2024 ANNUAL INFORMATION FORM 51-102F2

Year Ended August 31, 2024

October 24, 2024

TABLE OF CONTENTS

NAV CANADA

2024 ANNUAL INFORMATION FORM

ON FORM 51-102F2

CAUTION CONCERNING FORWARD-LOOKING INFORMATION

This annual information form (AIF) contains certain statements about our future expectations. These statements are generally identified by words like “anticipate”, “plan”, “believe”, “intend”, “expect”, “estimate”, “approximate”, “forecast” and the like, as well as future or conditional verbs such as “may”, “will”, “should”, “would” and “could”, or negative versions thereof. Because forward-looking statements involve future risks and uncertainties, actual results may differ from those expressed or implied in these statements and these differences may be material. Examples of risks and uncertainties NAV CANADA (also referred to in this AIF as we, our, us or the Company) faces include geopolitical unrest , terrorist attacks and the threat thereof, war, epidemics or pandemics, government interventions and related travel advisories and restrictions, climate change and environmental factors (including weather systems and other natural phenomena and factors arising from man-made sources), cyber security attacks, labour negotiations, arbitrations, workforce recruitment, training and retention, general aviation industry conditions, air traffic levels, the use of telecommunications and ground transportation as alternatives to air travel, capital market and economic conditions, the ability to collect customer service charges and reduce operating costs, changes in interest rates, changes in laws, tax changes, adverse regulatory developments or proceedings and lawsuits and other risks detailed from time to time in our publicly filed disclosure documents. Some of these risks and uncertainties are explained under “Risk Factors” in this AIF. The forward-looking statements contained in this AIF represent our expectations as of October 24, 2024 and are subject to change after this date. Our forward-looking statements are based on information currently available to the Company. Readers of this AIF are cautioned not to place undue reliance on any forward-looking statement. We disclaim any intention or obligation to update or revise any forward-looking statement included in this document whether as a result of new information, future events or for any other reason, except as required by applicable securities legislation.

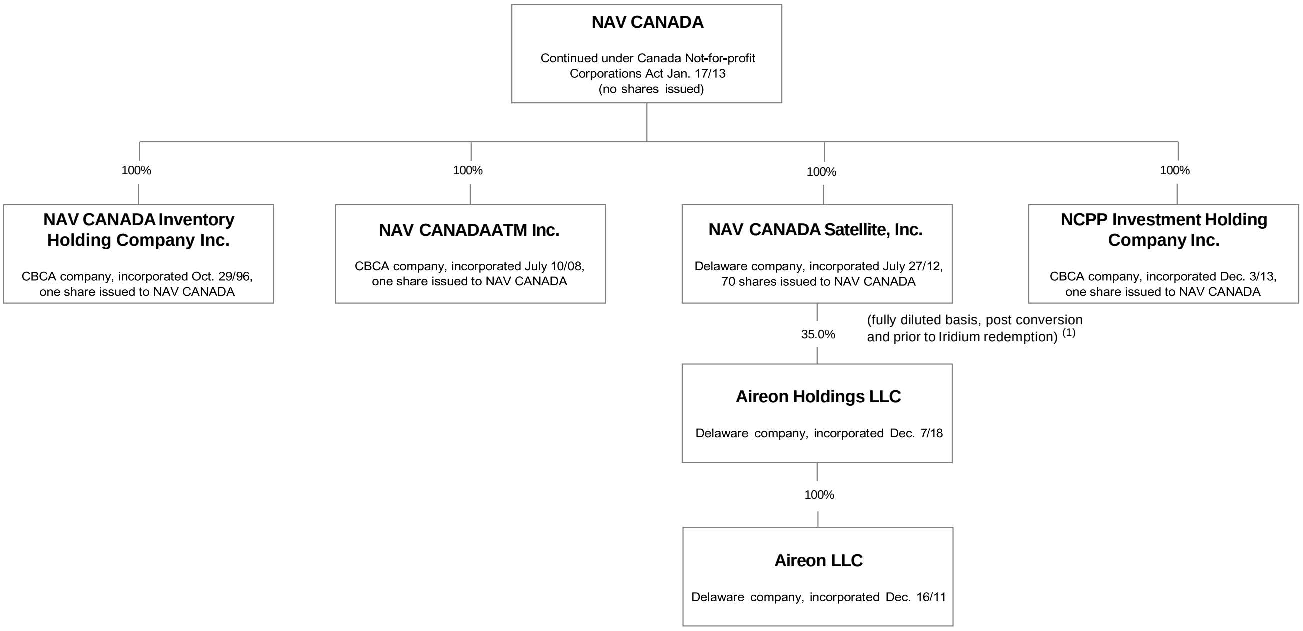
CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was continued under the *Canada Not-for-profit Corporations Act* on January 17, 2013. The Company was originally incorporated on May 26, 1995 as a non-share capital corporation under Part II of the *Canada Corporations Act*. Our head office is located at 151 Slater Street, Suite 120, Ottawa, Ontario K1P 5H3.

Intercorporate Relationships

The following chart illustrates the corporate structure of the Company.



(1) The Company and the other investors in Aireon LLC (Aireon) hold their interests through the Amended and Restated Aireon Holdings LLC (Aireon Holdings) agreement (the LLC Agreement). Aireon Holdings holds 100% of the membership interests in Aireon, which is the operating entity. In accordance with the terms of the LLC Agreement, a portion of the existing common equity interest of Iridium Communications Inc. (Iridium) in Aireon Holdings will be redeemed for a payment from Aireon Holdings of US$120 million. Upon this redemption and the related conversion of all preferred interests into common equity interests, NAV CANADA will hold 42.2% of the fully diluted common equity interests of Aireon Holdings.

BUSINESS OF THE COMPANY

Introduction

NAV CANADA is the private sector, non-share capital company that operates Canada's civil air navigation system (the ANS) throughout Canada. Our services are provided to aircraft owners and operators within Canadian-controlled airspace and include air traffic control (ATC), flight information, weather briefings, airport advisories, aeronautical information and navigation aids. We acquired the ANS from the Government of Canada in 1996 for a purchase price of $1.5 billion.

Our core business is to manage and operate the ANS and related services in a safe, efficient and cost effective manner. Our mandate covers both Canadian airspace and airspace delegated to Canada under international agreements.

Shared Purpose and Values

Shared Purpose - Keeping Canada's skies safe: Shaping the future of air navigation services. The Company's Shared Purpose is supported by four pillars:

- Safety is at the core – It is integral to everything we do and continues to mature as the industry evolves.
- Innovation is key – We are passionate about modernizing Canada's air navigation system to deliver value to our customers.

- Expertise is the cornerstone – The skill, agility, leadership and collaboration of our people make the difference.
- Partnerships are essential – Our partnerships help the aviation industry improve efficiency and support an environmentally sustainable future.

Values - We proudly care. We work together. We build trust. We set the standard.

Safety Mandate

NAV CANADA's first priority is the provision of safe air navigation services. This is clearly demonstrated through the Company's Shared Purpose to keep Canada's skies safe. Our safety objective is being amongst the safest air navigation service providers (ANSPs) worldwide and driving continuous improvement in the reduction of operational safety risks. Our primary goal is to reduce risk in the system to as low a level as reasonably practicable (ALARP).

