May 2, 2018**.

In person at the meeting

You can vote your shares in person at the meeting if you have appointed yourself as proxyholder. To do this, fill in your name in the blank space provided on the voting instruction form. Please register your attendance with AST Trust Company (Canada) upon arrival at the meeting.

If you have any questions or require more information with regard to the procedures for voting, please contact D.F. King, Chorus' proxy solicitation agent toll free in North America at 1-800-884-4590 or collect outside North America at 1-201-806-7301 or by email at inquiries@dfking.com.

Objecting beneficial owners

If you are an "objecting beneficial owner", the nominee through which you hold your shares is responsible for (i) delivering the meeting materials to you, and (ii) executing your proper voting instructions. A voting instruction form, which allows you to provide your voting instructions on the Internet or by facsimile or mail, should be enclosed with this circular. Please contact your nominee if you have not received a voting instruction form.

By proxy

You will be providing your proxy voting instructions to your nominee who will then submit them to AST Trust Company (Canada) (Chorus' transfer agent). Your nominee must receive your voting instructions in sufficient time for your nominee to act on them **prior to Chorus' proxy deadline of 9:00 a.m. (Atlantic time) on May 2, 2018**. Notwithstanding the foregoing, the chair of the meeting has the sole discretion to accept proxies received after such deadline, but is under no obligation to do so. Please see the section of this circular titled "Completing the Proxy and Voting Instruction Form" for more information.

On the Internet

Please go to the website at www.proxyvote.com. You will need the 16-digit Control Number found on your voting instruction form.

Upon accessing the website, follow the instructions on the screen. Your voting instructions will be submitted electronically over the Internet. You can appoint a person other than the directors or officers of Chorus named on the voting instruction form as your proxyholder. This person does not have to be a shareholder. Fill in the name of the person you are appointing in the space provided on the website. Complete your voting instructions and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting.

The cut-off time for voting on the Internet is 9:00 a.m. (Atlantic time) on May 1, 2018, or, if the meeting is adjourned or postponed, not later than 72 hours prior to the adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays).

By facsimile or mail

You may also vote your shares by completing the voting instruction form and returning it by facsimile to (905) 507-7793 (for English shareholders) or (514) 281-8911 (for French shareholders), or by mail in the enclosed business reply envelope **for receipt before 9:00 a.m. (Atlantic time) on May 1, 2018**, or, if the meeting is adjourned or postponed, not later than 72 hours prior to the adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays).

You can appoint a person other than the directors or officers of Chorus named on the voting instruction form as your proxyholder. This person does not have to be a shareholder. Fill in the name of the person you are appointing in the blank space provided on the voting instruction form. Complete your voting instructions, date and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting.

In person at the meeting

You can vote your shares in person at the meeting if you have instructed your nominee to appoint you as proxyholder. To do this, fill in your name in the blank space provided on the voting instruction form and follow any instructions provided by your nominee. Please register your attendance with AST Trust Company (Canada) upon arrival at the meeting.

If you have any questions or require more information with regard to the procedures for voting, please contact D.F. King, Chorus' proxy solicitation agent toll free in North America at 1-800-884-4590 or collect outside North America at 1-201-806-7301 or by email at inquiries@dfking.com.

How to vote – employees holding shares under the Employee Share Ownership Plan (“ESOP”)

Shares purchased by employees of Chorus and its subsidiaries under the ESOP (“**Employee Shares**”) are registered in the name of Computershare Trust Company of Canada (“**Computershare**”), as administrative agent, unless the employees have withdrawn their shares from the ESOP. If you are not sure whether you are an employee holding Employee Shares through Computershare, please contact Computershare at 1-866-982-0314.

If you also hold shares outside the ESOP and wish to vote those other shares, you must also complete a form of proxy (if a registered shareholder) or voting instruction form (if a non-registered shareholder) with respect to such other shares in the manner described above.

A voting instruction form, which allows you to provide your voting instructions on the Internet or by mail, should be enclosed with this circular. Please contact Computershare if you have not received a voting instruction form.

By proxy

You will be providing your proxy voting instructions to Computershare who will then submit them to AST Trust Company. Computershare must receive your voting instructions in sufficient time to act on them **prior to Chorus' proxy deadline of 9:00 a.m. (Atlantic time) on May 2, 2018**. Notwithstanding the foregoing, the chair of the meeting has the sole discretion to accept proxies received after such deadline, but is under no obligation to do so. Please see the section of this circular titled “Completing the Proxy and Voting Instruction Form” for more information.

On the Internet

Go to the website at www.investorvote.com and follow the instructions on the screen. Your voting instructions are then submitted electronically over the Internet. You can appoint a person other than Computershare as your proxyholder. This person does not have to be a shareholder. Indicate the name of the person you are appointing in the space provided on the website. Complete your voting instructions, date and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting.

You will need the 15-digit Control Number found on your voting instruction form.

The cut-off time for voting on the Internet is 9:00 a.m. (Atlantic time) on May 1, 2018, or, if the meeting is adjourned or postponed, not later than 72 hours prior to the adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays).

By mail

Alternatively, you may vote your shares by completing the voting instruction form and returning it by mail in the enclosed business reply envelope **for receipt before 9:00 a.m. (Atlantic time) on May 1, 2018**, or, if the meeting is adjourned or postponed, not later than 72 hours prior to the adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays).

You can appoint a person other than Computershare as your proxyholder. This person does not have to be a shareholder. Fill in the name of the person you are appointing in the blank space provided on the voting instruction form. Complete your voting instructions, date and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting.

In person at the meeting

You can vote your shares in person at the meeting if you have instructed Computershare to appoint you as proxyholder. To do this, enter your name in the appropriate box on the website or write your name in the space provided on the voting instruction form and follow the instructions otherwise provided in the voting instruction form. Please register your attendance with AST Trust Company upon arrival at the meeting.

If you have any questions or require more information with regard to the procedures for voting, please contact D.F. King, Chorus' proxy solicitation agent toll free in North America at 1-800-884-4590 or collect outside North America at 1-201-806-7301 or by email at inquiries@dfking.com.

Completing the Proxy and Voting Instruction Form

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

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

If you vote by proxy or using a voting instruction form without appointing an alternate proxyholder, you authorize Richard H. McCoy, Joseph D. Randell or Jolene Mahody, who are directors and/or officers of Chorus, to vote your shares for you at the meeting in accordance with your instructions. **If such individuals have been appointed as your proxyholder and you have not specified how you want your shares to be voted, they will vote on your behalf FOR the election of each of the nominee directors of Chorus who are named in this circular, FOR the appointment of PricewaterhouseCoopers LLP as auditors of Chorus, FOR the amendment and restatement of Chorus' LTIP to provide for the automatic extension of the expiry date of share options that expire during or shortly after a trading black-out, and FOR the advisory, non-binding vote on Chorus' approach to executive compensation.**

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

You have the right to appoint someone other than the designated nominees to be your proxyholder. This person does not have to be a shareholder. If you are appointing someone else to vote your shares for you at the meeting, fill in the name of the person voting for you in the blank space provided on the form of proxy or voting instruction form. Make sure that the person you appoint is aware that he or she has been appointed and attends the meeting.

You must also complete the Declaration of Canadian Status contained in the form of proxy or voting instruction form to inform Chorus whether or not you are Canadian (as defined 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 *Canada Transportation Act* (the "Act"). If you do not complete such declaration or if it is determined

by Chorus or its transfer agent that you incorrectly indicated (through inadvertence or otherwise) that the shares represented by proxy are owned and controlled by a Canadian, you will be deemed to be a non-Canadian for purposes of voting at the meeting.

If you have any questions or require more information with regard to the procedures for voting, please contact D.F. King, Chorus' proxy solicitation agent toll free in North America at 1-800-884-4590 or collect outside North America at 1-201-806-7301 or by email at inquiries@dfking.com.

Changing Your Vote

If you are a **registered shareholder**, you may change your vote by: (i) submitting a proxy bearing a later date with your new voting instructions (but your **new voting instructions must be received by AST Trust Company (Canada) before 9:00 a.m. (Atlantic time) on May 2, 2018**, 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) in order to be given effect), or (ii) by attending the meeting and voting in person. You may also revoke your prior voting instructions without giving new voting instructions (i) by an instrument in writing executed by the shareholder or the shareholder's attorney authorized in writing and deposited either at the Toronto office of Chorus' transfer agent, AST Trust Company (Canada), 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6, or at Chorus' registered office, 100 King Street West, 1 First Canadian Place, Suite 6200, P.O. Box 50, Toronto, Ontario, M5X 1B8, **at any time up to 9:00 a.m. (Atlantic time) on May 2, 2018** (or 5:00 p.m. (Atlantic time) on the last business day preceding the date set for any adjourned or postponed meeting), or with the chair of the meeting on the day of the meeting or (ii) in any other way permitted by law.

If you are a **non-registered shareholder**, you may change your vote by submitting new voting instructions by Internet, facsimile or other manner described above. **Your new voting instructions must be received by AST Trust Company (Canada) before 9:00 a.m. (Atlantic time) on May 2, 2018**, 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) in order to be given effect, you should provide your new voting instructions to your nominee in sufficient time for your nominee to act on them **prior to such deadline (generally one business day in advance)**. Please contact your nominee for assistance if you wish to revoke your voting instructions without providing new voting instructions.

If you hold Employee Shares under the ESOP, you may change your vote by submitting new voting instructions to Computershare Trust Company by Internet or mail in the manner set out above and Computershare Trust Company will then submit them to AST Trust Company (Canada). **Your new voting instructions must be received by AST Trust Company (Canada) before 9:00 a.m. (Atlantic time) on May 2, 2018**, 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) in order to be given effect, so you should provide your new voting instructions to Computershare Trust Company in sufficient time for Computershare Trust Company to act on them **prior to such deadline (generally one business day in advance)**. Please contact Computershare Trust Company for assistance if you wish to revoke your voting instructions without providing new voting instructions.

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

Voting Requirements

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

AST Trust Company (Canada) counts and tabulates the votes.

Voting Shares and Quorum

As of March 12, 2018, there were 125,410,001 shares issued and outstanding. Shareholders of record on March 12, 2018 are entitled to receive notice of and vote at the meeting.

A quorum is present at the meeting if the holders of not less than 25% of the shares entitled to vote at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting. 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 holders of domestic, scheduled international and non-scheduled international licences be “Canadian” as defined in the Act (“**Canadian**”). As Chorus owns two air carriers that hold such licences, it must comply with these provisions. In the case of each licence holder, this requires that at no time may non-Canadians (i) control the corporation in fact or (ii) hold or beneficially own or control, directly or indirectly, such number of shares entitling them to more than 25% (or any higher percentage as the Governor in Council may by regulation specify) of the votes attached to all outstanding shares. The Restated Articles of Incorporation of Chorus contain restrictions to ensure that Chorus remains Canadian under the Act. The definition of the term “Canadian” under section 55(1) of the Act may be summarized as follows:

- (a) Canadian citizen or a permanent resident within the meaning of the *Immigration and Refugee Protection Act* (Canada);
- (b) a government in Canada or an agent of such a government; or
- (c) a corporation or other entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 75% (or such lesser percentage as the Governor in Council may by regulation specify) of the voting interests are owned and controlled by Canadians.

Chorus has two classes of shares: (i) Class B Voting Shares and (ii) Class A Variable Voting Shares. Effective May 24, 2016, the Class B Voting Shares and Class A Variable Voting Shares started trading on the TSX under the single ticker “CHR”. Prior to that date, the Class B Voting Shares and Class A Variable Voting Shares traded on the TSX under their respective symbols, CHR.B and CHR.A. This change was limited solely to the administration of the trading of the Class B Voting Shares and the Class A Variable Voting Shares on the TSX. This change did not involve any amendment to Chorus’ Articles, which continue to apply.

The Class B Voting Shares may only be held, beneficially owned and controlled, directly or indirectly, by persons who are Canadians. Unless the foreign ownership restrictions of the Act are repealed and not replaced with other similar restrictions, an issued and outstanding Class B Voting Share shall be converted into one Class A Variable Voting Share, automatically and without any further act of Chorus or the holder, if such Class B Voting Share becomes held, beneficially owned or controlled, directly or indirectly, otherwise than by way of security only, by a person who is not a Canadian. Each Class B Voting Share confers the right to one vote.

The Class A Variable Voting Shares may only be held, beneficially owned or controlled, directly or indirectly, by persons who are not Canadians. An issued and outstanding Class A Variable Voting Share shall be converted into one Class B Voting Share, automatically and without any further act of Chorus or the holder, if (i) such Class A Variable Voting Share becomes held, beneficially owned or controlled, directly or indirectly, otherwise than by way of security only, by a person who is a Canadian; or (ii) the provisions contained in the Act relating to foreign ownership restrictions are repealed and not replaced with other similar provisions.

The holders of Class A Variable Voting Shares are entitled to one vote per Class A Variable Voting Share unless: (i) the number of Class A Variable Voting Shares outstanding, as a percentage of the total number of all voting shares outstanding, exceeds 25% (or any higher percentage that the Governor in Council may by regulation specify); or (ii) the total number of votes cast by or on behalf of holders of Class A Variable Voting Shares at any meeting exceeds 25% (or any higher percentage that the Governor in Council may by regulation specify) of the total number of votes that may be cast at such meeting. If either of the above-noted thresholds would otherwise be surpassed at any time, the vote attached to each Class A Variable Voting Share will decrease proportionately, automatically and without further act or formality such that (i) the Class A Variable Voting Shares as a class do not carry more than 25% (or any higher percentage that the Governor in Council may by regulation specify) of the aggregate votes attached to all issued and outstanding voting shares of the corporation, and (ii) the total number of votes cast by or on behalf of holders of Class A Variable Voting Shares at any meeting do not exceed 25% (or any higher percentage that the Governor in Council may by regulation specify) of the total number of votes that may be cast at such meeting. The holders of Class A Variable Voting Shares and Class B Voting Shares will vote together at the meeting and no separate meeting is being held for any such class of shares.

On March 12, 2009, Bill C-10, the Budget Implementation Act, 2009, which (among other things) proposed amendments to the CTA relating to foreign ownership restrictions on domestic air carriers, received Royal Assent. These amendments, which may come into force on a day fixed by order of the Governor in Council, provide the Governor in Council the authority to introduce regulations which set new foreign ownership limits up to a maximum of 49% foreign ownership. The regulations may specify that the new limits apply generally to all non-Canadian investors or, alternatively may specify increased foreign ownership limits available to specific classes of non-Canadians to be identified in the regulations.

On May 16, 2017, the Minister of Transport introduced Bill C-49, An Act to amend the Canada Transportation Act and other Acts respecting transportation and to make related and consequential amendments to other Acts (Transportation Modernization Act). Bill C-49 proposes amendments to the definition of “Canadian” in the CTA to raise the threshold of voting interests in an air carrier that may be owned and controlled by non-Canadians to 49% (from the current 25%), subject to a 25% sublimit applicable to any single non-Canadian investor (individually or by affiliation) and a 25% sublimit applicable to any combination of non-Canadian air carriers (individually or by affiliation). Bill C-49 also provides for the repeal of the proposed amendments to the CTA relating to foreign ownership restrictions on domestic air carriers set out in Part 14 of Bill C-10, the Budget Implementation Act, 2009 (discussed in the preceding paragraph). As of the date of this circular, Bill C-49 has not yet been passed into law.