Holding safety at the core, NAV CANADA's efforts and resources are committed to assuring that customers are able to operate in the ANS with utmost confidence in the safety of the system. NAV CANADA was an early adopter of safety management systems (SMS) and continues to evolve its SMS and Quality Management System (QMS) to maintain and improve safety within the Canadian aviation ecosystem.

Transport Canada regulates the safety aspects of our business. In support of safe operations, NAV CANADA and Transport Canada have established a joint Safety Oversight Committee. This and other forums support open communication regarding safety risks relevant to both the Company and the regulator. We consider our relationship with Transport Canada as a partnership committed to improving the safety of the ANS.

Along with the oversight provided by Transport Canada, NAV CANADA's management of safety includes oversight at multiple levels within the Company as follows:

- the Safety Committee of our Board of Directors (the Board) which is a permanent standing committee responsible for overseeing the safety of air navigation services on behalf of the Board;

- corporate safety policies and standards which identify responsibilities and accountabilities for all managers and employees as well as the Safety Committee. All staff are required to review and sign-off on their responsibilities and accountabilities;

- our Safety and Quality department, which is an independent corporate safety office reporting directly to the President & Chief Executive Officer (CEO), audits the Company's Operations and Technology departments and leads investigations into safety-related incidents. It is responsible for safety and quality oversight activities throughout the Company and monitors the application of the SMS and QMS at NAV CANADA; and

- the Corrective Action Steering Committee (CASC) which provides executive management oversight in support of maintaining regulatory compliance with the Canadian Aviation Regulations (CARs), by reviewing Transport Canada findings, assigning resources for actioning, reviewing and approving corrective action plans (CAPs) and overseeing their implementation progress.

The Company promotes a strong safety culture through the development and communication of safety initiatives by providing a clear understanding of the top safety risks, the SMS, the QMS and their key components and by promoting a broad sharing of information, with accountability for the Company's safety performance.

Many forums are used to share safety information including committees, working groups, newsletters, training, seminars and the NAV CANADA Safety Information System (NC-SIS).

Safety Management System

NAV CANADA's SMS comprises the systemic and comprehensive policies, procedures and processes for managing safety risk to assure that safety management at NAV CANADA is proactive, robust, effective, efficient, and integrated across groups and functions thereby providing the foundation to achieve the safety objective.

NAV CANADA's SMS framework, policies and standards continue to drive advancements in this area. NAV CANADA's safety policies and standards set out the mandatory requirements and expectations for the SMS. The framework integrates the best aspects from international standards on SMS while assuring compliance with associated CARs and includes the following four components: Safety Policy and Objectives, Safety Risk Management, Safety and Quality Assurance and Safety Promotion. Each component is supported by a number of elements.

Activities throughout the Company in support of the SMS include, but are not limited to, an annual corporate safety risk assessment to identify the top safety risks along with mitigations in place and action plans, corporate and project safety planning, incident and hazard reporting under just culture, aeronautical studies, safety audits, safety investigations, safety reviews, safety culture surveys and hazard identification and risk assessments (HIRAs) managing the risks associated with change and the potential to impact operational safety. The SMS is routinely assessed to assure the ongoing effectiveness of its processes. NAV CANADA's SMS Assessment Program resumed in the fiscal year ended August 31, 2023 (fiscal 2023) with a renewed focus on assuring that the SMS is compliant with regulations, conforming to internal policies and standards and operating effectively.

Key to an effective SMS is the reporting, collection and analysis of safety data in a non-punitive environment utilizing a just culture. The Company's Just Culture Policy covers all NAV CANADA employees. The NC-SIS provides an open, accessible and transparent system for the reporting, sharing and analysis of safety data from our SMS processes across the Company. It provides a single, integrated source for safety data based on a common data model and taxonomy enabling advanced safety analytics.

In addition to the mandatory reporting of safety events, the Company uses a confidential internal safety reporting system called ARGUS+ to provide any employee with the opportunity to confidentially identify a safety concern in a non-punitive environment.

NAV CANADA's QMS is supported by a Quality Policy and Quality Manual. The QMS applies to all areas and functions covered under the Air Traffic Services (ATS) Operations Certificate issued to the Company by the Government of Canada, most of which can be found within but is not limited to, the Company's Operations and Technology departments. The QMS has been implemented in all of the Flight Information Regions (FIRs) of the Company and the Company's Head Office. As part of our requirements under our SMS and in addition to the audits conducted under the QMS, the Operational Standards Verification Program is used to verify the application of ATS standards and procedures from a national perspective.

NAV CANADA has a Human Performance Management directorate under the Safety and Quality department which has ownership of the Fatigue Risk Management System (FRMS) within the Company. Fatigue management continues to be a Transportation Safety Board watchlist item and while there are no

CARs pertaining to fatigue oversight, NAV CANADA has implemented its FRMS following ICAO Annex 11 and international best practices for ATS providers.

The maturity of our SMS is also assessed against the Civil Air Navigation Services Organization (CANSO) SMS Standard of Excellence, and has been rated amongst the highest of ANSPs worldwide over the years.

NAV CANADA has always recognized that managing safety risks must be done in close partnership with our industry partners. There are many forums and strong working relationships for exchanging safety information and working together to address safety risks. These activities range from the Aviation Safety Forum (ASF) and the Runway Safety Action Team (RSAT), to stakeholder outreach and targeted safety activities such as safety reviews, corporate safety risk assessments and the development of tools such as the NAV Drone App.

Along with regular SMS activities, NAV CANADA's management has and will continue to focus on assuring that operational safety risks are proactively managed and reduced to ALARP.

Our Services

All aircraft in Canadian-controlled airspace depend on the ANS for their safe and efficient movement. Our services include ATC, flight information, weather information and briefings, airport advisories, aeronautical communication and information, various navigation services and aids, and emergency assistance.

The *Civil Air Navigation Services Commercialization Act* (the ANS Act) governs many of the important aspects of our operations. Among other things, the ANS Act gives us a mandate that includes the right to provide civil air navigation services and the exclusive ability to set and collect customer service charges for civil air navigation services.

The ANS Act also appoints the Company as the Canadian authority responsible for providing ATC services and aeronautical information services for purposes of the *Chicago Convention*, which governs international civil aviation.

NAV CANADA provides air navigation services to aircraft in Canadian domestic airspace and in international oceanic airspace delegated to Canada by the International Civil Aviation Organization (ICAO). These services are delivered from various facilities located across the country, including, as of the date of this AIF:

- 7 area control centres (ACCs) located at Vancouver, Edmonton, Winnipeg, Toronto, Montreal, Moncton and Gander
- 42 control towers
- 53 flight service stations (FSS)
- 5 flight information centres (FIC)
- 30 maintenance centres
- 51 community aerodrome radio stations (mainly in northern Canada)
- 46 contract weather office stations
- 46 radar sites, 5 Automatic Dependent Surveillance-Broadcast (ADS-B) receiver sites, and 12 multilateration (MLAT) sensor sites (12 installations, each with 6 to 38 sensors)
- over 760 electronic aids to navigation

The ANS also includes a network of datalink and voice communication systems, flight/radar data processing systems and air traffic management systems, as well as navigation and surveillance facilities.

Our ANS customers fall into four categories:

- commercial airlines and commercial air cargo carriers;
- business aircraft;
- general aviation (which includes recreational aircraft); and
- state/military/medevac aircraft.

Air navigation services can be roughly divided into three categories.

ATC Services

ATC services ensure safe and appropriate spacing between aircraft while in controlled airspace and between aircraft and obstructions, not only during flight but on the ground as well. They also maintain an orderly and efficient flow of air traffic. ATC services include issuing clearances for taxiing, take-off and landing, various in-flight instructions to aircraft and applying separation standards between aircraft in flight, on departure and on landing, i.e. preventing them from coming too close to each other.

Flight Information Services

Flight information services include traffic advisories to pilots, airport status information, weather data required for pre-flight planning and the operation of flights, and aeronautical information such as the supply of maps, charts and manuals.

In order to provide ANS services, we are dependent on Environment Canada for aviation weather forecasting.

Air Traffic Operations Services

Specialists are responsible for receiving and reviewing data for ATS operations, including flight plans. These specialists also coordinate search and rescue for Instrument Flight Rules (IFR) aircraft.

Customer Service Charges

Regulatory Framework

The ANS Act contains charging principles that govern and direct how we set customer service charges. Our charges apply to all aircraft operators, except for a few limited exceptions set out in the ANS Act.

The charging principles are designed to enable NAV CANADA to generate sufficient revenues to meet its current and future financial requirements. They also ensure that the charges meet a number of conditions related to safety, transparency, non-discrimination, equity and international obligations.

In addition to these legislated principles, we engage in consultation with customers on a regular and open basis. Consultation, notices and announcements on new or revised charges are also required under the ANS Act. NAV CANADA may revise existing charges or introduce new customer service charges at any time as long as we follow the charging principles and the processes set out in the ANS Act.

Rate Setting Policies for Customer Service Charges

Rates are set with the intention that revenues will be sufficient to meet operating and maintenance expenses, depreciation and amortization expenses, and interest expenses. The established rates must also allow us to meet the requirements of the rate covenants contained in our Master Trust Indenture dated October 28, 1996, as amended (MTI), and our General Obligation Indenture dated February 21, 2006, as amended (GOI), to fund reserves and contingency margins and, if necessary, to replenish the reserve funds established under the MTI and meet the liquidity levels required under the GOI.

Our policy is to monitor the Company's financial condition on a continuous basis and to adjust customer service charges when required. See "General Development of the Business - Cost-Effectiveness" below.

On September 20, 2024, the Company issued a notice of revised service charges (the Notice) for consultation that contains a proposal to revise customer service charges, effective January 1, 2025. The proposal calls for increased service charges averaging 3.73% across the Company's service categories. There are two elements in the proposal to revise rates: (i) an average Base Rate increase of 4.99% to recover NAV CANADA's anticipated costs for the fiscal year ending August 31, 2025 (fiscal 2025) by service type after reflecting a portion of the Rate Stabilization Account (RSA) surplus from fiscal 2024; and (ii) a Temporary Rate decrease of 26.73% compared to existing Temporary Rates to adjust the amount of the historical RSA shortfall to be recovered in fiscal 2025. A Temporary Rate adjustment will continue until the cumulative historical RSA shortfall is fully recovered.

This proposal is subject to a mandatory 60-day consultation period required by the ANS Act that expires on the close of business on November 21, 2024. Input received during the consultation period will be considered by NAV CANADA's management and Board, prior to a final decision being made on the proposal.

Service Categories for Customer Service Charges

Customer service charges are divided into four broad categories:

Charge	Description of Air Navigation Services Provided	Based on	Applies to
Enroute charge	To aircraft in flight in Canadian-controlled airspace (excluding oceanic) when not in the take-off or landing phase.	Per-flight charge based on maximum take-off weight of the aircraft and distance flown.	Flights landing and taking off in Canada and to flights overflying Canada.
Terminal charge	To aircraft during the take-off or landing phase of a flight. ATC Towers and certain landing aids are dedicated to providing terminal services. Certain other facilities (FSSs and ACCs) are used for both terminal and enroute types of air navigation services.	Per-flight charge based on maximum take-off weight of the aircraft.	Flights on departure from staffed Canadian airports.
Daily/Annual/Quarterly	A flat annual, daily or quarterly fee is charged, in lieu of terminal and enroute charges described above.	Flat charge per day, year or quarter.	Certain categories of small aircraft.
North Atlantic (NAT) charge and International Communication (Int'l COM)	NAT charges apply for navigation services provided to aircraft flying through the NAT airspace. The Int'l COM charge applies to international flights where communication services are provided within the NAT as well as portions of the Canadian north.	Flat charge per flight.	Oceanic airspace outside of Canada but for which Canada has ATC responsibility under international agreements and, as applicable, in parts of the Canadian North.

Air traffic levels, as measured in weighted charging units (WCUs) (a measure of the number of billable flights, aircraft size and distance flown in Canadian airspace and the basis for movement-based service charges), in the fiscal year ended August 31, 2024 (fiscal 2024) increased in comparison to fiscal 2023 by 6.4%. Excluding the effect of an extra day for the leap year, air traffic levels in fiscal 2024 increased by 6.2%. The table below shows the revenues we earned from each category of customer service charges over the last three fiscal years.

Revenues by Service Category 2022 – 2024			
	Year ended August 31 ($ millions)		
	2024	2023	2022
Enroute	853	856	739
Terminal	743	687	562
Daily/Annual/Quarterly charges	52	60	53
NAT and Int'l COM	112	120	99
Total	1,760	1,723	1,453

Human Resources

We employed 5,144 people as of August 31, 2024 comprised of management staff, technical and administrative support personnel, and staff from the Operations and Technology departments.

Operations and Technology staff are those directly involved in providing air navigation services. They include air traffic controllers, flight service specialists, operational support specialists, electronics technologists, engineers and pilots.

The majority of our workforce is unionized (approximately 85%). Our unions have bargaining certificates that divide up the workforce into eight unique bargaining units, typically along job class lines:

Unionized Workforce	Bargaining Unit	Number of Employees Represented by Bargaining Unit as of August 31, 2024
Air Traffic Controllers	CATCA (Canadian Air Traffic Control Association - Unifor Local 5454)	1,981
Electronics Technologists	IBEW (International Brotherhood of Electrical Workers), Local 2228	602
Flight Service Specialists	ATSAC (Air Traffic Specialists Association of Canada - Unifor Local 2245)	670
Professional Engineers and Information Technology Staff	PIPSC (The Professional Institute of the Public Service of Canada)	532
Administrative Staff	PSAC (Public Service Alliance of Canada)	277
Operational and Training Support Specialists	CANSA (Canadian Air Navigation Specialists Association - Unifor Local 1016)	269
Flight Inspection and Service Design Pilots	CFPA (Canadian Federal Pilots Association)	38

Financial Staff	ACFO (Association of Canadian Financial Officers)	23

Recruitment and Training

The recruitment and training of skilled operational personnel, especially licensed air traffic controllers and certified flight service specialists, are significant areas of focus for NAV CANADA. Enhancements to our recruitment and selection processes are continuously made to ensure that we are attracting and selecting the best talent.

NAV CANADA continues to modernize its approach to operational training with its new ATS Learning Strategy, which is further supported by the Operational Training Modernization Program for transformational projects and initiatives. These initiatives aim to increase the numbers of qualified professionals who can meet operational needs now and in the future. One such initiative is entering into an agreement with Montreal-based CAE for it to provide supplemental basic training. The agreement allows NAV CANADA to increase the number of students in flight service specialist, basic airport control and IFR enroute courses, which continue to be provided in NAV CANADA's seven training schools.