In the event that the law is changed to modify the current foreign ownership limits, it may be necessary for the Corporation to first amend its articles of incorporation and by-laws for the new limits to apply to the Corporation.

Shareholders who wish to vote at the meeting either by completing and delivering a proxy or a voting instruction form or by attending and voting at the meeting will be required to complete a Declaration of Canadian Status in order to enable Chorus to comply with the restrictions imposed by the Act 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 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 or an employee voting shares of Chorus under the Employee Share Ownership Plan, and in the Internet voting instructions.

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 on SEDAR at www.sedar.com.

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

The Nominated Directors

Nine directors are to be elected at the meeting, each of whom is to hold office until the end of the next annual meeting of shareholders, unless he or she leaves the Board prior to such time.

All nominees have established their eligibility and willingness to serve as directors. If, prior to the meeting, any of the listed nominees becomes unable or unavailable to serve, proxies will be voted for any other nominee or nominees at the discretion of the proxyholder. The following pages set out, among other things, the names of the proposed nominees, together with their municipality of residence, the date they became directors (if applicable), their principal occupation and other principal directorships and committee memberships. Also indicated is the number of securities of Chorus beneficially owned, or over which control was exercised, directly or indirectly, as of March 5, 2018 and the value of those securities as of March 5, 2018 based on a market value of \$8.19 per share.

Biographies

Margaret Clandillon

Dublin, Ireland



Age: 57

Independent

Not currently a Director of Chorus or its predecessors or subsidiaries

Margaret Clandillon is an experienced director with more than 30 years of legal and business experience in the aviation leasing industry. Between 1985 to 1993, Ms. Clandillon worked with GPA Group Plc, one of the largest aircraft leasing companies at the time, in a number of roles including General Counsel, and had group legal responsibility for operating leases, bank and debt facilities, including securitizations of aircraft portfolios. In 1993, she co-founded an aircraft leasing company named Pembroke Capital Limited which had grown to a portfolio of over 125 owned and managed aircraft at the time she sold her shareholding in the company in 2001. Since then, she has held directorships in numerous companies across the aviation leasing industry and currently serves on the boards of several aircraft securitizations noted below. Ms. Clandillon is a law graduate of Trinity College Dublin, Ireland, a qualified solicitor (Incorporated Law Society of Ireland) and a graduate of the International Directors Programme in Corporate Governance, INSEAD.

Chorus Securities Held or Controlled:

Class A Variable

Voting Shares:	Nil	Total Class A Variable Voting Shares and Deferred Share Units:	Nil
Deferred Share Units:	Nil	Total Market Value of Class A Shares and Deferred Share Units:	Nil

If elected, Ms. Clandillon will have until May 2023 to meet the director share ownership requirement.

Experience:

Executive Leadership, Other Board Experience, Finance, Aviation/Transportation Industry Knowledge, Aircraft Leasing Experience, Strategic Planning, International Business, Mergers & Acquisitions/Growth Strategy, Risk Management

Other Current Board Memberships

Public Boards:

DCAL Aviation Finance Limited*
Falcon Aerospace Limited*
Metal 2017-1 Cayman Limited*
KDAC Aviation Finance (Cayman) Limited*

* Each of these entities is an aircraft securitization vehicle with publicly-listed notes. They are not operating companies, and their equity securities are not publicly-traded.

Non-Profit Boards and Private Boards:

Actavo Group Limited
Sky Aviation Leasing International Limited
Waypoint Leasing (Ireland) Limited

Other Board Memberships During the Last Five Years:

FPG Amentum Capital Limited
AERGO Capital Limited

Gary M. Collins

Vancouver, British Columbia,
Canada



Age: 54

Independent

Director of Chorus and its predecessors or subsidiaries since May 8, 2008

Chair of the Governance and Nominating Committee
Member of the Audit, Finance and Risk Committee

Gary M. Collins is a Senior Advisor at Lazard Canada, a financial advisory and asset management firm. Until May 2014, Mr. Collins was the President of Coastal Contacts Inc., the world's leading online direct-to-customer retailer of replacement contact lenses, eye glasses and optical products. In May 2014 Coastal Contacts was purchased by Essilor International. From April 2007 to June 2012 Mr. Collins was Senior Vice President of Belcorp Industries Inc. Prior to that, Mr. Collins was the President and Chief Executive Officer of Harmony Airways from December 2004 until December 2006. From October 1991 to December 2004 he was a member of the British Columbia Legislative Assembly and held the portfolio of Minister of Finance from June 2001 to December 2004. Mr. Collins is also a director of D-Box Technologies Inc. and Rogers Sugar Inc.

Chorus Securities Held or Controlled:

Class B Voting Shares:	5,000	Total Class B Voting Shares and Deferred Share Units:	160,894
Deferred Share Units:	155,894	Total Market Value of Class B Shares and Deferred Share Units:	\$1,317,722

Mr. Collins' holdings exceed the director share ownership requirement of \$225,000.

Experience:

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

Other Current Board Memberships

Public Boards:

D-Box Technologies Inc.
Rogers Sugar Inc.

Non-Profit Boards and Private Boards:

None

Other Board Memberships During the Last Five Years:

Liquor Stores N. A. Ltd.

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

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

Chair of the Audit, Finance and Risk Committee
Member of the Governance and Nominating Committee



Age: 67
Independent

Karen Cramm is a corporate director. A Chartered Professional Accountant since 1977, Mrs. Cramm holds master's degrees in business administration (MBA) and in public administration (MPA). Mrs. Cramm was a senior partner of Deloitte & Touche ("Deloitte") in the Financial Services Group specializing in Reorganization as well as Forensic & Dispute services. While a partner of Deloitte, she served as the Managing Partner of the Halifax Office, was elected to the Canadian Deloitte Board of Directors for fourteen years and chaired the Deloitte Foundation, a registered charity focusing on corporate responsibility and giving back to communities across Canada. Mrs. Cramm has served as President of the Institute of Chartered Accountants of Nova Scotia and was elected as a Fellow of the Institute in recognition of distinguished service to the profession. She has also had extensive experience leading and serving on community-based, non-profit boards including Chair of the Boards of the Izaak Walton Killam Hospital and the Art Gallery of Nova Scotia and serving on the Boards and executive of both Dalhousie University and Mount Saint Vincent University. In April 2015, Mrs. Cramm was named to the Board of Directors, the Audit and Risk Management Committee ("ARMC") and the Finance and Investment Committee of Medavie Inc. On February 16, 2018, she was appointed Chair of the ARMC.

Chorus Securities Held or Controlled:

Class B Voting Shares:	Nil	Total Class B Voting Shares and Deferred Share Units:	86,579
Deferred Share Units:	86,579	Total Market Value of Class B Shares and Deferred Share Units:	\$709,082

Mrs. Cramm's holdings exceed the director share ownership requirement of \$225,000.

Experience:

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

Other Current Board Memberships

Public Boards:

None

Non-Profit Boards and Private Boards:

Medavie Inc.

Other Board Memberships During the Last Five Years:

None

Richard D. Falconer
Mississauga, Ontario, Canada



Age: 73
Independent

Director of Chorus since March 1, 2012

Chair of the Human Resources and Compensation Committee

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

Chorus Securities Held or Controlled:

Class B Voting Shares:	35,000	Total Class B Voting Shares and Deferred Share Units:	118,926
Deferred Share Units:	83,926	Total Market Value of Class B Shares and Deferred Share Units:	\$974,004

Mr. Falconer's holdings exceed the director share ownership requirement of \$225,000.

Experience:

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

Other Current Board Memberships

Public Boards:

Resolute Forest Products Inc.
Jaguar Mining Inc.

Non-Profit Boards and Private Boards:

LOFT Community Services
Dorothy Ley Hospice
Shaw Festival Theatre Endowment Foundation

Other Board Memberships During the Last Five Years:

None

R Stephen Hannahs

Corona Del Mar, California, U.S.A.



Age: 71

Independent

Director of Chorus since August 10, 2015

**Member of the Human Resources and Compensation Committee
Member of the Audit, Finance and Risk Committee**

R Stephen Hannahs is the Founder, Chief Executive Officer, and Managing Director at Wings Capital Partners. Wings Capital Partners makes targeted, non-passive equity investments in commercial aircraft, related assets parts, and aviation companies, with a focus on the mid-life narrow body commercial aircraft sector. In 1989, Mr. Hannahs co-founded Aviation Capital Group ('ACG') and served as its Chief Executive Officer and Group Managing Director until December 31, 2012. When Mr. Hannahs retired from ACG on January 1, 2013, he had built the Company into a \$7.0 billion enterprise and one of the top five aircraft leasing companies in the world. Between 1982 and 1989, he served as an Executive Vice President at Integrated Resources Inc. and President at Integrated Resources Aircraft Corporation. From 1980 to 1982, Mr. Hannahs was a Vice President and partner in Tanon Leasing Corporation, a partnership with the Hillman Company of Pittsburgh, where he was responsible for all of Tanon's aviation activities. From 1977 to 1980 he was employed by Itel Corporation where he was responsible for airline and aviation financing activities. He is a former officer in the United States Air Force, and holds Bachelor of Arts and Master of Business Administration degrees in Finance from the University of Wisconsin-Madison.

Chorus Securities Held or Controlled:

Class A Variable

Voting Shares:	Nil	Total Class A Variable Voting Shares and Deferred Share Units:	30,035
Deferred Share Units:	30,035	Total Market Value of Class A Shares and Deferred Share Units:	\$245,987

Mr. Hannahs' holdings exceed the director share ownership requirement of \$225,000.

Experience:

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

Other Current Board Memberships

Public Boards:

None

Non-Profit Boards and Private Boards:

Wings Capital Partners Management, LLC

Other Board Memberships During the Last Five Years:

Aviation Capital Group

Sydney John Isaacs
Westmount, Québec, Canada



Age: 61

Independent

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

Member of the Governance and Nominating Committee

Member of the Human Resources and Compensation Committee

Sydney John Isaacs is a corporate director. He was the Senior Vice President, Corporate Development and Chief Legal Officer for ACE Aviation Holdings Inc. from November 2004 until June 2012. From September 2000 to October 2004, Mr. Isaacs held a number of senior management positions at Air Canada in restructuring, mergers and acquisitions and business development. Prior to that, Mr. Isaacs was a partner at Stikeman Elliott LLP, where his practice was focused on mergers and acquisitions, corporate finance and corporate and securities law.

Chorus Securities Held or Controlled:

Class B Voting Shares: 5,000 **Total Class B Voting Shares and Deferred Share Units:** 91,508

Deferred Share Units: 86,508 **Total Market Value of Class B Shares and Deferred Share Units:** \$749,451

Mr. Isaacs' holdings exceed the director share ownership requirement of \$225,000.

Experience:

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

Other Current Board Memberships

Public Boards:

None

Non-Profit Boards and Private Boards:

None

Other Board Memberships During the Last Five Years:

None

Richard H. McCoy
Toronto, Ontario, Canada



Age: 75

Independent

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

Chairman of the Board of Directors since January 1, 2008

Richard H. McCoy is a corporate director. Mr. McCoy has over 35 years of experience in the investment industry. From May 1997 to October 31, 2003, Mr. McCoy was Vice-Chairman, Investment Banking at TD Securities. Prior to joining TD Securities in 1997, Mr. McCoy was Deputy Chairman of CIBC Wood Gundy Securities. Mr. McCoy is a Director of Aberdeen Asia-Pacific Income Investment Company Limited and Pizza Pizza Royalty Corp.

Chorus Securities Held or Controlled:

Class B Voting Shares: 51,294 **Total Class B Voting Shares and Deferred Share Units:** 284,815

Deferred Share Units: 233,521 **Total Market Value of Class B Shares and Deferred Share Units:** \$2,332,635

Mr. McCoy's holdings exceed the share ownership requirement for the Chairman of \$450,000.

Experience:

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

Current Board Memberships

Public Boards:

Aberdeen Asia-Pacific Income Investment Company Limited
Pizza Pizza Royalty Corp.

Non-Profit Boards and Private Boards:

None

Other Board Memberships During the Last Five Years:

Uranium Participation Corporation

Marie-Lucie Morin
Ottawa, Ontario, Canada



Age: 60
Independent

Director of Chorus since February 17, 2016

Member of the Governance and Nominating Committee
Member of the Human Resources & Compensation Committee

Ms. Morin served as Executive Director for Canada, Ireland and the Caribbean at the World Bank from November 2010 until December 2013 when she retired from the Public Service. She previously served as National Security Advisor to the Prime Minister of Canada and Associate Secretary to the Cabinet. From April 2006 to November 2008, she served as Deputy Minister of International Trade and from December 2003 to April 2006, as Associate Deputy Minister of Foreign Affairs. Prior to this appointment, she held the post of Assistant Deputy Minister, International Business, and Chief Trade Commissioner. Ms. Morin has extensive experience abroad, acquired during postings to San Francisco, Jakarta, London and Moscow. In 1997, she was appointed as Canada's Ambassador to the Kingdom of Norway with concurrent accreditation to the Republic of Iceland, a position she held until 2001.

Most recently Ms. Morin served as advisor for the Canada Transportation Act Review. She is currently a member of Canada's Security and Intelligence Review Committee, as well as a director of AGT Food & Ingredients Inc. and Stantec Inc.

Ms. Morin was awarded the Governor General's 125th Anniversary of the Confederation of Canada Medal and she was made "Chevalier de la Légion d'Honneur" (France) in 2012. On December 30, 2016, Ms. Morin was appointed to the Order of Canada.

Ms. Morin studied law and was admitted to the Quebec Bar in 1980.

Chorus Securities Held or Controlled:

Class B Voting Shares:	2,073	Total Class B Voting Shares and Deferred Share Units:	14,391
Deferred Share Units:	12,318	Total Market Value of Class B Shares and Deferred Share Units:	\$117,862

Ms. Morin joined the Board in February 2016 and has until February 2021 to meet the director share ownership requirement.

Experience:

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

Current Board Memberships

Public Boards:

AGT Food & Ingredients Inc.
Stantec Inc.

Non-Profit Boards and Private Boards:

Asia-Pacific Foundation
Deloitte Canada
Ditchley Foundation Canada
Génome Québec
Ottawa Symphony Orchestra

Other Board Memberships During the Last Five Years:

Desjardins Development International
Timberwest

Joseph D. Randell
Wellington, Nova Scotia, Canada



Age: 64

Not Independent

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

Joseph (Joe) D. Randell has been President and Chief Executive Officer of Chorus and its predecessors since January 1, 2001. Mr. Randell was a founder of Air Nova in 1985 and served as its President. In 1999, Mr. Randell led the consolidation of Air Nova and Air Alliance, the eastern based Air Canada regional carriers. Under Mr. Randell's direction, further consolidation of Air Ontario, Air BC and Canadian Regional Airlines led to the creation of Jazz. Mr. Randell is a Director of the Multiple Sclerosis Scientific Research Foundation. Mr. Randell is the former Chairman of the Board of Directors of the National Airlines Council of Canada. Mr. Randell holds a Bachelor of Industrial Engineering with distinction from the Technical University of Nova Scotia and a Master's Degree in Business Administration from Memorial University, Newfoundland. Mr. Randell was presented with an Honourary Doctor of Laws from Dalhousie University in October 2015.