In fiscal 2024, there were 294 ab initio students enrolled in ATS Learning. Including ab initio students, the number of students across all operational disciplines and training categories (collectively, the Students) as of August 31, 2024, was 402. This represents an increase of 41 Students when compared to the 361 Students in training as of August 31, 2023. Fiscal 2024 also saw the issuance of 63 new air traffic controller licenses and 69 new flight service specialist certifications.

The recruitment and retention of other specialties such as engineering, computer science and electronics technologists has also been a focus for management.

Environmental Matters

The Company is dedicated to delivering air navigation services with a commitment to environmental sustainability. The Company adheres to all applicable environmental laws and regulation while striving to exceed required levels of environmental protection and performance. This commitment is demonstrated through the following initiatives:

- conducting environmental impact assessments for all projects and activities which interact with the natural environment, aiming to prevent or mitigate any adverse effect;
- implementing programs that deliver measurable environmental benefits, contributing to a reduction in the Company's overall environmental footprint;
- providing education and training to our employees, equipping them with the knowledge and skills necessary to manage environmental risk effectively;
- communicating our environmental policies, standards and requirements to all suppliers and contractors, fostering a collaborative approach to environmental stewardship;
- monitoring, maintaining and enhancing our environmental performance through our International Organization for Standardization (ISO) 14001:2015 registered Environmental Management System; and
- fostering a culture of environmental awareness and responsibility across all levels of the

Company.

Work is currently underway developing and implementing NAV CANADA's Environmental, Social and Governance (ESG) strategy. NAV CANADA has set up a strong ESG governance framework, with leadership support, Board oversight, an active ESG steering committee with representation from departments across the Company, and multiple working groups. We are leveraging this governance structure to embed sustainability into every aspect of our Company.

One of the foundational steps of the ESG strategy was joining the UN Global Compact, the world's largest corporate sustainability initiative, in April 2022. As a member, NAV CANADA submits an annual UN Global Compact Communication on Progress (CoP) that is published by the UN Global Compact. The CoP allows NAV CANADA to understand, measure, track and disclose its performance on the Ten Principles of the UN Global Compact, raising its transparency and governance on environmental and social impacts and progress.

UN Global Compact guidance also drove the completion of an ESG materiality assessment which involved evaluating the UN Sustainable Development Goals (SDGs) most relevant to NAV CANADA's business and operating context and identifying where the Company has the greatest potential for impact. This helped to narrow the focus to key sustainable development goals, including SDG 13: Climate Action.

NAV CANADA's focus on SDG 13: Climate Action has included committing to the Science-based Targets Initiative (SBTi) in August 2023. Our commitment is to developing emissions reductions targets aligned with the Paris Agreement to limit global temperature increase to 1.5°C. This is an ambitious step towards climate action, and work is underway on setting targets, including the measurement of our current Scope 1, 2 and 3 greenhouse gas (GHG) emissions.

NAV CANADA has been involved in the direction of Canada's Aviation Climate Action Plan (2022-2030) which sets an ambitious net-zero by 2050 vision for the sector, along with key actions the Government of Canada and the aviation sector will take to achieve this vision.

As a signatory to the Action Plan, NAV CANADA is committed to working with industry partners to enable and prioritize innovative technologies and procedures that can reduce Canada's GHG emissions from aviation. Implementing initiatives like Performance Based Navigation (PBN) and space-based ADS-B is having a positive impact on improved flight profiles and reduced fuel burn. The Company continues to introduce Required Navigation Performance (RNP) Authorization Required (AR) approaches across the country to expand the availability of its associated benefits. The transition to space-based ADS-B was a joint venture with private partners and other ANSPs. NAV CANADA in conjunction with NATS, the United Kingdom's ANSP, were the first in the world to use space-based ADS-B surveillance in 2019 over the North Atlantic, the world's busiest oceanic airspace. NAV CANADA was also the first ANSP worldwide to implement space- based ADS-B in its domestic airspace. Aircraft operators are now benefiting from safety and efficiency enhancements provided by spaced-based ADS-B surveillance coverage, such as improved service delivery and more efficient flight levels.

Insurance

NAV CANADA's fundamental focus on safety is our strength and our most important tool to help reduce risk. In addition to risk reduction strategies, to mitigate the impact of catastrophic events we maintain an insurance program that gives due regard to the risks inherent in aviation.

Our aviation liability insurance program was last renewed on November 15, 2023 for one year and we intend to renew it on November 15, 2024. This insurance provides broad coverage for our ANS liabilities to third parties. The Company also carries other lines of insurance at levels deemed appropriate by management for the nature of our business. The cost of this insurance is not material to the Company.

We are contractually obligated to indemnify the Government of Canada for any loss suffered by or claimed against it which is covered by our aviation operations liability insurance.

GENERAL DEVELOPMENT OF THE BUSINESS

The key performance drivers by which we assess the development of our business are:

- safety;
- service; and
- cost-effectiveness.

Safety

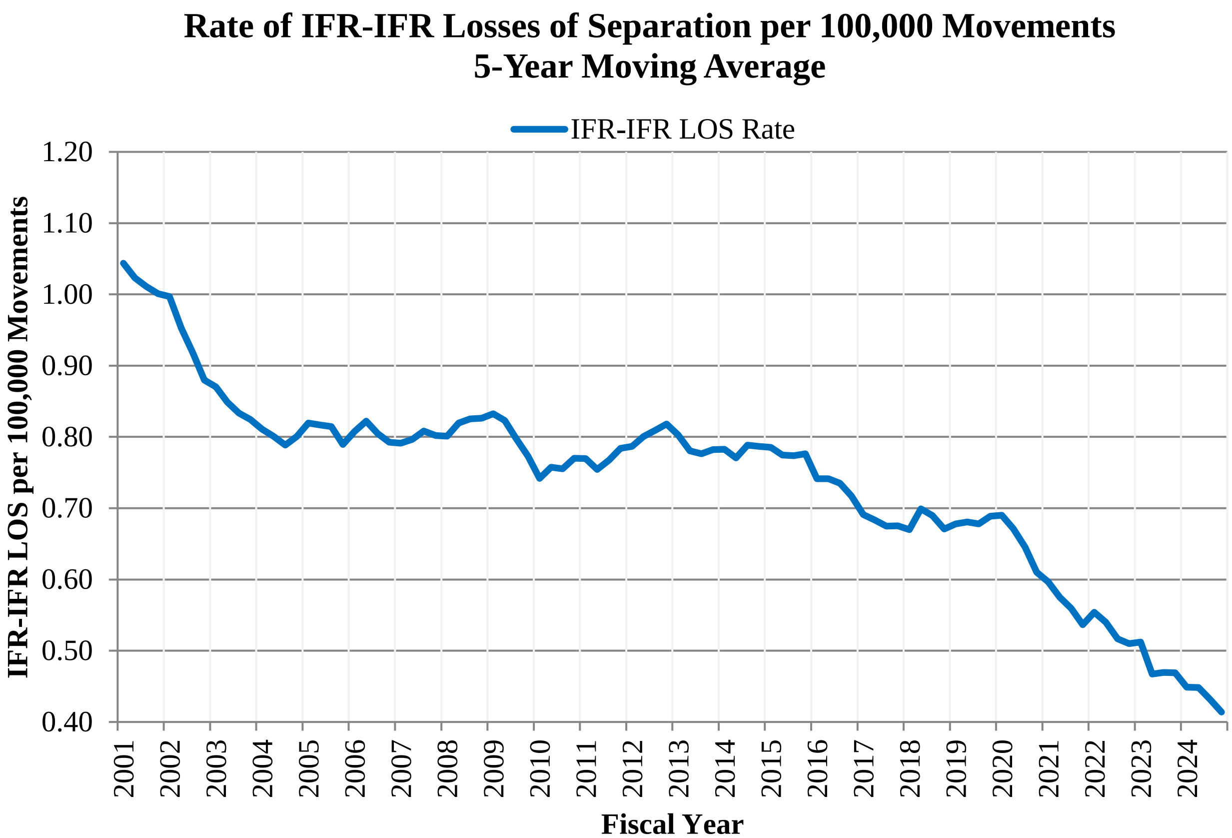
Finding better and more efficient ways of safely servicing air navigation continues to be a corporate focus.

One measurement of safety performance is the number, type and risk level of potentially unsafe conditions– called "operating irregularities". An ATS operating irregularity (ATS-OI) occurs when less than the minimum required separation existed between two aircraft or when safety was jeopardized in some other way. NAV CANADA tracks and provides reports on ATS-OIs to Transport Canada and the Transportation Safety Board on a daily basis. Every ATS-OI is recorded, reported, investigated and tracked for trend so that the Company can learn and improve.

Of all types of ATS-OIs, two are currently of primary focus to the Company: IFR-IFR Losses of Separation and ATS-OI Runway Incursions.

IFR-IFR Losses of Separation

The Company has reduced the five-year average rate of incidents involving a physical loss of separation between aircraft operating under IFR flight plans from 1.0 per 100,000 aircraft movements as of September 2002 to 0.41 per 100,000 aircraft movements as of August 31, 2024. This is well below the Company's benchmark rate of 1.0 losses per 100,000 aircraft movements and supports the Company's achievement of its overarching safety objective.



Note: The tick mark indicates the first quarter of a fiscal year. Each complete year contains 4 data points, one for each quarter.

Note: The data in the above chart reflects losses of separation between two aircraft operating under instrument flight rules. The tick marks on the x-axis of the chart represent the first quarter of the noted fiscal years. Each complete fiscal year contains four data points, one for each quarter.

Further extending the benefits of space-based ADS-B surveillance into our domestic airspace has enhanced safety and efficiency while ensuring our long-term alignment with the global aviation system. The Canada-wide expansion of space-based ADS-B has brought new areas into surveillance coverage and, where surveillance already exists, providing improvements over the capabilities of other technology. This delivers safety enhancements for customers, including increased ATS situational awareness through improved accuracy of aircraft position and trajectory, the ability to view unexpected aircraft deviations sooner and improved emergency response for tracking and locating aircraft in distress resulting in reduced search and rescue times. See “General Development of the Business - Customer and Operational Efficiency” for further information on efficiency benefits afforded by space-based ADS-B.

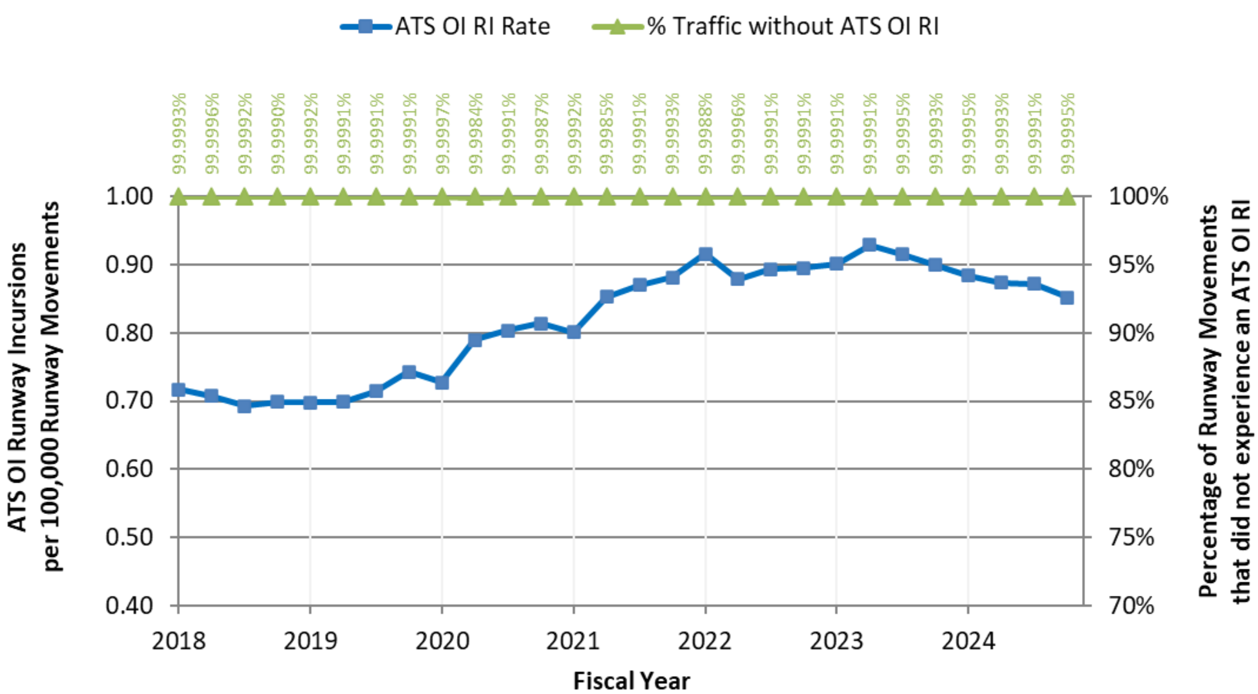
ATS-OI Runway Incursions

Runway incursions considered an ATS-OI account for 8.5% of all reported runway incursions in Canada over the last decade. In fiscal 2024 alone this percentage decreased to 5.6%. In relation to traffic, the proportion of runway movements that were not exposed to a runway incursion (all incursions considered, regardless of whether or not NAV CANADA contributed to the occurrence) throughout the last 10 fiscal years was 99.991% on average. This proportion increases to 99.999% when only considering ATS- OI runway incursions, with practically no variance.

This speaks to the safety of the services provided despite the observed increase in the 5-year moving average rate shown in the graph below, from 0.72 ATS-OI runway incursions per 100,000 runway movements at the beginning of the fiscal year ended August 31, 2018 to 0.85 at the end of fiscal 2024, with the rates progressively decreasing since a peak in 2023.

While runway incursions are an industry-wide concern, the majority of runway incursions in Canada are assessed as low risk and occurring at 21 airports with high levels of flight training for new pilots. NAV CANADA measures runway incursions in three distinct areas, being 21 Flight Training Unit airports, the four major Canadian airports (Vancouver, Calgary, Toronto and Montreal) and every other airport with a NAV CANADA facility. Despite the low-risk exposure overall, especially at the four major airports, NAV CANADA continues to put effort in understanding its potential vulnerability with respect to barriers within its control, as well as areas of strength that can be reinforced.