Chorus Securities Held or Controlled:

Class B Voting Shares: 1,184,462 **Total Class B Voting Shares and Restricted Share Units:** 1,614,593

Restricted Share Units: 430,131 **Total Market Value of Class B Shares and Restricted Share Units:** \$10,875,001⁽¹⁾

Mr. Randell's holdings exceed his executive share ownership requirement of \$2,325,000.

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

Experience:

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

Current Board Memberships

Public Boards:

None

Non-Profit Boards and Private Boards:

Multiple Sclerosis Scientific Research Foundation

Other Board Memberships During the Last Five Years:

Discovery Air Inc.

National Airlines Council of Canada

Regional Airline Association

Remuneration of Directors

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

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

Director compensation in 2017 was consistent with the structure in place since January 1, 2011, which had been developed with assistance from Mercer Consulting. In December 2017, on the recommendation of the Governance and Nominating Committee, the Board approved changes to director compensation based on a review of the benchmark group used for executive compensation reviews and publicly available reports. Those changes became effective on January 1, 2018.

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

The chart below outlines the director compensation program in 2017 and 2018.

Role	Annual Base Retainer ^(*)		Annual Equity Grant (DSUs)		Annual Total	
	2017	2018	2017	2018	2017	2018
Chairman	\$140,000	\$150,000	\$60,000	\$100,000	\$200,000	\$250,000
All Other Directors	\$70,000	\$75,000	\$30,000	\$50,000	\$100,000	\$125,000
Meeting Attendance			<i>No Meeting Fees</i>			
Committee Fees	Committee Chair Annual Retainer ^(*)		Committee Member Annual Retainer ^(*)			
	2017	2018	2017	2018		
Audit, Finance and Risk	\$15,000	\$15,000	\$5,000	\$5,000		
Other Committees	\$10,000	\$10,000	\$3,000	\$3,000		

(*) Amounts in these columns are paid in cash, part cash and part DSUs or all in DSUs at the election of the individual board member.

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

Non-executive directors also receive an annual grant of travel reward miles. As these travel reward miles are a taxable benefit, they receive a payment to address the related income tax. Beginning in 2018, non-executive directors may elect to receive a \$6,000 payment in lieu of the annual grant of travel reward miles.

Director Compensation in 2017

Name	Director	Committee	Committee	Equity Grant	Other ⁽⁵⁾	Total for
	Annual Base Retainer ⁽¹⁾	Annual Retainer(s) ⁽²⁾	Chair-person's Annual Retainer(s) ⁽³⁾	(DSUs) Share-Based Awards ⁽⁴⁾		
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Gary M. Collins	70,000	5,000	10,000	30,000	6,000	121,000
Karen Cramm	70,000	3,000	15,000	30,000	6,000	124,000
Richard D. Falconer ⁽⁷⁾	70,000	2,500	10,000	30,000	6,000	118,500
R Stephen Hannahs	70,000	8,000	–	30,000	6,000	114,000
Sydney John Isaacs	70,000	6,000	–	30,000	6,000	112,000
G. Ross MacCormack ⁽⁸⁾	25,577	1,096	–	10,962	–	37,635
Richard H. McCoy	140,000	–	–	60,000	6,000	206,000
Marie-Lucie Morin ⁽⁹⁾	70,000	4,912	–	30,000	6,000	110,912

1 The annual base retainer for non-executive board members was \$70,000 and for the Chairman was \$140,000. Mr. Randell is not paid additional compensation for service on the Board

2 Additional retainer for service on a Board committee or committees.

3 Additional retainer for service as a Chair of a Board committee.

4 Non-executive directors receive a portion of their remuneration in DSUs. All directors received \$30,000 annual value in DSUs with the exception of the Chairman who received \$60,000 value in DSUs.

Directors have the option to elect, prior to the start of the fiscal quarter in which they wish the election to take effect, to have all or a portion of their annual base retainer and/or committee retainer(s) paid in DSUs. For the first quarter, Mr. Collins elected to take 50% of his total retainer in DSUs. For the remainder of the year, he elected not to take any DSUs in lieu of retainers. For the period January 1, 2017 to December 31, 2017, Mr. Falconer, Mr. Hannahs and Mr. McCoy elected to receive 50% of their total retainer paid in DSUs. Mrs. Cramm elected to take 100% of her annual committee retainers in DSUs. Mr. Isaacs elected not to take any DSUs in lieu of his retainers. Mr. MacCormack elected to take 30% of his annual base retainer in DSUs. Ms. Morin elected to take 5% of her annual base retainer and 100% of her annual committee retainer in DSUs. The value of these DSUs in lieu of cash is reflected in the values shown in the columns headed "Director Annual Base Retainer" and "Committee Annual Retainer".

5 Directors other than Mr. Randell receive an annual grant of travel reward miles upon election/re-election to the Board. As these travel reward miles are a taxable benefit, the directors receive a payment to address the related income tax. The value of the travel reward miles is included as other income.

6 The value of the aggregate number of DSUs credited to each director during 2017 (including DSU grants and DSUs taken in lieu of cash fees), the values of which are included in this table, are for Mr. Collins \$40,625, Mrs. Cramm \$48,000, Mr. Falconer \$71,875, Mr. Hannahs \$69,000 Mr. Isaacs \$30,000, Mr. MacCormack \$19,731, Mr. McCoy \$130,000 and Ms. Morin \$38,412.

7 Mr. Richard Falconer ceased to be a member of the Audit, Finance & Risk Committee on June 27, 2017.

8 Mr. Ross MacCormack retired from the Board effective May 12, 2017.

9 Ms. Marie-Lucie Morin was appointed to the Human Resources & Compensation Committee effective May 12, 2017.

Name	Share-Based Awards	
	Value of DSUs vested during 2017 (\$) ⁽¹⁾	Market value of DSUs held at December 31, 2017 (\$) ⁽²⁾⁽³⁾
Gary M. Collins	111,143	1,479,246
Karen Cramm	85,969	811,413
Richard D. Falconer	107,772	779,865
R Stephen Hannahs	80,114	264,410
Sydney John Isaacs	68,580	815,263
G. Ross MacCormack ⁽⁴⁾	65,358	--
Richard H. McCoy	232,501	2,190,661
Marie-Lucie Morin	42,440	102,854

1 The grant value of DSUs awarded in 2017 and the value of additional DSUs credited to the directors as dividend equivalents.

2 Based on market value of shares of Chorus at December 31, 2017 of \$9.65 per share. Amounts represent the aggregate balance of DSUs awarded, including the additional DSUs that have been credited to the directors as dividend equivalents.

3 The vested amount for each director cannot be paid to that director until after that director's retirement from the Board or in the case of a U.S. taxpayer, subsequent to the date such person incurs a "separation from service" under applicable U.S. law.

4 Mr. Ross MacCormack retired from the Board effective May 12, 2017.

Share Ownership Requirement for Directors

The Board has adopted share ownership guidelines which require non-executive directors to own shares and/or DSUs with a minimum aggregate value equal to three times their annual base retainer, which for 2017 would mean a requirement to hold shares and/or DSUs with a minimum aggregate value of \$210,000 for non-executive directors and \$420,000 for the Chairman; those amounts will increase to \$225,000 and \$450,000, respectively, in 2018 as a result of the increases in the base retainers that took effect on January 1, 2018.

The value of securities for this purpose is the greater of the market value of the securities and the aggregate purchase price of the securities. Such ownership must be achieved within five years from the date the director joins the Board. As of March 5, 2018, all directors had met the guidelines except Ms. Morin who has until February 2021 to meet the requirement. For share ownership requirements applicable to the executive director (Mr. Randell), please refer to the “Executive Compensation” section of this circular.

Certain Proceedings

To the knowledge of Chorus, none of the proposed nominees for election as directors (a) are, as at the date hereof, or have been, within 10 years before the date of this circular, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an “Order”) that was issued while the proposed nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) are, as the date of this circular, or have been within 10 years before the date of this circular, a director or executive officer of any company that, while person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) have, within the 10 years before the date of this circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed nominee, except that (A) Richard D. Falconer was a member of the board of directors of Jaguar Mining Inc. when it filed for a voluntary proceeding under the *Companies’ Creditors Arrangement Act* on December 23, 2013 and (B) within one year prior to Pluna Líneas Aéreas Uruguayas S.A. being petitioned into bankruptcy by the government of Uruguay, Joseph D. Randell ceased to be a director of that company.

Statement of Governance Practices

Chorus is committed to maintaining effective corporate governance policies and practices, and to this end continues to implement enhancements with a view to strengthening its approach to corporate governance and increasing investor confidence. Initiatives implemented in recent years to enhance Board and compensation governance are highlighted below:

- Updated Chorus’ Code of Ethics and Business Conduct and instituted annual certification and training processes.
- Adopted a new Ethics Reporting Policy to encourage the timely reporting of all forms of misconduct and concerns of unethical behaviour.
- Updated the Board Diversity Policy setting out the Board’s commitment to increasing diversity at the Board and executive officer level, including an objective of having women and men each represent no less than one-third (1/3) of the Board membership by 2022.
- Adopted a Board and Individual Board Member Performance Assessment Policy which outlines the process taken to assess and improve the performance of individual directors, the Board’s standing committees and the Board as a whole.
- Amended the Corporation’s Guidelines on Trading to prohibit insiders from engaging in transactions designed to hedge or otherwise limit the economic risk associated with their ownership of Chorus securities.
- Implemented a Compensation Recoupment Policy that permits Chorus to recoup and/or cancel incentive compensation paid or payable to an executive officer or any other employee with material oversight responsibilities over the preparation of Chorus’ financial statements in the event of a financial restatement and misconduct.
- Amended the provisions of the LTIP to include a double trigger requirement in the event of a change of control and a prohibition on the repricing of options.

- Amended the By-laws of Chorus to include advance notice provisions to ensure that all shareholders are treated fairly and provided with timely information in connection with the nomination of directors.
- Revised the Board's mandate, the charters of the Board's standing committees, and the position descriptions for the Board Chair, the Chairs of the Board's standing committees, and the President and Chief Executive Officer ("CEO") to more clearly define their respective roles and responsibilities.
- Implemented the practice of holding regular in camera sessions between the members of the Audit, Finance and Risk Committee and the chief financial officer (in addition to external auditor and the internal auditor).
- Adopted "say on pay" in order to provide shareholders the opportunity to cast an advisory vote on Chorus' approach to executive compensation.

After reviewing its governance practices, the Board has concluded that Chorus complies with the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. Chorus regularly adjusts its governance practices as regulatory changes come into effect, and will continue to monitor these changes closely and make any required amendments to its governance practices.

Board of Directors

Director Independence

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

All committee members are independent.

Director Name	Independence Status		Reason for Non-Independence
	Independent	Not Independent	
Margaret Clandillon	✓		
Gary M. Collins	✓		
Karen Cramm	✓		
Richard D. Falconer	✓		
R Stephen Hannahs	✓		
Sydney John Isaacs	✓		
Richard H. McCoy	✓		
Marie-Lucie Morin	✓		
Joseph D. Randell		✓	President and CEO

Chairman of the Board

The Chairman of the Board is an independent director. Chorus' separation of the Chair and Chief Executive Officer roles enables more effective oversight of management.

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

Board Size

Eight directors were elected at the annual meeting of shareholders held on May 12, 2017. The Board has evaluated its size and composition in light of the Corporation's growth plans and strategy and determined it is in Chorus' best interest to increase the size of the Board to nine directors. Accordingly, nine nominees are being proposed in this circular for election at the meeting.

In Camera Sessions of Directors

At Board of Directors meetings, time is reserved for directors to hold in camera sessions in the absence of the executive director (Mr. Randell) and other members of management. The Board meets without management and without the executive director at each regularly-scheduled Board meeting, and at all other Board meetings, the directors consider whether an in camera session would be appropriate in the circumstances. Questions and comments formulated during in camera sessions are then passed on to the executive director and other members of management who were excluded from the in camera sessions. During the year ended December 31, 2017, eight such in camera sessions were held in the absence of the executive director and other members of management.

During 2017, the Audit, Finance and Risk Committee, the Governance and Nominating Committee and the Human Resources and Compensation Committee each held four in camera sessions in the absence of the executive director and other members of management. Committees sometimes elected to hold their in camera sessions jointly with other committees.

Board and Committee Composition

at December 31, 2017

Director	Year Appointed to the Board	2017 Committees		
		Audit, Finance & Risk Committee	Human Resources & Compensation Committee	Governance & Nominating Committee
Gary M. Collins	2008	✓	–	Chair
Karen Cramm	2010	Chair	–	✓
Richard D. Falconer	2012	–	Chair	–
R Stephen Hannahs	2015	✓	✓	–
Sydney John Isaacs	2008	–	✓	✓
Marie-Lucie Morin	2016	–	✓	✓
Richard H. McCoy	2006	–	–	–
Joseph D. Randell	2006	–	–	–

Attendance Record

The attendance record of each Board member at meetings of the Board and its committees held in 2017 is shown below.

Director	Board ⁽¹⁾	Audit, Finance & Risk Committee	Human Resources & Compensation Committee	Governance & Nominating Committee	Totals
Gary M. Collins	10 of 10	4 of 4	–	4 of 4	(100%)
Karen Cramm	10 of 10	4 of 4	–	4 of 4	(100%)
Richard D. Falconer ⁽²⁾	9 of 10	2 of 2	4 of 4	–	(94%)
R Stephen Hannahs	10 of 10	4 of 4	4 of 4	–	(100%)
Sydney John Isaacs	10 of 10	–	4 of 4	4 of 4	(100%)
Marie-Lucie Morin ⁽³⁾	10 of 10	–	2 of 2	4 of 4	(100%)
Richard H. McCoy ⁽⁴⁾	10 of 10	4 of 4	4 of 4	4 of 4	(100%)
Joseph D. Randell ⁽⁴⁾	10 of 10	4 of 4	4 of 4	4 of 4	(100%)

1 Includes all Board meetings and the annual meeting of shareholders.

2 Richard D. Falconer ceased to be a member of the Audit, Finance and Risk Committee on June 27, 2017. Due to a scheduling conflict, Mr. Falconer missed one Board meeting that was called on short notice.

3 Marie-Lucie Morin was appointed to the Human Resources and Compensation Committee on May 12, 2017.

4 The Chairman of the Board, Mr. McCoy, and the President and CEO, Mr. Randell, attended all committee meetings in a non-voting capacity.

Board Mandate

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

Position Descriptions

President and CEO

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

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

Chair of Each Committee

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

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

Orientation

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

New directors attend orientation sessions with the President and CEO, the Executive Vice President and Chief Financial Officer, and other members of senior management of Chorus. These sessions include a detailed briefing on the Capacity Purchase Agreement (the "CPA") between Jazz Aviation LP ("**Jazz Aviation**" or "**Jazz**") and Air Canada, the leasing

business carried on by Chorus Aviation Capital Corp. and its subsidiaries (“**Chorus Aviation Capital**” or “**CAC**”), and other contract flying, maintenance, repair and overhaul operations carried on by Voyageur Aviation Corp. and its subsidiaries (“**Voyageur**”).