Rate of ATS Operating Irregularity Runway Incursions per 100,000 Runway Movements
5-Year Moving Average



Note: The tick mark indicates the first quarter of a fiscal year. Each complete year contains 4 data points, one for each quarter.

Customer and Operational Efficiency

One of NAV CANADA's major priorities is continuous improvement in the delivery of ATS, leading to increased operational efficiency for our customers. The ANS is a dynamic and complex system that must adapt to changing air traffic levels and patterns, customer and system requirements, and global technologies in and around Canadian-controlled airspace. It is vital to ensure that our people, procedures, equipment and the systems that are involved in delivering services anticipate and respond to customer needs as they evolve. Certain key improvements that the Company focused on in fiscal 2024 are highlighted below.

ADS-B

NAV CANADA began leveraging revolutionary satellite-based ADS-B technology in Canadian domestic airspace above 29,000 feet in 2019, building on its previous successful use in airspace over the North Atlantic where we had never before been able to offer surveillance separation services. The Company is the first ANSP to incorporate the use of space-based ADS-B in a domestic airspace mandate. The implementation of the mandate for aircraft operating in Class A airspace in Canada occurred in August 2023 followed by the mandate for aircraft in Class B airspace which was implemented on May 16, 2024. The implementation of any subsequent ADS-B mandates for classes C, D or E, in Canada will occur no sooner than 2028, pending further assessment and engagement with stakeholders.

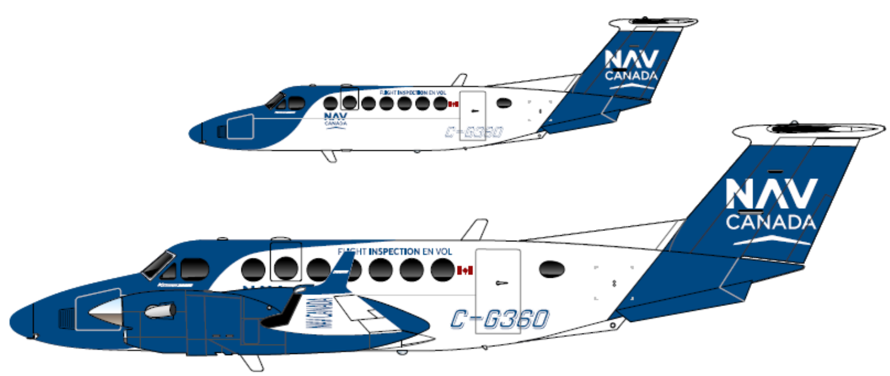
Flight Inspection

Over the past fifteen years, NAV CANADA's fleet of Canadair Regional Jets (CRJ) has been the pillar for its flight inspection throughout Canada. However, the current fleet of CRJ aircraft are reaching end of life and are encountering aging aircraft and systems issues affecting dispatch reliability, as well as increasing already high operating costs. Aircraft parts are a challenge to procure, resulting in increased aircraft downtime and costs associated with reduced supply. These challenges are affecting our ability to undertake flight inspections in a reliable, timely and efficient manner and has resulted in the need to find a suitable replacement aircraft.

In November 2023, NAV CANADA entered into an agreement to purchase two King Air 360ER aircraft (see image below). The technological capabilities, versatility and low operating costs of the King Air 360ER made it an ideal choice for the diverse requirements needed for our flight inspection program. The King Air 360ER aircraft is used by over 70% of the world's flight inspection operators and has proven to be a reliable long-term platform for ANSPs globally.

As part of the new aircraft replacement, our flight inspection operation is shifting to a commercial off-the-shelf Flight Inspection System. This system is state of the art and provides the technological capabilities and efficiencies that we require to maintain a minimal footprint during inspections, which reduces the impact to our operational teams throughout the country. The installation of this system is complex and invasive, requiring approximately six months to integrate them into the aircraft.

Operational deployment of the first King Air 360ER is scheduled for the spring of 2026 while the second is scheduled for the fall of 2026. Once these aircraft are in service, the CRJ will be retired from the fleet after almost 25 years of operational service from the day they were built.



Massachusetts Institute of Technology (MIT) Tools

In support of the Company's efforts towards Trajectory Based Operations (TBO) in the future, that will take into account the full picture of a flight from takeoff to landing, NAV CANADA has partnered with the MIT Lincoln Laboratory to develop improved weather forecasting and state-of-the-art technologies for managing capacity and demand imbalances for airports, terminals, and enroute airspace under challenging weather conditions.

This partnership has seen the development of the following tools that will increase predictability and lead to improved capacity management and reduced airborne delays and holding:

- Airport Capacity Evaluation and Prediction Tool (ACEPT) predicts the impact of weather on airport capacity several hours ahead and identifies periods when the airport may not be able to handle the projected demand;
- Terminal Capacity Evaluation and Prediction Tool (TCEPT) predicts the weather impact of convective activity and the resulting availability and capacity at terminal bedposts enabling more proactive management of the operation;
- Enroute Capacity Evaluation & Prediction Tool (ECEPT) will identify weather impacts to higher altitude airspace so the most efficient routes can be planned and flown; and
- Canadian Aviation Weather Systems (CAWS) will optimize and extend MIT Lincoln Laboratory aviation weather products for Canadian airspace, including synthetic radar technology over northern and oceanic areas that are currently without weather radar coverage.

The predictability and advance planning these tools will afford are a key building block for a future TBO operation.

Both ACEPT and TCEPT are currently available for operational evaluation at the Toronto FIR and will in due course be deployed across all four major Canadian airports (Vancouver, Calgary, Toronto and Montreal).

Cost-Effectiveness

As a safety and service organization, it is critical that we manage our costs to ensure spending is prioritized towards our key goals.

Our business operates 24 hours a day, 365 days a year providing an essential, national and international safety infrastructure. Given that the majority of our costs are predominantly fixed and are directly related to service delivery, we have relatively few opportunities to significantly reduce costs further without reducing service, which is not acceptable in most cases. We continue to focus on cost management and productivity improvements. These efforts are assisting in keeping customer service charges as low as possible, while continuing to meet our safety and service obligations and our continuing work on key strategic initiatives.

Including the Company's revised customer service charges that were decreased by an average of 5.57% on Base Rate levels as of January 1, 2024 (the Revised Charges), service charges are on average 23.3% higher than when they were fully implemented in 1999. As a result of cost controls and increases in air traffic levels over that period, the cumulative change in customer service charges, even with the Revised Charges, remains more than 50% below the change in the Consumer Price Index.

The Company recently issued a Notice for consultation that contains a proposal to revise customer service charges, effective January 1, 2025. The proposal calls for increased service charges averaging 3.73% across the Company's service categories. See "Customer Service Charges – Rate Setting Policies for Customer Service Charges" above.

CAPITAL STRUCTURE

As a corporation without share capital, NAV CANADA finances its operations with borrowed money. The Company developed a financing plan called the Capital Markets Platform in October 1996. All borrowings were incurred and secured under the MTI, which initially provided a total drawn and undrawn borrowing capacity of $3 billion. The MTI provides for a gradually escalating reduction of the initial capacity over 33 years.

In February 2006, we entered into another trust indenture, the GOI, with BNY Trust Company of Canada as trustee, which established an unsecured borrowing program for our future long-term financing requirements. For so long as any indebtedness remains outstanding under the MTI, the general obligation notes issued pursuant to the GOI will be subordinate to such indebtedness. As subordinated debt, general obligation notes are not subject to the mandatory annual amortization provisions of the MTI. Under the terms of the GOI, no new indebtedness may be incurred under the MTI. Provided that we meet an additional indebtedness test, the Company is not limited in the amount of debt it can issue under the GOI. As bonds mature or are redeemed under the MTI, they may be replaced with general obligation notes.

The following tables set forth the outstanding total borrowings and undrawn committed borrowing capacity of the Company as of August 31, 2024.

Total Borrowings		
Issued Under	**Amount**	**Type**
MTI	$255 million	Bonds
GOI	$1,910 million	Medium Term Notes
Bank Credit Facilities	$837 million(1)	Letters of Credit

Undrawn Committed Borrowing Capacity		
Total Available	$873 million(2)	
Expiring (unless extended)	December 2024	$6 million(1)
	December 2025	$17 million(1)
	March 2027	$425 million(3)
	March 2029	$425 million(3)

(1) Bi-lateral letter of credit facilities for pension obligations.
(2) This amount includes $23 million available under the bi-lateral letter of credit facilities, and the remaining $850 million represents undrawn amounts under the bank credit facility, $372 million of which has been allocated to meet the Company's operations and maintenance reserve fund requirement under the MTI.
(3) Bank credit facility with a syndicate of Canadian financial institutions.

Refer to Note 21 of our annual audited consolidated financial statements for fiscal 2024, for further discussion of our management of the Company's capital structure.

CREDIT RATINGS

The Company's debt obligations were assigned the following ratings and outlooks as of August 31, 2024:

Agency	Senior Debt	General Obligation	Outlook
Moody's Investors Service (Moody's)	Aa2	Aa2	Stable
Standard & Poor's (S&P)	AA	AA-	Stable

On August 29, 2024, Moody's issued its credit opinion, affirming the Company's baseline credit assessment of Aa2 and its senior and subordinated ratings at Aa2. The stable rating outlook reflects Moody's expectation that the Company will continue its prudent strategy, taking into account its overall financial position and upcoming obligations when contemplating a rate decrease and, vice versa, that it will implement the necessary rate increases if air traffic growth slows or declines and/or if expenses increase.

On September 18, 2024, S&P issued its credit opinion affirming the Company's AA long-term issuer credit and senior secured debt ratings and its AA- subordinated debt rating with a stable outlook. The stable outlook reflects S&P's expectation that ongoing growth in air traffic activity will support revenue growth and allow the Company to maintain strong DSC and a debt burden of less than 10.0x EBIDA in the next two fiscal years.

Explanatory Note on our Credit Ratings

Moody's defines obligations rated "Aa" to be of high quality and subject to very low credit risk. The Aa category is the second highest assigned by Moody's. The modifier 2 indicates that the Company's ratings are in the mid-range of the Aa category.

S&P defines an obligor rated "AA" as having a very strong capacity to meet its financial commitments. The AA category is the second highest assigned by S&P and it differs from the highest rating category only to a small degree. The "+" or "-" modifier indicates that the rating is in the upper or lower end of the category, respectively. The AA rating without a modifier indicates the rating is in the middle of the AA category.

A credit rating of a security is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

The Company has made payments to Moody's and S&P in connection with the assignment of ratings on each of NAV CANADA, its senior debt and general obligation debt during the last two fiscal years.

RISK FACTORS

The Company has a formal enterprise risk management (ERM) program, which allows the Board and senior management to focus on and address the key risks facing the Company. Set out below are risks identified as potentially affecting our ability to achieve the Company's strategic objectives or that could otherwise have a material and adverse impact on the Company, its reputation, business, results from operations and/or financial condition. These risks are not the only risks faced by the Company. Other risks of which the Company is not aware or which the Company currently deems not to be material may surface and have a material and adverse impact on the Company, its reputation, business, results from operations and/or financial condition.

Safety

The risk of a major aircraft accident with its attendant consequences, including potential significant financial losses and a significant negative impact on the Company's reputation, is the most significant inherent risk facing the Company. While the consequences of this risk are significant, NAV CANADA has established an SMS to mitigate the likelihood of the risk occurring. The SMS is designed to:

- assign safety responsibilities and accountabilities to the appropriate groups;
- assure that personnel are trained for their safety responsibilities;
- promote the identification and mitigation of hazards and risks to operational safety;
- assure the consistent and rigorous application of safety programs; and
- measure the success of these programs.

The SMS is routinely assessed to assure the ongoing effectiveness of its processes. In addition, we work in close partnership with aviation industry members in order to form strong working relationships for exchanging safety information and work together to address safety risks.

As previously noted in "Business of the Company - Safety Management System" above, the Company has implemented a QMS which is the foundation of a robust, repeatable, measurable and adaptable process network that ensures the integrity of our SMS. It has been developed to verify and validate that the control it has put in place to manage its safety risks, such as policies, processes, procedures and outputs, are effective in achieving ongoing compliance with regulatory and internal Company requirements. Any discrepancies will be addressed by corrective action and follow-up action procedures. The predecessor of the QMS, the Integrated Quality Assurance Program, was audited by Internal Audit. The QMS also receives oversight from Transport Canada.

In addition to risk reduction strategies, the Company maintains a comprehensive insurance program to mitigate the impact of catastrophic aviation events. These insurance policies are generally contracted on an annual basis. If aviation insurance was not commercially available this would pose a risk to our operations. If any required insurance coverage was cancelled or not renewed, we would be unable to operate until replacement coverage was obtained, either in the market or from the Government of Canada. Such an interruption of service would also have an adverse effect on our revenues.

Infectious Diseases

Outbreaks or the threat of outbreaks of viruses or other contagions or infectious diseases, including an epidemic, a pandemic such as COVID-19, influenza, SARS, Ebola, Zika, as well as any travel or other advisories relating to same, whether domestic or international, could have a material adverse effect on demand for air travel which in turn could have a material adverse effect on the Company, its business, results from operations and financial condition.

Air Traffic

We set our customer service charges based on estimates of future air traffic levels. We prepare these estimates on the basis of economic indicators, trends and information gathered from various sources such as Transport Canada, air carriers, other industry sources and our own experience.

Future air traffic levels may be influenced by numerous factors, including epidemics or pandemics, rate of economic growth or decline, changing air passenger demand or willingness to fly, aircraft capacity utilization levels, fuel costs, changes in air carrier operations and behaviours, general aviation industry conditions, air carrier competition, airline restructurings and insolvencies, terrorist activities, geopolitical unrest, government interventions, travel restrictions and closings of borders to air travel, climate change and environmental factors (including weather systems and other natural phenomena and factors arising from man-made sources) and demographic patterns.

If actual air traffic levels are lower than the estimates we used when preparing our budget and when establishing the level of customer service charges, our revenues will be negatively affected. Any revenue shortfalls, to the extent not absorbed by the RSA will be offset by feasible cost reductions or deferrals and a rate increase, if necessary. For more information on the RSA refer to the Company's *Management's Discussion and Analysis* (MD&A) for fiscal 2024, dated October 24, 2024.