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

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

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

Continuing Education

The Governance and Nominating Committee is, among other things, responsible for providing continuing education opportunities for the directors. Management assists by regularly providing directors with access to analyst reports, industry publications, industry benchmarking information, and articles on developments in the area of corporate governance. At each regular Board meeting, the directors are also provided with updates on the competitive landscape and the performance of each of the Corporation’s principal subsidiaries. Select articles and presentations are also routinely provided to directors to keep current their knowledge and understanding of Chorus’ industry and its attendant challenges and opportunities. Furthermore, facility tours are periodically provided to directors so that they can enhance their understanding of the operational aspects of Chorus’ business and seminars focused on specific topics are also periodically arranged. In 2017, the Board received detailed briefings on safety management systems in the airline sector and Chorus’ workplace mental health initiatives.

Skills Matrix

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

	Clandillon	Collins	Cramm	Falconer	Hannahs	Isaacs	McCoy	Morin	Randell
Executive Leadership ⁽¹⁾	✓	✓	✓	✓	✓	✓	✓	✓	✓
Other Board Experience ⁽²⁾	✓	✓	✓	✓	✓	✓	✓	✓	✓
Accounting ⁽³⁾		✓	✓	✓	✓		✓		✓
Finance ⁽⁴⁾	✓	✓	✓	✓	✓	✓	✓	✓	✓
Aviation / Transportation Industry Knowledge ⁽⁵⁾	✓	✓	✓	✓	✓	✓	✓	✓	✓
Aircraft Leasing Experience ⁽⁶⁾	✓				✓				
Human Resources / Compensation ⁽⁷⁾		✓	✓	✓	✓	✓	✓	✓	✓

	Clandillon	Collins	Cramm	Falconer	Hannahs	Isaacs	McCoy	Morin	Randell
Legal ⁽⁸⁾	✓					✓		✓	
Strategic Planning ⁽⁹⁾	✓	✓	✓	✓	✓	✓	✓	✓	✓
Government / Regulatory Affairs ⁽¹⁰⁾		✓		✓				✓	✓
International Business ⁽¹¹⁾	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mergers & Acquisitions / Growth Strategy ⁽¹²⁾	✓	✓	✓	✓	✓	✓	✓		✓
Risk Management ⁽¹³⁾	✓		✓	✓	✓	✓	✓		✓
Information Technology & Security ⁽¹⁴⁾		✓	✓	✓	✓			✓	✓
Safety / Environment ⁽¹⁵⁾		✓	✓	✓		✓		✓	✓

1. Experience as senior executive/officer of a publicly listed company or major organization.
2. Served as a board member of a public, private or non-profit entity.
3. Knowledge of and experience with financial accounting and reporting, and familiarity with internal financial/accounting controls, Canadian or U.S. Generally Accepted Accounting Principles.
4. Experience with corporate finance and financing transactions.
5. Knowledge of the aviation/transportation industry.
6. Executive experience in the aircraft leasing industry.
7. Experience with benefit, pension and compensation programs (in particular, executive compensation programs).
8. Experience as a lawyer either in private practice or in-house with a publicly listed company or major organization.
9. Experience in the development and implementation of a strategic direction for a major organization.
10. Experience with government, relevant government agencies and/or public policy in Canada.
11. Experience with international operations, economics, geo-politics.
12. Experience with mergers and acquisitions and/or business growth strategy.
13. Knowledge of, and experience with internal risk controls, risk assessments and reporting.
14. Experience or knowledge relating to the information technology and security needs of a major organization.
15. Knowledge of the safety and environmental issues facing the transportation industry.

Board and Executive Officer Diversity

The Board adopted a diversity policy in February 2016 and updated it most recently in February 2018. Chorus seeks to maintain a Board comprised of talented and dedicated directors whose skills and backgrounds reflect the diverse nature of the business environment in which Chorus operates.

The Board is committed to diversity and sees increasing diversity at the Board level as an essential element to improving governance and performance, and to creating a competitive advantage. The Board believes a truly diverse Board will include and make good use of a variety of skills, experience, industry knowledge, perspectives and backgrounds. Accordingly, the Board has set the objective of having women and men each represent no less than one-third (1/3) of the Board membership by 2022.

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

- annually review the Board's composition considering all aspects of diversity;
- leverage the relationships and business networks of the Board's existing members to identify potential new directors, and use objective, merit-based and unbiased criteria to evaluate candidates for nomination as directors;
- direct any search firm engaged to assist the Governance and Nominating Committee in identifying candidates for appointment to the Board to include diverse candidates, including women and men;
- consider the impact of the Board's diversity when assessing the effectiveness of the Board and its committees; and
- ensure that women and men each represent no less than one-third (1/3) of the Board membership by 2022.

Due to the historic under-representation of women in technical roles in the aviation industry, Chorus believes that a numerical target for the representation of women in executive positions may be ineffective. For this reason, the Board has determined that Chorus should employ a methodical approach to building a team of women who can accede to executive officer positions.

Chorus' approach includes:

- forming and supporting a Female Leadership Advisory Group comprising women from across Chorus' businesses who work to identify and implement initiatives aimed at promoting, attracting, retaining and developing women at Chorus;
- directing any search firm engaged to assist Chorus in identifying candidates for employment to include women and men; and
- ensuring that hiring managers throughout Chorus interview at least one woman and one man for every position to be filled at the management level or above, or explain why it was not possible to include at least one woman and one man in the interview process.

In addition, the Human Resources and Compensation Committee annually reviews the succession plans for executive management of Chorus and its subsidiaries so as to ensure that successors have been identified and that their career development is appropriate in the context of the challenges facing the organization. As part of this review, the Human Resources and Compensation monitors the Corporation's progress to ensure that management is identifying and developing an internal roster of talent at both the management and executive levels to increase the number of women executive officers, aligned with a merit based system.

As a federally regulated entity, Jazz Aviation (Chorus' subsidiary with over 90% of Chorus' employees) complies with the *Employment Equity Act* which includes a requirement to implement an Employment Equity program. Jazz reports annually on steps taken to meet the obligations to identify and remove systemic barriers to the hiring and promotion of persons from the four designated groups who have traditionally been underrepresented in the Canadian workforce: women, visible minorities, Aboriginal persons and persons with disabilities.

Jazz's five year plan outlines qualitative goals, hiring and promotion goals and representation goals for each designated group. Jazz has voluntarily chosen to set goals in the areas of hiring and promotion to ensure that progress is achieved and/or maintained where possible. These goals are considered when making recommendations to the Human Resources and Compensation and the Board for appointments at the executive level and in the succession planning process.

In October 2017, Jazz was honored to receive an Employment Equity Achievement Award from Employment and Social Development Canada, for outstanding achievement in employment equity in the workplace. The Sector Distinction award recognizes employers who are inspirational role models in their sector. In addition to demonstrating a strong commitment and achieving success in implementing employment equity in their own organization, these employers also champion employment equity for the sector.

In addition to Employment Equity, Jazz has a Diversity and Inclusion Strategy which strengthens the commitment to the organization's core value of respecting diversity. The Commitment and Belief Statements are posted on the Jazz web-site at www.flyjazz.ca and a three-year Diversity Blueprint has been launched internally.

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

The current proportion of women on the Board stands at 25% (2 of 8). If Ms. Clandillon, Mrs. Cramm and Ms. Morin are elected at the meeting, that proportion will increase to 33.33% (3 of 9) of the Board.

The current proportion of women executive officers of the Corporation and Jazz (the Corporation's largest subsidiary) stands at 16% (4 of 25).

Board Term and Renewal

Chorus does not have a mandatory age for the retirement of directors and there are no term limits for the directors on the Board. Instead, the Governance and Nominating Committee reviews the composition of the Board on a regular basis in relation to skills, experience and diversity requirements and recommends changes, as appropriate, to renew and strengthen the Board. The Chair of the Governance and Nominating Committee leads the effort to identify and recruit candidates to join the Board having regard to the Board's requirements. The Board also has an annual performance assessment process (described below) that generates feedback used in assessing the Board's composition and practices.

Excluding the executive director (Mr. Randell), the average tenure of the directors nominated by management for election to the Board (including Ms. Clandillon) is approximately 6 years. The Board of Chorus has determined that they can manage

diversity, skills, renewal and succession planning adequately without imposing term limits and can also maintain an appropriate degree of continuity, both on the Board and on its committees. In the five-year period ending May 4, 2018, three Board members have retired and three new members will have joined the Board (assuming the election of Ms. Clandillon at the meeting).

Strategic Planning

The Board works with management to develop Chorus' strategic direction. Management prepares materials related to the strategic direction and presents them to the Board for discussion and, where required, approval. The Board is actively involved in the strategy setting process. Management and the Board discuss the main risks facing Chorus' business, corporate opportunities, changes in the competitive landscape and other strategic issues at each regularly-scheduled Board meeting. No less than annually, the Board also conducts a special meeting dedicated to the review and discussion of the long-range plan and annual objectives.

Code of Ethics and Business Conduct

Chorus has adopted a Code of Ethics and Business Conduct (the "**Code**") which was most recently updated and approved by the Board of Directors effective March 2018. The Code applies to all directors of Chorus as well as to all officers and employees of Chorus and its subsidiaries. A copy of the Code can be obtained on SEDAR at www.sedar.com or on Chorus' website at www.chorusaviation.ca. The Code addresses, among other things, the following matters:

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

The Governance and Nominating Committee is responsible for monitoring compliance with and interpreting the Code. In addition, all management and administrative employees of Chorus and its subsidiaries not covered by a collective agreement are required to complete an acknowledgement annually under which they undertake to comply with the Code. The Code also includes provisions encouraging employees to report violations. The Board has concluded that such measures are appropriate and sufficient to ensure compliance with the Code. Since the adoption of the Code, Chorus has not filed any material change report pertaining to any conduct of a director or executive officer of Chorus.

In addition to the relevant conflict of interest provisions of the Code and the *Canada Business Corporations Act* ("**CBCA**") applicable to directors, the Board's mandate provides that the directors shall disclose all actual or potential conflicts of interest and refrain from voting on matters in which the director has a conflict of interest. The mandate also provides that a director shall excuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interests.

Ethics Reporting Program

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

The Ethics Reporting Program is available and communicated to all employees of Chorus and its subsidiaries. The Chair of the Audit, Finance and Risk Committee monitors reports and ensures follow up, including investigation as required. There

have been no instances of any waiver of the Code for any director or officer as a result of a report received through the Ethics Reporting Program or otherwise.

Nomination of Directors

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

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

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

Compensation

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

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

Assessments

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

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

Objectives of the assessment include:

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

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

Each director is surveyed regarding:

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

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

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

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

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

Directorships with Other Public Companies

The following directors of Chorus are presently directors of other public companies:

- Gary M. Collins is currently a director of D-Box Technologies Inc. and Rogers Sugar Inc.
- Richard D. Falconer is currently a director of Resolute Forest Products and Jaguar Mining Inc.
- Richard H. McCoy is currently a director of Aberdeen Asia-Pacific Income Investment Company Limited and Pizza Pizza Royalty Corp.
- Marie-Lucie Morin is currently a director of AGT Food & Ingredients Inc. and Stantec Inc.
- Margaret Clandillon is currently a director of DCAL Aviation Finance Limited, Falcon Aerospace Limited, Metal 2017-1 Cayman Limited, and KDAC Aviation Finance (Cayman) Limited.⁽¹⁾

⁽¹⁾ Each of these entities is an aircraft securitization vehicle with publicly-listed notes. They are not operating companies, and their equity securities are not publicly-traded.

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

Committees

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

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

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

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

Audit, Finance and Risk Committee

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

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

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

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

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

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

The Audit, Finance and Risk Committee met four times during the period from January 1, 2017 to December 31, 2017.

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

Members: Karen Cramm, Chair
 Gary M. Collins
 R Stephen Hannahs

Additional information regarding the Audit, Finance and Risk Committee is set out in our 2017 Annual Information Form under "Directors and Officers – Audit, Finance and Risk Committee".

Risk Oversight

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

In its risk oversight role, the Audit, Finance and Risk Committee oversees management's operation of the safety management systems ("**SMS**") at Jazz and Voyageur, which provide a framework for managing safety, quality and environmental risks. The committee also oversees management's efforts to monitor and manage compliance with legal and regulatory obligations, and periodically receives updates with respect to Chorus' technology and cyber-security risks.

Governance and Nominating Committee

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

The objectives of the Governance and Nominating Committee include assisting the Board in its oversight of:

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

The Governance and Nominating Committee's responsibilities include the following:

- recommending to the Board a code of ethics and business conduct for the Corporation and its subsidiaries, including a process for obtaining confirmations of compliance and identifying material violations;
- recommending to the Board guidelines respecting trading in the Corporation's securities by directors, officers and employees;
- developing and recommending to the Board a process for assessing the effectiveness of the Board and its directors and overseeing the execution of that process;
- recommending to the Board a mandate for the Board, charters for each of the Board's standing committees and position descriptions for the Chairs of the Board and its committees and for the President and CEO;
- developing and recommending to the Board practices and policies that are reasonably expected to enhance the effectiveness of the Board and the Corporation's approach to corporate governance;
- assessing and providing recommendations to the Board in relation to any proposals submitted by shareholders;
- reviewing the Board's diversity, skills and experience and advising the Board in relation to any skills, experience or other characteristics that should be sought in new candidates for the Board;
- reviewing the Board's approach to renewing its membership and recommending to the Board any policies that may be advisable in this regard;
- recommending to the Board individuals to be nominated for election or appointment as directors; and
- recommending to the Board the form and amount of compensation paid to directors, the orientation offered to new directors, continuing education opportunities available to directors, and professional advice available to directors to enable them to fulfil their duties.

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

The Governance and Nominating Committee met four times during the period from January 1, 2017 to December 31, 2017.

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

Members: Gary M. Collins, Chair
Karen Cramm
Sydney John Isaacs
Marie-Lucie Morin

Human Resources and Compensation Committee

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

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

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

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

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

The Human Resources and Compensation Committee met four times during the period from January 1, 2017 to December 31, 2017.

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

Members: Richard D. Falconer, Chair
R Stephen Hannahs
Sydney John Isaacs
Marie-Lucie Morin

The members of the Human Resources and Compensation Committee who will stand for re-election bring many years of relevant experience to their role and duties on the committee. The Chair of the Human Resources and Compensation Committee, Mr. Falconer, has extensive experience in executive leadership roles with CIBC World Markets and as a board member of public companies such as Resolute Forest Products and Jaguar Mining Inc. Mr. Isaacs has many years of experience as a senior executive of a public company, ACE Aviation Holdings Inc., and as a partner in a national law firm where he practiced in the areas of mergers and acquisitions, corporate finance and corporate and securities law. Mr. Hannahs also has extensive aviation senior executive experience in the areas of finance and aircraft leasing, and Ms. Morin has extensive experience leading complex organizations over the course of her distinguished career as a Canadian federal public servant.

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

reviewed by the Human Resources and Compensation Committee to ensure leadership sustainability and continuity. Retention risks, if any are identified by management to the committee.

In 2017, the Human Resources and Compensation Committee met with the President and CEO to discuss his views on the executive leadership team and potential succession scenarios that included both planned transitions as well as emergency situations related to illness, disability or other unplanned absences. The Human Resources and Compensation also met in camera, without Mr. Randell, to discuss the candidates he had identified as his possible successors.

The Board also approved, on the recommendation of the Human Resources and Compensation Committee, a long-term incentive compensation program for certain executives of Chorus Aviation Capital in recognition of the extraordinary effort required to successfully grow Chorus' leasing business into a global leader in the regional aircraft sector.

Executive Compensation

Compensation Discussion and Analysis

Overview

To achieve its vision, Chorus needs a strong executive team capable of achieving profitability and growth. Chorus' executive compensation program is designed to attract, retain and motivate the key people Chorus needs to execute its strategic plans. In addition, by closely linking executives' and shareholders' interests through incentive compensation, the executive compensation program contributes to the achievement of profitable growth for shareholders. This is achieved through:

- compensation which is market competitive with companies of similar complexity and revenues;
- incentives which reward achievement of corporate objectives and long-term value creation; and
- share ownership guidelines which ensure a personal stake in Chorus and alignment with shareholder interest.

Aligning Risk and Compensation

Chorus' executive compensation program reflects high standards of corporate governance through its policies and practices, which include strong oversight and risk mitigation. The Human Resources and Compensation Committee (hereinafter, the "**HRCC**") assesses, on a regular basis and periodically, in consultation with its external consultants as it determines appropriate, the risks associated with Chorus' executive compensation program. In order to minimize emphasis on short-term results, Chorus' compensation programs have evolved to place greater emphasis on longer-term share-based compensation. A progressively larger portion of compensation is delivered as variable/at risk compensation for more senior executives.

Chorus uses the following compensation practices to mitigate risk:

- a pay for performance philosophy embedded in the compensation design;
- share ownership guidelines for executives;
- a balanced mix of fixed to variable and short to long-term compensation that ensures executives are incented to consider both the immediate and long-term implications of decisions;
- performance thresholds in the Annual Incentive Plan ("**AIP**") and the LTIP that include both minimum and maximum payouts;
- a balance of financial and individual measures in the AIP;
- making two-thirds of Restricted Share Units ("**RSUs**") granted under the LTIP contingent on the achievement of performance targets for vesting (referred to in this circular as "**Performance Share Units**" or "**PSUs**");
- double trigger provisions for equity vesting (i.e., vesting requires both a change of control and termination with good reason within a specified period);
- a Guidelines on Trading policy that prohibits the hedging of equity grants and includes specific guidance to safeguard against insider trading;
- a Compensation Recoupment Policy (see "Compensation Recoupment Policy" below); and
- the ability to exercise discretion with regard to payments under the AIP and LTIP.

The HRCC is satisfied that:

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

External Consultants

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

In addition to external consultants, the President and CEO and other members of management also provide informational presentations to the HRCC related to various human resources and compensation initiatives.

NEOs

The NEOs as of December 31, 2017 were as follows:

- Joseph Randell, President and CEO of Chorus;
- Jolene Mahody, Executive Vice President and Chief Financial Officer of Chorus (“**EVP and CFO**”);
- Richard Flynn, Executive Vice President and Chief Corporate Development Officer of Chorus (“**EVP and CCDO**”);
- Colin Copp, President of Jazz Aviation; and
- Steven Ridolfi, President of Chorus Aviation Capital, effective January 6, 2017. Prior to this appointment, Mr. Ridolfi held the position of Senior Vice President, Strategic Investments, Mergers & Acquisitions of Chorus.

Share Ownership Guidelines

Share Ownership Guidelines for executives were approved effective January 1, 2011 to promote share ownership by executives and to better align executives' interests with those of shareholders. Following a market review, and further to a recommendation of the HRCC, the following guidelines were approved by the Board to be achieved within five years, commencing on the later of January 1, 2011 or the participant's date of hire or promotion to a higher executive level:

	Ownership Guideline
President and CEO	3 x base salary
Executive Vice Presidents, President of Jazz Aviation, President of Chorus Aviation Capital and Senior Vice Presidents	2 x base salary

Shares and RSUs granted under the LTIP are included when determining whether an executive satisfies the applicable minimum ownership guideline. One hundred per cent of any time-based RSUs and 50% of any performance-based RSUs (also referred to in this circular as PSUs) are included for such purposes. The value of such equity holdings is calculated by reference to the greater of the share price on the date the securities were acquired and the date compliance is determined.

2017 NEO Share Ownership

Each NEO's status in achieving the ownership guidelines are set out below. The value shown is based on market value of shares of Chorus at December 31, 2017 of \$9.65 per share. With the exception of Mr. Ridolfi, all NEOs exceed their ownership targets. Mr. Ridolfi has until October 2020 to meet his ownership targets.

	RSUs held (#)	Shares held (#)	Value (\$)	Multiple of Base Salary	Ownership Guideline Multiple	Ownership Guideline Achieved
Joseph Randell	477,868	1,183,446	14,494,541	19.3	3x	yes
Jolene Mahody	149,112	211,292	2,998,255	7.5	2x	yes
Richard Flynn	127,153	543,420	6,062,024	15.2	2x	yes
Colin Copp	126,391	33,180	1,133,306	2.8	2x	yes
Steven Ridolfi	101,640	5,371	705,714	1.8	2x	no

Anti-Hedging Policy

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

Compensation Recoupment Policy

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

In such circumstances, the Board may seek recoupment if the restatement of any of Chorus' financial statements occurs within 36 months of the original date that such financial statements were first publicly disclosed.

Benchmark Group

In determining compensation, the HRCC gives consideration to a benchmark group of Canadian businesses. This benchmark group guides executive compensation decisions.

The composition of the benchmark group is assessed annually by management and the HRCC and adjusted as appropriate. In 2017, Emera was removed because it exceeds the revenue parameters for the benchmark group. Companies chosen by the HRCC for the benchmark group are:

- headquartered in Canada;
- in the industrial sector;
- have revenues approximately one-third to three times that of Chorus; and
- of similar business complexity to Chorus.

Company Name	Headquartered	1/3 to 3 x Revenue	Industrial Sector ⁽¹⁾
Aecon Group Inc.	Toronto, ON	✓	Construction and Engineering
ATS Automation Tooling Systems, Inc.	Cambridge, ON	✓	Industrial Machinery
CAE Inc.	Saint-Laurent, QC	✓	Aerospace & Defense
Exchange Income Corporation	Winnipeg, MB	✓	Airlines
Stantec Inc.	Edmonton, AB	✓	Research and Consulting
Superior Plus Corp.	Calgary, AB	✓	Trading Companies and Distributors
Toromont Industries Ltd.	Concord, ON	✓	Construction, Farm Machinery, Heavy Trucks
Transat A.T. Inc.	Montreal, QC	✓	Hotels, Resorts, Cruise lines
Transcontinental Inc.	Montreal, QC	✓	Commercial Printing
TransForce Inc.	Saint-Laurent, QC	✓	Trucking
Wajax Corporation	Mississauga, ON	✓	Trading Companies and Distributors
WestJet Airlines Ltd.	Calgary, AB	✓	Airlines

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

The HRCC considers the development of a direct comparable benchmark group to be challenging both because of Chorus' unique and evolving business model in the global landscape and because there are relatively few industrial and utilities-

type publicly-traded businesses of similar size to Chorus (with many comparable businesses being much larger than Chorus). For these reasons, a regression analysis was conducted of the current benchmark group, providing a size-adjusted median to support compensation recommendations for 2017.

Supplemental information was gathered, specific to aircraft leasing companies, to help inform decisions related to 2017 compensation for Mr. Ridolfi. This included a review of proxies, publicly and privately available information.

In light of the strategic direction of the Corporation's business, the HRCC intends to undertake a more fulsome review of the Corporation's executive compensation program (including the comparator group) in 2018.

Chorus Compensation Practices

The HRCC ensures that our executive compensation program is based on sound decision-making processes and is competitive, pays for performance, motivates and attracts talent, and focuses on creating shareholder value.

What We Do

- ✓ **Pay for performance** – we align pay with corporate, business unit and individual performance and use several performance measures to avoid undue focus on any particular measure.
- ✓ **Align pay to shareholder returns** – a significant portion of total compensation is received in annual equity awards, with the largest proportion based on RSUs and PSUs rather than options.
- ✓ **Pay at risk** – over 70% of the target direct compensation for the President and CEO is at-risk pay, contingent on performance and not guaranteed.
- ✓ **Share ownership** – we require all executives to own a minimum number of shares of Chorus.
- ✓ **Performance-based vesting** – two-thirds of RSUs granted under the LTIP are issued as PSUs which vest at the end of three years based on performance against financial performance targets.
- ✓ **Benchmarking** – we benchmark executive compensation against a size and industry appropriate comparator group and target compensation to the 50th percentile of the group (see "Benchmark Group" below).
- ✓ **Caps on incentive payouts** – our AIP caps pay-outs at a maximum of 200% of target. The maximum pay-out requires a combination of exceptional personal, corporate, and, where applicable, business unit performance. Our LTIP caps at 100% of target.
- ✓ **Clawbacks** – our Compensation Recoupment Policy applies to all incentive compensation awarded to executive officers and any other employees with material oversight responsibility over those who prepare Chorus' financial statements.
- ✓ **Board discretion** – we apply Board discretion, upward and downward, as appropriate to address exceptional circumstances not contemplated by performance measures.
- ✓ **Time periods** – we cover a range of time periods in our incentive plans to balance short-term objectives and longer-term performance measurement.
- ✓ **Independent advice** – the HRCC has access to independent advisors.
- ✓ **Realized and realizable pay** – the value ultimately realized from a long-term incentive award can be significantly different from the grant value, and share price is only one factor that affects the payout value.
- ✓ **Modest benefits and perquisites** – these are a small part of total compensation and are market competitive.
- ✓ **Double trigger change of control** – severance provisions in equity plans have double triggers in the event of a change of control.
- ✓ **Maximum severance multipliers** – we have provided a maximum severance multiplier of two times in all cases, except for a legacy agreement with our incumbent President and CEO (see "Termination and Change of Control Benefits" below) based on his extensive industry experience and contribution as the founding president, which would not be available in future to an incoming CEO.

What We Don't Do

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

Executive Compensation Program

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

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

Compensation Element	Objectives	Form	Performance Period	Pay at risk
Direct Compensation				
Base Salary	Attract and retain key leaders Compensate for day to day responsibilities, contribution and experience	Cash	Reviewed annually	Fixed/No risk
AIP	Motivate and reward achievement of corporate business unit and personal performance	Cash	Annual	At risk; personal, business unit and corporate performance thresholds
LTIP	Reward for creating sustained shareholder value; Encourage retention	RSUs and PSUs	Three-year performance cycle	At risk; 2/3 of each grant are performance-based PSUs and 1/3 are time-based RSUs
	Motivate leadership through extraordinary events or initiatives	Options	Up to 10 years	At risk
Indirect Compensation				
Pension	Attract and retain; Provide post-employment financial support	Defined contribution plan; Supplemental executive retirement plan ("SERP") for executives hired prior to March 2, 2011	Ongoing	No risk
Benefits	Attract and retain; Support health and well being	Group life, disability, dental and extended health	Ongoing	No risk
Perquisites	Attract and retain	Taxable car allowance, medical top up plan, optional health assessment and financial advisory services (applies to certain executive)	Ongoing	No risk

Compensation Mix 2017

Level	Target Annual Incentive (% of base earnings)	Target Long-Term Incentive (% of base salary)	Percentage of Direct Compensation "at risk"
CEO	110%	130%	71%
EVP and CFO	70%	75%	59%
EVP and CCDO, President, Jazz	70%	65%	57%
President CAC	85%	100%	65%

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

1) Base Salary

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

2) Short-Term Incentive Compensation

In 2017, Chorus had two short-term incentive compensation plans: an AIP and an operational bonus plan called Ensemble Plus.

Annual Incentive Plan

A revised AIP was introduced in 2016 to align with Chorus' new management structure and strategic vision. Consistent with general market practice, the AIP has three components which are additive and recognize: (i) corporate performance; (ii) business unit performance; and (iii) individual performance.

For those executives with primary responsibility for overall corporate performance, including Mr. Randell, Ms. Mahody and Mr. Flynn, weightings are distributed among the components as follows; 75% corporate performance and 25% individual performance. In the first year with the new model, executives with primary responsibility for Jazz, including Mr. Copp, had weightings distributed among the three components as follows: 55% corporate performance, 20% business unit performance and 25% individual performance. In February 2017, the Board approved changes to the AIP to more closely align it with market practice and Chorus' ongoing diversification strategy. For business unit executives, weightings were reallocated among components as follows: 30% corporate performance (down from 55%); 45% business unit performance (up from 20%); and 25% individual performance (unchanged). Executives of CAC, including Mr. Ridolfi, are incentivized on the corporate performance metrics (as applied to Chorus executives), migrating to a business unit plan, as described above, in 2018.

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

A personal performance factor ranging from 0% to 200% is applied to the personal component.

Corporate metrics for 2017 based on Chorus consolidated financials were: Adjusted Earnings Per Share ("**Adjusted EPS**") and Adjusted Cash Provided by Operating Activities, equally weighted. Adjusted EPS and Adjusted Cash Provided by Operating Activities are non-GAAP measures which do not have standardized meanings under GAAP and may not be comparable to similar measures presented by other issuers. Adjusted EPS measures overall profitability and is defined as earnings (net income) adjusted for any foreign exchange gain or loss on long-term debt and finance leases, divided by the weighted average number of shares outstanding. "**Adjusted Cash Provided by Operating Activities**" means cash provided by operating activities before net changes in non-cash balances related to operations less capital expenditures, excluding finance leases, aircraft acquisitions and the extended service program. The Board and management believe that these metrics reflect an appropriate focus on strengthening Chorus' financial position for growth.

In February 2017, the Board determined that Adjusted EPS would be the sole corporate measure applicable to business units, eliminating the duplication in the Adjusted Cash from Operating Activities metric at the corporate and business unit level.

Business unit metrics for Jazz in 2017 were: Adjusted Cash Provided by Operating Activities and Operating Income ("**OI**"), equally weighted. These metrics align with Jazz's focus on generating cash and controlling costs. Adjusted Cash Provided by Operating Activities has the same meaning as that defined above for Chorus. OI is defined as operating revenue less operating expenses.

The individual performance component measure is based on performance assessments, consistent with previous years.

Ensemble Plus

Ensemble Plus is designed to provide quarterly payments to eligible employees if Jazz achieves pre-determined monthly operational and customer service goals. Participants are those who work for, or in support of, the Jazz operation. The categories include controllable on-time performance, controllable flight completion, incidences of mishandled luggage at airports where Jazz is responsible for luggage handling and other customer service measures related to inflight and check-in satisfaction. The Ensemble Plus plan is offered to all eligible employees (including eligible NEOs) on the same basis to allow them to share in Jazz's success and to ensure they work together to achieve corporate goals. The maximum annual payout pursuant to Ensemble Plus for 2017 was \$2,550 per eligible employee. In 2017, the total payment under the Ensemble Plus was \$808 per eligible employee. Mr. Ridolfi does not participate in the Ensemble Plus program as his responsibilities do not extend to the Jazz operation.

3) Long-Term Incentive Compensation

In 2017, Chorus had three long-term incentive compensation programs: the LTIP, the Long-term Cash Incentive Plan (the "LTCIP"), and the ESOP. The LTIP and the ESOP align the interests of executives and employees with the interests of Chorus' shareholders because the value of a participant's holdings (whether RSUs, options or shares) is directly related to the value of Chorus' shares. If the Board prescribes performance vesting conditions when awarding RSUs or options under the LTIP, the value of those awards is also dependent on the achievement of the performance vesting conditions. The LTCIP was created specifically to incentivize and reward growth at Chorus Aviation Capital and is described further below.

Long-Term Incentive Plan

The LTIP is Chorus' share-based, long-term incentive plan. The purpose of the LTIP is to provide eligible participants with incentive compensation that enhances Chorus' ability to attract, retain and motivate key personnel and to reward executives and other key employees (as approved by the Board from time to time) for performance that results in Chorus meeting specified performance targets. Under the LTIP, awards of RSUs (including PSU variants) and options may be granted to eligible employees.

Key Terms

The key terms of the LTIP are summarized below:

Eligible participants	The President and CEO and other officers of Chorus or named individuals, employees or officers of any other entity designated by the Board.
Types of awards	RSU – a right to receive upon vesting one share or cash equal to the then trading price of a share and includes a PSU (which is a variant of the RSU that, in addition to a time vesting condition, only vests upon the achievement of specified performance targets). Option – a right to purchase a share at an exercise price per option at least equal to the closing price of a share on the date the option is granted.
Total issuable	11,000,915 shares
Option exercise price	Determined by the Board but may not be less than the closing price of the shares on the grant date (or if the shares did not trade on such date, the average of the bid and ask prices of the shares at the close of trading on such date).
Insider limits	Shares issued from treasury to insiders within any one year period pursuant to the LTIP, together with the shares of Chorus issued from treasury to insiders during such one-year period under all of Chorus' other treasury share based compensation arrangements, will not exceed 10% of Chorus' total issued and outstanding shares of Chorus. The total number of shares of Chorus issuable from treasury to insiders under the LTIP, at any time, together with the shares of Chorus issuable from treasury to insiders under all of Chorus' other treasury share based compensation arrangements, will not exceed 10% of Chorus' total issued and outstanding shares.

Vesting	<p>Vesting of RSUs may be time-based, or based on meeting individual or corporate performance targets (referred to in this circular as PSUs). Generally, RSUs (including PSU variants) vest at the end of three years. Vesting is variable based on whether target performance is between 80% and 100% of target.</p> <p>In 2015, the LTIP was amended to provide for the granting of RSUs with a performance cycle greater than three years up to a maximum of five years. Chorus granted a total of 99,668 RSUs on May 1, 2015 to four vice presidents of Voyageur Airways (a predecessor to Voyageur Aviation) as part of retention agreements, which grants coincided with Chorus acquiring the parent company of Voyageur Airways. These grants vest on December 31, 2019. As the cycle exceeds three years, the RSUs are exercisable for shares issued from treasury.</p> <p>Vesting of options may be time-based or based on meeting individual or corporate performance targets. The performance conditions, if any, for grants of options will be contained in an award agreement relating to the particular grant. Unless otherwise specified by the Board, each vested option may be exercised at any time or from time to time, in whole or in part, for up to the total number of shares with respect to which it is then exercisable and it remains exercisable until expiration or termination of the option. For options subject to a performance vesting condition if, as a result of a failure to meet the performance vesting condition, some or all of the options granted to the eligible participant have not vested and are not exercisable by the date of such determination, the unvested options expire and are cancelled.</p>
Dividend equivalents	<p>Additional RSUs (including PSU variants) are credited as dividend equivalents calculated by dividing: (i) the amount obtained by multiplying the amount of the dividend declared and paid by Chorus per share by the number of RSUs recorded in the participant's account on the record date for the payment of such dividend, by (ii) the five-day volume weighted average price of the shares for the period including and ending on the third trading day prior to the record date for the payment of such dividend.</p> <p>Options do not earn dividend equivalents.</p>
Option term	Maximum of 10 years
Termination of employment for cause or resignation	<p>All RSUs (including PSU variants) credited to the participant's account will be forfeited and cancelled.</p> <p>All options, whether vested or not, held by a participant terminated for cause will be forfeited and cancelled.</p> <p>In the case of resignation, any options that are not vested will be forfeited and cancelled and any vested options will continue to be exercisable until the earlier of 90 days and the date on which the exercise period of the particular options expire.</p>
Termination of employment due to retirement, long-term disability, death or termination without cause	<p>Any unvested RSUs will be pro-rated based on the completed months of service during the three-year performance cycle. RSUs subject to time vesting will vest within 45 days. The participant will be entitled to PSUs at the end of each applicable cycle, if targets are achieved (vesting is variable based on whether target performance is between 80% and 100% of target).</p> <p>In the case of a termination of employment without cause, vesting of a pro-rated number of the outstanding, unvested options will accelerate and such portion will become fully vested and exercisable on the date of termination and remain exercisable until the earlier of the date which is the later of (i) 90 days after the vesting date and (ii) 12 months after the applicable event, and the expiry date. Pro-ration would be based on the completed months of service during the three-year vesting period.</p> <p>Vested options are exercisable by the participant until the earlier of 12 months and the date on which the exercise period of the options expire. Options that have not vested on or prior to the date of termination are forfeited.</p>
Change of control	For RSUs granted prior to February 18, 2016, all unvested RSUs vest on the date of the change of control, whether or not the RSUs have met the vesting conditions. However, in the event that the change of control occurs in the circumstances of an internal reorganization involving Chorus or its subsidiaries, the Board may, in its sole discretion, determine that such RSUs will not vest as at the date of such change of control.

Double trigger change of control vesting applies to all RSUs and options granted after February 18, 2016. In the event of the participant's termination without cause or termination for "good reason" (as defined in the LTIP) within 24 months following a Change of Control, any RSUs or options outstanding immediately prior to the change of control, but which have not vested as of the termination date, will become fully vested, and the options will become fully exercisable, on the termination date and the options remain exercisable until the earlier of (i) the date which is 90 days after the termination date, and (ii) the date on which the exercise period for the particular options expires. In addition, the definition of "Change of Control" has been modified to include a change in the composition of a majority of the Board.

Subject to the treatment accorded to RSUs granted prior to February 18, 2016 and except as provided in the award agreement, if any RSU or option is not assumed or replaced by an entity resulting from the change of control or a parent of such entity, in each case of which the voting equity is listed on a stock exchange in North America, with an award (i) for which appropriate adjustments have been made to the number and kind of securities of such entity or parent in order to preserve the compensation element of the award at the time of the change of control transaction, and (ii) which provides for subsequent vesting, exercise (if applicable) and settlement of the award on no less favourable terms and conditions, then such RSU or option becomes fully vested upon the change of control and the option becomes exercisable until the earlier of (a) 90 days after the date of the change of control, and (b) the date on which the exercise period of the particular options expire. In the event that the change of control occurs in the circumstances of an internal reorganization involving Chorus or its subsidiaries, the Board may, in its sole discretion, determine that RSUs won't vest and the options won't be exercisable upon the occurrence of the change of control, and/or shorten the option exercise period.

The vesting of options, granted on October 1, 2015 to Mr. Ridolfi, in the event of termination without cause will be in accordance with the award agreement. In the event of a change of control followed by termination for "good reason", all unvested options vest on the date of the change of control. Options granted in May 20, 2014 to the other NEOs vested on May 20, 2017.

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

Amendments	Shareholder approval is required for any amendment to the LTIP that results in (i) an increase in the number of shares reserved for issuance by Chorus from treasury pursuant to the LTIP; (ii) permission for RSUs (including PSU variants) or options to be transferred other than for normal estate settlement purposes; (iii) a reduction in the exercise price of an option, (iv) extending eligibility to participate in the LTIP to non-employee directors; (v) an extension to the term of an option beyond its original expiry date; or (vi) any changes to the amendment provisions other than to add items for which shareholder approval is required.
-------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Subject to the above, the Board may amend, suspend or discontinue the LTIP in such manner as the Board, in its sole discretion, determines appropriate, including without limitation, by amending the LTIP (i) for the purpose of making formal minor or technical modifications to any provisions of the LTIP, (ii) to correct any ambiguity, defective provision, error or omission, (iii) to change the vesting provisions of awards or the LTIP, (iv) to change the termination provisions of awards or the LTIP, or (v) to change the incentive amounts to the extent they are expressed in in the LTIP, provided, however, that no such amendment: (a) results in the LTIP becoming a "salary deferral arrangement" under the Income Tax Act (Canada) or any applicable provincial legislation; (b) reduces the number of RSUs or options granted prior to such amendment or adversely modifies the vesting condition(s) of such RSUs or option, as applicable; and (c) modifies the amendment provision of the LTIP without the consent of all participants with respect to RSUs or options granted prior to the amendment.

Recent amendments On February 18, 2016, the LTIP was amended to apply double trigger change of control vesting to future grants of RSUs and options and to restrict the repricing of options. Double trigger change of control vesting already applies to the options currently outstanding as outlined in the respective grant letters. Also on February 18, 2016, the LTIP was amended to require shareholder approval for amendments involving a repricing of options and to incorporate various minor changes to the text of the LTIP to improve clarity and consistency.

On August 10, 2016, the LTIP was amended to require shareholder approval for any amendment that results in the extension of the term of an option beyond its original expiry date.

No shareholder approval was required for the amendments described above.

The Board is recommending that shareholders approve a further amendment to the LTIP to provide for an automatic 10 business day extension of the expiry date of options that expire during, or within five business days after, a routine or special trading black-out imposed by Chorus. Please see page 6 of this Circular for further information about the proposed amendment.

Performance Measures

Threshold and target performance goals for the 2017 PSU grants are based on Adjusted Cash Provided from Operating Activities, Adjusted EPS and Return on Invested Capital (“**ROIC**”). Weighting of these measures is intended to ensure a balanced focus on maintaining profitability, generating adequate returns on invested capital, and maintaining strong cash flows to support investment for future growth while providing a dividend to shareholders.

2017 PSU Targets

Objective	Weight	Threshold (aggregate 3 year)	Target (aggregate 3 year)
Adjusted Cash Provided from Operating Activities (\$000,000)	50%	619.10	773.90
Adjusted EPS (\$)	25%	2.50	3.13
ROIC (%)	25%	32.30	40.40

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

ROIC is a non-GAAP measure that does not have a standardized meaning under GAAP and may not be comparable to similar measures presented by other issuers. ROIC is frequently used in the airline industry and is a metric reported in Chorus’ MD&A. It is commonly used to assess the efficiency with which a company allocates its capital to generate returns. Return is calculated based on Chorus’ earnings before tax, excluding special items, finance costs and implied interest on off-balance sheet aircraft leases for aircraft for which Chorus holds the head lease. Invested capital includes average long-term debt, average finance lease obligations, average convertible units, average consideration payable, average shareholders’ equity and off-balance sheet aircraft operating leases for aircraft for which Chorus holds the head lease.

Long-Term Cash Incentive Plan

In 2017, the Board approved the LTCIP as a one-time incentive for certain executives of Chorus Aviation Capital aimed at the initial growth phase of CAC. Mr. Ridolfi is the only NEO participating in the LTCIP. As a participant, he will have the opportunity to earn a cash incentive based on the growth in book value between the commencement of his appointment to the position of President of CAC on January 6, 2017 and December 31, 2022. The LTCIP is unfunded, unsecured and subject to Chorus’ Compensation Recoupment Policy. Change of control and termination clauses are generally consistent with those of the Chorus LTIP.

Employee Share Ownership Program

The ESOP enables eligible employees to buy shares of Chorus through payroll deductions. Through the ESOP, eligible employees may invest up to 6% of their salary for the purchase of shares on the secondary market, and Chorus annually matches a portion of the employee investment. The ESOP aligns the interests of participating employees more closely with the interests of Chorus’ shareholders.

The Board may use its discretion to set the employer match at or above 33.33% of the investments made by the employees under the plan. The funds from the employer match are used to purchase shares of Chorus on the secondary market on behalf of such participants. The percentage of matching contributions and the base threshold amounts are established and are subject to adjustment by the Board. In years 2011 to 2017 inclusive, the Board approved a 60% match for employee contributions made to the ESOP for the following year.

4) Pension

Under Chorus' registered defined contribution pension plan (the "**Pension Plan**"), NEOs receive a contribution equal to the maximum allowable amount under the *Income Tax Act* (Canada). The NEOs, with the exception of Mr. Ridolfi, also participate in the SERP (which is closed to new participants).

5) Benefits

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

6) Perquisites

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

Compensation of NEOs

2017 AIP – Corporate and Business Unit Performance

Details of the performance targets for the 2017 AIP are as follows:

Metric	Threshold	Target ⁽¹⁾	Stretch	Actual	Percentage Payout
Chorus Adjusted EPS	0.84	1.05	1.26	1.15	147.0%
Chorus Adjusted Cash from Operating Activities (\$000,000)	166,176	207,720	249,264	204,085	91.0%
Jazz Operating Income	97,700	122,125	146,550	117,345	80.5%
Jazz Adjusted Cash from Operating Activities (\$000,000)	103,878	129,847	155,817	121,145	66.5%

1 All variable compensation expense (including AIP, LTIP, DSU and ESOP expense) was excluded from the actual and target results. The HRCC also excluded from actual results select expense items that it determined were unusual and should not be included in assessing Chorus or Jazz operating performance.

Based on the AIP formula, Mr. Randell, Ms. Mahody, Mr. Flynn and Mr. Ridolfi achieved 119.0% performance for the corporate component of their incentive. Mr. Copp achieved 102.9% of the combined corporate and business unit targets applicable to his incentive.

2017 AIP – Personal Performance

All NEOs, other than the President and CEO, receive performance reviews based on a common set of evaluation criteria. These criteria are grouped into the following categories: job responsibilities, leadership, and progress on department plans. The results of these performance reviews form the basis for determining the personal performance factor for AIP purposes. For 2017, a personal performance factor of 200% or 150% (out of a maximum of 200% and a minimum of 50%) was applied in respect of the NEOs based on the results of their performance review.

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

In 2017, Mr. Randell (President and CEO) focused on creating additional long-term value through the successful launch of CAC and strengthening the core businesses of contract flying and maintenance repair and overhaul at Jazz and Voyageur. Factors considered by the HRCC and the Board in reviewing the performance of the CEO included: (i) the launch of CAC in January 2017 and its growth to a global business with a Chorus aircraft portfolio valued at over \$1 billion; (ii) the successful closing of \$200 million in financing and the deployment of that capital to grow CAC's portfolio of aircraft on lease to third parties from two to 21; (iii) continued improvements in the cost efficiency of Jazz; (iv) the execution of innovations such as the completion of the first extended service program on a Dash 8-300 aircraft, and the engineering and conversion of Dash 8-100s to package freighters; and (v) the receipt of several workplace awards, including the Gold Award to Jazz as Canada's Safest Employer in the Transportation sector. Mr. Randell was also personally honored with E&Y's Entrepreneur of the Year Award for Atlantic Canada.

Based on the review of Mr. Randell's performance, the Board approved the maximum personal performance factor.

2015 LTIP Grant – Pay-out of RSU Awards

Details of the performance targets and payout percentage for the 2015 LTIP are as follows:

Objective	Weight	Threshold	Target	Actual	Percentage Payout
Aggregate Adjusted FCF (\$000,000)	50%	415.7	519.6	516.5	99.4%
Aggregate Adjusted EPS (\$)	25%	2.10	2.62	2.82	107.6%
Aggregate Adjusted ROIC (%)	25%	51.8	64.7	54.7	84.6%
Total Payout Percentage (actual of % capped at 100%)					97.8%

For the purposes of the payout, the Board made adjustments to reflect achievements that were not originally contemplated when the LTIP awards were originally granted, such as the acquisition of Voyageur in May 2015, the 10-incremental aircraft added to the CPA with Air Canada, and the launch of CAC in 2017.

Compensation Decisions

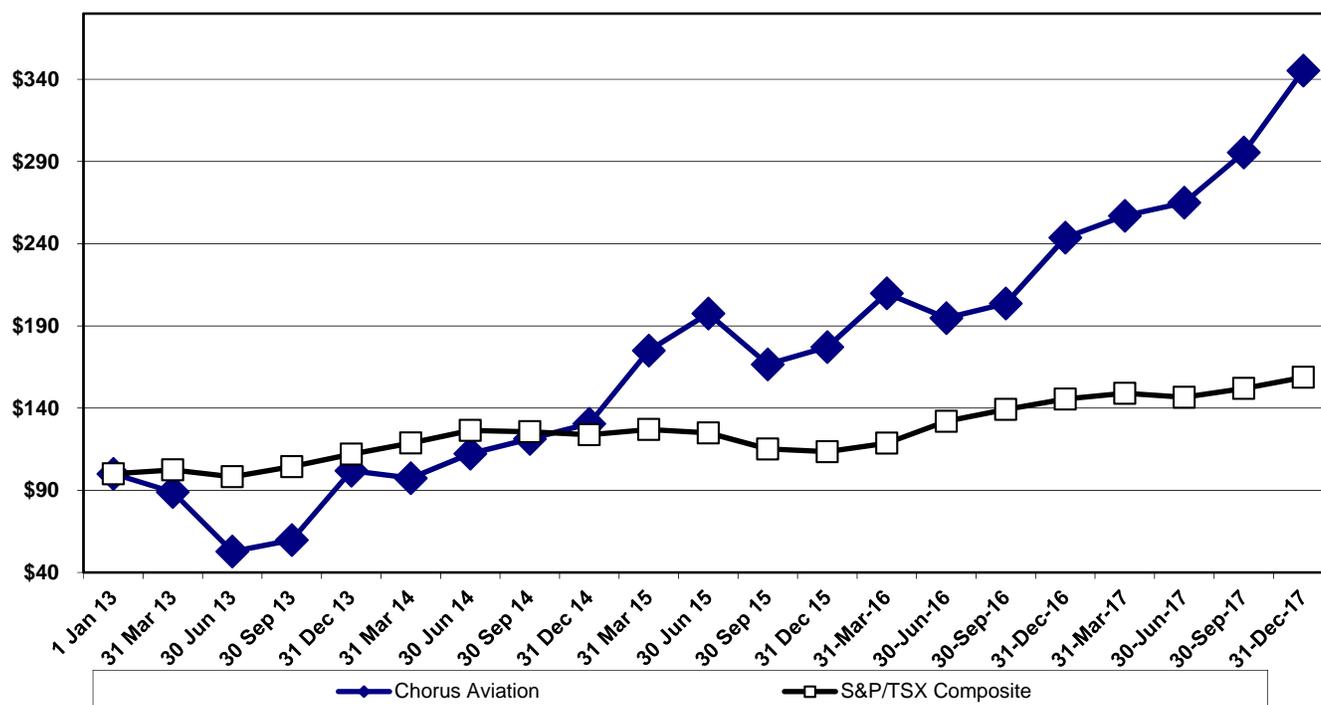
The following recommendations on compensation for the NEOs were made by the HRCC and approved by the Board in relation to the 2017 financial year: (i) a payout under the AIP for each NEO based on the formula previously described; (ii) the vesting of all time-based and 97.8% of the performance-based RSUs granted in 2015 under the LTIP plus their associated additional RSUs in relation to dividends on shares of Chorus; (iii) a grant of RSUs (1/3 time-based and 2/3 PSUs) in respect of 2018 under the LTIP at the regular formula amount applicable to the particular NEO; and (iv) base salary and AIP target market adjustment increases effective January 1, 2017 based on a review of the comparator group and updates to the market executive compensation review referred to previously.

In November 2017, the Board approved further base salary adjustments for certain NEOs based on a market review. As a result of these adjustments which took effect on January 1, 2018, the annual base salaries for these NEOs were set as follows: \$775,000 for Mr. Randell; \$420,000 for each of Ms. Mahody and Mr. Copp and \$410,000 for Mr. Flynn. In March 2017, the Board approved a compensation structure for executives of CAC. The structure was developed to be market competitive within the aircraft leasing sector, while aligning with Chorus' compensation programs. As a result, the following adjustments to Mr. Ridolfi's compensation were approved: a base salary of \$400,000, an AIP target equal to 85% of base earnings, and an LTIP award target equal to 100% of base salary, effective January 6, 2017. Mr. Ridolfi also became eligible for the cash incentive under the CAC LTCIP as described above under "Executive Compensation Program".

Performance Graph

The following graph compares the total cumulative return of a \$100 investment in the shares of Chorus made on January 1, 2013 with the cumulative return of the S&P/TSX Composite Index for the period beginning on January 1, 2013 and ended December 31, 2017. Effective May 24, 2016, the Class B Voting Shares and Class A Variable Voting Shares started trading on the TSX under the single ticker "CHR". Prior to that date, the Class B Voting Shares and the Class A Variable Voting Shares traded on the TSX under their respective symbols, CHR.B and CHR.A. The trend shown in the graph generally corresponds to the trend in the compensation of the NEOs, excluding the impact of individual performance factors and increases in compensation due to promotion. The dollar value of variable compensation in the form of payouts under Chorus' cash-based variable compensation plan has varied as the financial performance of Chorus has varied over the period.

**Comparison of Total Return of Chorus Aviation Inc. Shares with S&P/TSX Composite Index
January 1, 2013 to December 31, 2017**



Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-Based awards (\$)		Non-equity incentive plan compensation (\$)		Pension value ⁽⁴⁾ (\$)	All other compensation (\$)	Total compensation (\$)
			Value of RSUs Granted ⁽¹⁾	Option Based Awards ⁽²⁾	Short Term Plans ⁽³⁾				
Joseph Randell CEO	2017	750,000	975,000	—	1,150,033	193,343	24,231 ⁽⁵⁾	3,092,607	
	2016	700,000	910,000	—	987,559	280,552	133,273	3,011,384	
	2015	649,216	780,000	—	926,548	590,675	14,400	2,960,839	
Jolene Mahody EVP and CFO	2017	400,000	300,000	—	390,848	213,775	12,462 ⁽⁵⁾	1,317,085	
	2016	360,000	270,000	—	324,001	380,967	—	1,334,968	
	2015	345,085	258,750	—	296,463	184,981	—	1,085,279	
Richard Flynn EVP and CCDO	2017	400,000	260,000	—	355,848	81,835	12,462 ⁽⁵⁾	1,110,145	
	2016	360,000	234,000	—	292,501	180,246	11,961	1,078,708	
	2015	333,789	214,500	—	239,240	245,549	11,509	1,044,587	
Colin Copp President, Jazz	2017	400,000	260,000	—	356,968	207,121	12,462 ⁽⁵⁾	1,236,551	
	2016	360,000	234,000	—	329,293	371,548	11,814	1,306,655	
	2015	329,664	210,925	—	283,278	348,956	11,330	1,184,153	
Steven Ridolfi President, CAC	2017	400,000	400,000	—	430,706	26,230	27,305 ⁽⁵⁾	1,284,241	
	2016	315,000	189,000	—	220,201	26,010	—	750,211	
	2015	78,167	47,250	245,529	46,411	5,855	—	423,212	

1 Represents value of RSUs granted in the financial year shown. Value of RSUs granted as shown in the table is based on fair market value per share as of the date of grant of \$7.48 for 2017, \$5.91 for 2016 and \$5.78 for 2015. The value of the RSUs for accounting purposes at the date of grant is also based on the fair market value per share as of the date of grant.

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

2 There were no options granted to NEOs in 2017 or 2016. The fair value for the options granted on Oct 1, 2015 by Chorus as reported in this table, and for accounting purposes, was determined at the time of grant using a Black-Scholes option pricing model. The estimated fair value on the date of grant of the options granted on October 1, 2015 was \$0.49.

The fair value of the options is recognized as expense over the vesting period, based on the number of options expected to vest, with a corresponding entry to equity. The number of options expected to vest is reviewed at least once annually with any impact on previously recognized expense being adjusted immediately.

3. Includes payments under the AIP and the Ensemble Plus program. Payments under the AIP for a particular financial year are made in the following financial year when corporate and personal performance factors are available. Amounts shown represent payments for performance relating to the particular financial year. Ensemble payments were \$808 for 2017, \$1,189 for 2016 and \$1,415 for 2015. Mr. Ridolfi's responsibilities do not extend to Jazz and as such he does not participate in the Ensemble Plus program.

4. This column includes the compensatory changes reflected in the pension plan and, where applicable the SERP tables.

5. Amount for 2017 represents 60% employer matching of employee contributions made in 2016 through the ESOP paid in April 2017 and, in the case of Mr. Ridolfi only, included earned vacation paid in lieu. Perquisites did not exceed the lesser of 10% of base salary and \$50,000.

Incentive Plan Awards

2017 Outstanding Option-Based Awards and Share-Based Awards at fiscal year end

The table below shows options granted in 2014 and 2015 and the market value of those options on December 31, 2017. The table also shows the RSUs granted to the NEOs and the market value of those RSUs on December 31, 2017. Pursuant to the LTIP, participants could have between 80% and 100% of their performance RSUs vest or none at all. Performance vesting conditions apply to two-thirds of the RSUs. In February 2018, the HRCC approved the vesting of 100% of the time-based and 97.8% of the performance-based RSUs granted in 2015 under the LTIP. See "Compensation of NEOs" above. Those RSUs vested in 2018, and therefore are not treated as having vested in 2017 for the purposes of the table below.

Name	Option-Based Awards				Share-Based Awards (LTIP)		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Grant Year	Number of shares that have not vested (#) ⁽²⁾	Market Value of Share based awards that have not vested (\$) ⁽³⁾
Joseph Randell	903,500	4.50	May 20, 2019	4,653,025	2017 Grant	137,071	440,912
					2016 Grant	174,632	561,733
					2015 Grant	166,165	1,579,974
					Aggregate	477,868	2,582,619
Jolene Mahody	300,000	4.50	May 20, 2019	1,545,000	2017 Grant	42,176	135,666
					2016 Grant	51,814	166,668
					2015 Grant	55,122	524,126
					Aggregate	149,112	826,460
Richard Flynn	350,000	4.50	May 20, 2019	1,802,500	2017 Grant	36,552	117,576
					2016 Grant	44,905	144,444
					2015 Grant	45,695	434,489
					Aggregate	127,152	696,509
Colin Copp	350,000	4.50	May 20, 2019	1,802,500	2017 Grant	36,552	117,576
					2016 Grant	44,905	144,444
					2015 Grant	44,934	427,253
					Aggregate	126,391	689,273
Steven Ridolfi	500,000	7.25	October 1, 2020	1,200,000	2017 Grant	55,285	177,833
					2016 Grant	36,270	116,668
					2015 Grant	10,086	95,902
					Aggregate	101,641	390,403

1 The value of unexercised option-based awards was calculated based on market value of shares of Chorus at December 31, 2017 of \$9.65 per share.

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

3 Based on market value of shares of Chorus at December 31, 2017 of \$9.65 per share. The amounts for the 2017 and 2016 LTIPs are shown as the minimum payouts reflecting the 1/3 of RSUs granted that will vest on a time basis and do not include a value for RSUs which are subject to performance measures. The market value for the 2015 LTIP grant reflects the fact that vesting was determined on February 14, 2018 to be 97.8% for the performance-based RSUs.

Incentive plan awards – value vested or earned during 2017

Name	Option-Based Awards Value vested during the year (\$) ⁽¹⁾	Share- Based Awards Value vested during the year (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation Value earned during the year (\$)
Joseph Randell	3,809,000	1,868,180	1,150,033
Jolene Mahody	2,197,500	651,917	390,848
Richard Flynn	2,197,500	539,696	355,848
Colin Copp	2,197,500	529,142	356,968
Steven Ridolfi ⁽³⁾	–	–	430,706

1 Represents the value that would have been realized if the options had been exercised on the vesting date. Determined as the difference between the market price of the underlying securities on the vesting date and the exercise price of the options multiplied by the number of options vesting.

2 Represents value of all restricted shares vested in 2017 determined on the date of delivery of shares or cash in lieu of shares. The HRCC typically approves the vesting of time-based RSUs and performance-based RSUs (aka PSUs) in February of each year, in respect of performance cycles ending at the end of the previous calendar year. On February 15, 2017, the Board approved the vesting of 100% of all performance RSUs granted in 2014 under the LTIP reflecting actual performance achieved against performance targets over the three-year performance cycle ending December 31, 2016. The vesting of these RSUs is reflected in this table.

On February 14, 2018, the HRCC approved the vesting of 97.8% of all performance RSUs (aka PSUs) granted in 2015 under the LTIP. Since these RSUs did not vest in 2017, they are not reflected in this table.

3 Mr. Ridolfi was hired on October 1, 2015 so was not a participant in the LTIP in 2014.

Pension Benefits

NEOs of Chorus currently participate in the Pension Plan under which Chorus contributes the maximum allowable amount under the *Income Tax Act* (Canada). The NEOs, with the exception of Mr. Ridolfi, also participate in the SERP.

Effective February 19, 2014, the Board approved an amendment to close the SERP to new participants. Prior to this, the Board had applied its discretion under the SERP to approve new participants. There have been no new participants added since 2011. Based on his date of hire, Mr. Ridolfi does not participate in the SERP.

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

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

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

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

Pension Plan

The table below summarizes the accumulated balances in each NEO's defined contribution account at December 31, 2016 and December 31, 2017 as well as the factors that have caused the balance to change during 2017. The SERP benefit is reduced by a deemed benefit from the Pension Plan.

Name	Accumulated value at start of year (\$)	Compensatory change (\$)	Accumulated value at end of year (\$) ⁽¹⁾
Joseph Randell	468,653	26,230	546,204
Jolene Mahody	417,114	26,230	480,374
Richard Flynn	416,653	26,230	478,940
Colin Copp	664,339	26,230	758,692
Steven Ridolfi	34,631	26,230	66,954

1 The accumulated balances in Mr. Copp's defined contribution account in the table above reflects his participation over a number of years in the defined contribution pension plan that was the predecessor to the Chorus Executive Defined Contribution Pension Plan.

SERP

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

- years of credited service as at December 31, 2017;
- estimated annual benefit accrued, or earned, for service up to December 31, 2017 and up to the age of 65; and
- a reconciliation of the accrued obligation from December 31, 2016 to December 31, 2017.

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

Name	Number of years credited service	Annual benefits payable (\$)		Accrued obligation at start of year ⁽¹⁾ (\$)	Compensatory change ⁽²⁾ (\$)	Non- compensatory change ⁽³⁾ (\$)	Accrued obligation at year end ⁽⁴⁾ (\$)
		At year end ⁽⁵⁾	At age 65 ⁽⁶⁾				
Joseph Randell	34.00	430,519	445,630	7,118,565	167,113	846,968	8,132,646
Jolene Mahody	25.25	146,361	270,475	3,219,522	187,545	466,522	3,873,589
Richard Flynn	33.67	198,708	205,051	2,961,346	55,605	345,712	3,362,663
Colin Copp	25.67	147,102	267,344	3,155,545	180,891	447,555	3,783,991

1 The accrued obligation is the value of the projected pension earned for service to December 31, 2016. The values have been determined, based on the 2016 actual earnings adjusted to reflect expected increases in pensionable earnings, using the same actuarial assumptions used for determining the pension plan obligations at December 31, 2016 as disclosed in the notes to the 2016 consolidated financial statements as presented by Chorus.

2 The values shown under the column headed "Compensatory change" include the value of the projected pension earned for service in the year plus the differences between actual and assumed compensation for the year.

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

4 The accrued obligation is the value of the projected pension earned for service to December 31, 2017. The values have been determined, based on the 2017 actual earnings adjusted to reflect expected increases in pensionable earnings, using the same actuarial assumptions used for determining the pension plan obligations at December 31, 2017 as disclosed in the notes to the 2017 consolidated financial statements as presented by Chorus.

5 The annual lifetime pension payable at age 65 based on the NEO's earnings and credited service as at December 31, 2017.

6 The annual lifetime pension payable at 65 based on the NEO's earnings as at December 31, 2017 but with credited service projected to age 65. The amounts reflect the additional credited service granted by the Board and assumes 100% vesting.

In recognition of the key roles of Mr. Randell, Ms. Mahody, Mr. Flynn and Mr. Copp in the achievement of the future long-term strategy and to encourage long-term retention, in 2013 the Board approved service credits for additional years of pensionable service under the SERP for these four NEOs.

- Mr. Randell and Mr. Flynn each received an additional two years of pensionable service for the period from January 1, 2014 to December 31, 2015, vesting on December 31, 2015.
- Ms. Mahody and Mr. Copp will each receive an additional 2.5 years of pensionable service for the period from January 1, 2014 to December 31, 2018, vesting on December 31, 2018 and an additional 2.5 years of pensionable service for the period from January 1, 2019 to the date when each of them reaches age 55, vesting upon reaching age 55 (occurs for both in 2022).

Equity Compensation Plan Information

The table below sets out information about the equity plans as at December 31, 2017.

Plan Category	(a) Number of securities to be issued upon the exercise of outstanding options and vesting of restricted share units ⁽¹⁾		(b) Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾	(c) Number of securities remaining available for future issuances under equity compensation plans, excluding securities reflected in column (a)	
	% of shares outstanding	Number	\$	% of shares outstanding	Number
Equity compensation plans approved by security holders	2.4%	3,050,841 ⁽³⁾	5.34	3.0%	3,801,622
Equity compensation plans not approved by security holders	Nil	Nil	Nil	Nil	Nil
Total	2.4%	3,050,841	5.34	3.0%	3,801,622

Note: The restricted share units awarded pursuant to the LTIP are not subject to an exercise price.

1 Does not include shares underlying the RSUs granted on February 24, 2015, February 23, 2016, or Feb 21, 2017 as these RSUs will either be redeemed for shares purchased on the secondary market (and not issued from treasury) and/or equivalent cash at the option of the participant.

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

3 Includes 2,030,500 options with an exercise price of \$4.50, 900,000 options with an exercise price of \$7.25, and 99,668 RSUs plus 20,673 RSU dividend equivalents.

The approved maximum number of shares of Chorus which may be issued from treasury under the LTIP is 11,000,915 shares (the "**Reserved LTIP Shares**"). The Reserved LTIP Shares represent approximately 8.8% of Chorus' issued and outstanding shares as at December 31, 2017.

Chorus has made the following issuances and grants under the LTIP: (i) Chorus issued 398,355 Class B Voting Shares on February 25, 2013 to satisfy the vesting of RSU grants made in 2010 under the Jazz Air Income Fund long-term incentive plan; (ii) Chorus granted 5,350,000 options to certain Chorus and Jazz executives on May 20, 2014 that are exercisable for Class B Voting shares issued from treasury; (iii) Chorus issued 522,264 Class B Voting Shares on February 24, 2015 to satisfy the vesting of RSUs granted in 2012 for participants who elected settlement in shares; (iv) Chorus granted a total of 99,668 RSUs on May 1, 2015 to four vice presidents of Voyageur Airways as part of retention agreements, which grants coincided with Chorus acquiring the parent company of Voyageur Airways. As the cycle exceeds three years, the RSUs are exercisable for shares issued from treasury; (v) Chorus granted 400,000 options on August 18, 2015 that are exercisable for shares issued from treasury; and (vi) Chorus granted 500,000 options on October 1, 2015 that are exercisable for shares issued from treasury. On July 8, 2016, Chorus cancelled 91,667 options from the May 20, 2014 grant upon the retirement of an LTIP participant. On May 20, 2017, 5,258,333 options vested with 3,227,833 options exercised by December 31, 2017.

The Board approved a resolution on February 18, 2015 requiring the RSU grants made in each of 2013, 2014 and 2015, together with the additional RSUs credited on account of dividends paid on shares, to be settled solely in market purchase shares or cash (at the election of the participant in accordance with the LTIP). Grant letters related to the February 23, 2016 LTIP grant and the Feb 21, 2017 grant specified that these respective grants would be settled solely in market purchase shares or cash (at the election of the participant in accordance with the LTIP).

The table below sets out the burn rate for the LTIP as of December 31 for each of the last three years. There were no options granted in 2017 and 2016. Shares underlying the RSUs granted on February 24, 2015, February 23, 2016, and Feb 21, 2017 are not currently redeemable for underlying Chorus shares issuable from treasury but rather from the secondary market or cash.

	2017	2016	2015
Burn Rate ⁽¹⁾	Nil	Nil	0.83%

1 Burn rate represents: (total options granted during the year and RSUs granted to be issuable from treasury) divided by (weighted average number of Chorus shares outstanding during the year).

Termination and Change of Control Benefits

In January 2012, Chorus entered into termination and change of control agreements with the current President and CEO, EVP and CFO, EVP CCDO and President of Jazz. The fifth named officer does not have a termination and change of control agreement. Pursuant to these agreements, these executives become entitled to certain benefits in the event of (i) a termination without cause, or (ii) a change of control and “good reason” (as defined in the agreement) within 24 months. Upon the occurrence of a triggering event:

- the CEO would be entitled to: 24 months of annual compensation (salary, short term incentive, and basic benefits) plus one additional month of compensation per year of service to a maximum combined severance of 36 months. As of December 31, 2017, Mr. Randell would be entitled to a cash severance payment of \$2,250,000 and a short-term incentive plan payment of \$2,867,255. The short-term incentive plan payment represents the number that is the product of (A) the number of months of the severance period divided by 12 and (B) the greater of the average bonus payment for the previous two calendar years and 75% of the target bonus under the AIP. Continuation of basic benefits for the severance period is valued at \$ 33,084. The combined severance of 36 months was based on Mr. Randell’s extensive industry experience and contribution as the founding president; and
- the EVP and CFO, EVP and CCDO and President of Jazz would each be entitled to: 12 months of annual compensation (salary, short term incentive, and basic benefits) plus one additional month of compensation per year of service to a maximum combined severance of 24 months. As of December 31, 2017, Ms. Mahody would be entitled to a cash severance payment of \$800,000 and a short-term incentive plan payment of \$617,860. Mr. Flynn would be entitled to a cash severance payment of \$800,000 and a short-term incentive plan payment of \$529,137. Mr. Copp would be entitled to a cash severance payment of \$800,000 and a short-term incentive plan payment of \$609,967. The short-term incentive plan payments represent the number that is the product of (A) the number of months of the severance period divided by 12, and (B) the greater of the average bonus payment for the previous two calendar years and 75% of the target bonus under the AIP. Continuation of basic benefits for the severance period is valued at \$ 22,056 for each.

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

The treatment of RSUs and options on termination of employment, a change of control, and retirement are set out under “Executive Compensation Program – 3) Equity Plans – LTIP” above and apply to all participants, including Mr. Ridolfi. As of December 31, 2017, the range of values for each of the NEOs of the total number of incremental RSUs awarded under the LTIP on a termination without cause or retirement (based on the closing market price of Chorus’ shares on December 31, 2017) is as follows: Mr. Randell (\$1,048,118 - 3,144,353), Ms. Mahody (\$331,042 – \$993,127), Mr. Flynn (\$280,319 – \$840,957), Mr. Copp (\$277,907 – \$833,722) and Mr. Ridolfi (\$169,025 – 507,075). As of December 31, 2017, the value for each of the NEOs of the total number of incremental RSUs awarded under the LTIP in the event of a change of control (based on the closing market price of Chorus’ shares on December 31, 2017) is as follows: Mr. Randell (\$4,611,426), Ms. Mahody (\$1,438,927), Mr. Flynn (\$1,227,026), Mr. Copp (\$1,219,677) and Mr. Ridolfi is (\$980,845).

The options granted to Mr. Ridolfi on October 1, 2015 will, in the event of termination without cause, vest in accordance with the award agreement. A pro-rated number of the outstanding, unvested options will become fully vested and exercisable and will remain exercisable until the earlier of the date which is the later of (i) 90 days after the vesting date and (ii) 12 months after the applicable event, and the expiry date. Pro-ration would be based on the completed months of service

during the three-year vesting period. In the event of retirement, a pro-rated number of outstanding, unvested options will become fully vested and exercisable until the expiry date. As of December 31, 2017, the value of the total number of options available to be exercised in the event of a termination without cause or retirement (based on the margin of the closing market price of Chorus' shares on December 31, 2017 over the strike price and the percentage of the vesting period completed) for Mr. Ridolfi is \$900,000. As of December 31, 2017, the value of the total number of options available to be exercised in the event of a change of control (based on the margin of the closing market price of Chorus' shares on December 31, 2017 over the strike price) for Mr. Ridolfi is \$1,200,000. Options granted on May 20, 2014 for the other NEOs have vested. Mr. Ridolfi participates in the LTCIP. Thresholds for values have not yet been achieved.

As of December 31, 2017, the value of the incremental annual pension benefit payable to the NEOs under their agreements, determined by assuming that each executive would receive, in the case of Mr. Randell, 36 months, and, in the case of Ms. Mahody, Mr. Flynn and Mr. Copp, 24 months, of additional pension service credits under the SERP as at the date of termination, is as follows: Mr. Randell (\$77,900), Ms. Mahody (\$29,300), Mr. Flynn (\$39,400) and Mr. Copp (\$32,500). The incremental annual pension benefit represents the additional SERP pension payable immediately for those executives currently eligible for retirement, and at age 55 for those executives not currently eligible for retirement.

In addition, the foregoing executives are subject to certain confidentiality, non-solicitation and non-disparagement obligations under these agreements. Breach by the executive of such provisions may result in the executive becoming liable to pay to Chorus all amounts received pursuant to their respective agreement.

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

In the event of termination with cause or voluntary resignation, the NEOs would not be entitled to any incremental payments, payables or benefits.

Other Important Information

Interest of Informed Persons in Material Transactions

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

Directors' and Officers' Liability Insurance

Chorus maintains directors' and officers' liability insurance for the benefit of the directors and officers of Chorus and its subsidiaries. The coverage limit of such insurance is \$70,000,000 per claim and \$70,000,000 in the annual aggregate. The current policy is effective from October 1, 2017 to October 1, 2018 and protects the directors and officers for allegations of alleged "wrongful acts" in the conduct of their activities as directors and officers. The directors and officers are indemnified by Chorus from and against any losses or damages they may suffer in such capacities, to the fullest extent permitted, but subject to the limitations stipulated, by applicable law.

Indebtedness of Directors and Officers

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

Receipt of Proposals for our 2019 Annual Meeting

Any shareholder who intends to present a proposal at our 2019 annual meeting of shareholders must send the proposal to Chorus, Attention: Corporate Secretary at 3 Spectacle Lake Drive, Dartmouth, Nova Scotia, B3B 1W8. In order for the proposal to be included in the proxy materials sent to shareholders for that meeting, the proposal must be received by Chorus no later than December 15, 2018 and must comply with the requirements of Section 137 of the CBCA.

How to Request More Information

Documents You Can Request

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

- the Annual Audited Consolidated Financial Statements of Chorus for the year ended December 31, 2017, together with the accompanying auditors' report 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, 2017, together with the MD&A related to such interim financial statements; and
- the Annual Information Form of Chorus for the year ended December 31, 2017.

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

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

Receiving Information Electronically

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

How to sign up – shareholders generally

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

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

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

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

ANNEX A

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

1. PURPOSE

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

2. ROLE

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

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

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

3. COMPOSITION

Directors

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

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

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

Chair

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

Independence

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

Nationality

A majority of the Board shall be composed of directors who are Canadian citizens or permanent resident within the meaning of subsection 2(1) of the *Immigration and Refugee Protection Act* (Canada).

Criteria for Board Membership

Board members are expected to demonstrate the following conduct:

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

4. COMPENSATION

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

5. RESPONSIBILITIES

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

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

- (r) nominating a firm of chartered accountants for appointment by the Shareholders as the Corporation's auditors, and approving the external auditor's remuneration;
- (s) selecting a Chair of the Board and, if required, a Lead Director;
- (t) establishing and constituting committees of the Board, and delegating to those committees such duties and responsibilities as the Board deems appropriate to assist the Board in discharging its duties and responsibilities.

6. MEETINGS

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

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

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

7. DECISIONS REQUIRING PRIOR BOARD APPROVAL

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

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

8. BOARD COMMITTEES

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

All members of the Audit, Finance and Risk Committee, Governance and Nominating Committee, and the Human Resources and Compensation Committee shall be independent as required under the charter of each Committee and the laws and listing requirements to which the Corporation is subject. A majority of the members of each committee shall also be composed of Canadian citizens or permanent resident within the meaning of subsection 2(1) of the *Immigration and Refugee Protection Act* (Canada).

9. ADVISERS

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

10. OTHER MATTERS

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

Every director shall disclose all actual or potential conflicts of interest and refrain from voting on matters in which the director has a conflict of interest. In addition, a director shall excuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interests.

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

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

D.F. KING

North American Toll-Free Phone:

1-800-884-4590

Banks, brokers and collect calls: 1-201-806-7301

Toll-free facsimile: 1-888-509-5907

Email: inquiries@dfking.com