As the Company operates on a cost recovery basis, it is exposed to a potentially variable user driven customer service charge revenue stream. The COVID-19 pandemic challenged this pay-for-service model. If there is another similar sustained shock to the economy generally or aviation in particular, raising customer service charges or obtaining additional debt financing to cover the Company's costs could become problematic.

Capital Debt

The level of future required investment to maintain the performance of the Company's Operational Infrastructure (as defined below) (capital debt) has been impacted by the deferral of capital spending. Numerous components of our Operational Infrastructure across the country are now at or past their designed life cycle. Due to internal capacity and supply chain constraints, the rate at which new Operational Infrastructure can be installed may further delay the Company in addressing its capital debt. Service disruptions and/or the delay of the implementation of its strategic priorities on account of not being able to satisfactorily address its capital debt could interrupt the Company's operations, harm its reputation and have an adverse effect on its business.

To mitigate the risk of capital debt, the Company has increased the priority and schedule to reduce capital debt through additional capital expenditures. We are also advancing strategies that could reduce our capital debt by looking to decrease the number of assets we are maintaining. Individual system/service strategies have been prioritized based on the risk and likelihood of impact to our Operational Infrastructure. The strategies are bespoke due to the unique nature of each system based on how they have aged, and these strategies continue to evolve.

Pension Plan

We have a defined benefit pension plan for our employees. This plan provides benefits based on age, length of service and best average earnings, most of which are indexed for inflation. The cost of providing these pension benefits is a major part of our cost of operations.

The amount of the Company's pension costs and required contributions to the pension plan depend on the investment return on plan assets, as well as the discount rates and other economic and demographic assumptions used to determine plan obligations. It is difficult to predict future changes in these factors. A small variance in any of these factors could have a large impact on pension plan costs, the plan's surplus or deficit, and required contribution levels.

In setting customer service charges, we factor in estimates of future changes in pension contributions. If actual pension contributions turn out to be higher than our estimates, we may have to increase customer service charges and borrowings or both, to meet our financial requirements.

Collective Agreements and Labour Matters

With approximately 85% of our workforce being unionized, there is an inherent risk that labour settlements will increase our costs to a level higher than anticipated. Labour disruptions such as strikes and work slowdowns may also adversely affect customer service and revenues.

As at the end of fiscal 2024, four of eight collective agreements, covering approximately 86% of our represented employees are in place, with expiry dates ranging from 2024 to 2028. The Company is in ongoing collective bargaining with the four remaining bargaining agents.

Business and Operational Technology Security

The inherent cyber security risks related to both the Company's business and operational networks and systems remain high. With the ever-changing threat landscape and increased sophistication of techniques used by cyber criminals and state-run operatives, the likelihood of a security breach continues to be a reality for most large enterprises.

The Board is responsible for the oversight of our cyber security strategies, implementation and risk mitigation.

This past year, the Company continued to sustain enterprise technology countermeasures, third party services and employee awareness programs, which included testing employees through phishing simulations, our annual mandatory cyber security computer based training and numerous cyber security related awareness campaigns. Additionally, significant work undertaken by the Company continues to improve its cyber capabilities in operational areas.

Fiscal 2024 cyber security investments were mainly focused on third party vulnerability and penetration testing, cyber security program maturity improvements, additional staffing and continued augmentation of our operational technology security capabilities. The training and awareness program received additional funding and staff to address the human factors risk, and a third-party review of all cyber policies was undertaken. Global ANSP and Canadian cyber security working groups continue to be led by the Company with it hosting an aviation specific tabletop exercise this year, involving Canadian airports, carriers and the Department of National Defense.

The Company's Enterprise Cyber Security Governance Board continues to provide internal oversight on matters related to cyber security for the Company. The meeting cadence for the year was maintained and effective oversight was provided on various matters, including investment priorities, risk management and incident response.

Cyber security maturity assessments are conducted every two years. In fiscal 2024, focus was applied to the agreed to maturity improvements identified to be completed in fiscal 2024 from the ISO 27001 maturity framework assessment conducted by PwC in fiscal 2023 against NAV CANADA's cyber program.

Despite our efforts, a significant data security breach or service disruption could result in liability or regulatory penalties under laws protecting the privacy of personal information, interrupt our operations, harm our reputation and have an adverse effect on our business. Unprecedented aviation focused and successful cyber-attacks against the aviation industry in general, as well as various Canadian airports and carriers, are cause for continued vigilance and constant improvement.

Business Interruption

The Company relies heavily on its business and operational networks and systems together with its operational facilities (collectively, the Operational Infrastructure) to operate its business. Any disruption in all or part of the Operational Infrastructure due to internal failures of technology or external interruptions, such as telecommunication provider failure, severe weather conditions, natural disasters and cyber or terrorist attacks, could interrupt our operations and have an adverse effect on our business.

Insufficient Staffing

The Company's ability to manage and operate the ANS and related services in a safe, efficient and cost-effective manner depends largely upon the availability of licensed and experienced air traffic controllers and certified flight service specialists. The success of the Company's core business therefore depends in large measure on its ability to recruit, train and retain skilled operational personnel, especially air traffic controllers and flight service specialists, but also including other specialists such as engineering, computer science and electronics technologists.

Failure to recruit, train and retain the appropriate level of such skilled operational personnel could result in a frequent or prolonged reduction of the Company's services. The Company's operations could also be adversely impacted if its employees are unable or restricted in their ability to work, including by reasons of being quarantined or becoming ill, or if they are subject to government or other restrictions.

Sustained reduction of services could have an adverse effect on the Company's business and reputation and on the aviation industry.

Management has mitigation strategies in place for all ERM risks.

CORPORATE GOVERNANCE

Board of Directors Structure and Composition

The Company's overall approach to corporate governance follows best practices and keeps pace with evolving requirements, including those under applicable securities legislation.

The Board is comprised of 15 directors, at least two-thirds of whom, including the President & CEO, are required to be Canadian citizens. One director (the President & CEO) is an employee of the Company. All other directors are "independent" directors as that term is defined in National Instrument 52-110 *Audit Committees* (NI 52-110).

NAV CANADA represents a unique consensus among the major stakeholders in the ANS - the Government of Canada, the commercial air carriers, general aviation, and our unionized employees. Our governance structure reflects this consensus. All four of these major stakeholders are members of the Company together with a Director member (collectively, the Members).

The result is a board of directors where all stakeholder interests are represented but none dominates. The Board's committees are similarly constituted except for the Human Resources & Compensation Committee. The five Members elect the directors as follows:

Member	Number of Directors
Government of Canada	3
Commercial Air Carriers	4
General Aviation	1
Labour Unions	2
Directors	4

The Board discharges its responsibilities directly and through committees. The Board holds five scheduled meetings each year and unscheduled meetings are held from time to time as required. The mandate of the Board is set out in **Appendix A**.

Our By-laws disqualify from directorship any person elected to the Parliament of Canada or any provincial legislature or territorial legislative assembly; federal, provincial or territorial government employees; and directors or employees of an entity that has a material interest as a supplier, client or customer of the ANS. Every director and officer of the Company is required to sign and abide by our *Code of Conduct and Conflict of Interest Guidelines for Directors and Officers* (Code of Conduct).

Directors

Directors are elected for terms not exceeding three years, with terms expiring at the Company's annual meeting. No director, other than the President & CEO, may serve as a director for more than twelve years in total. Set out below is information on the current directors, including their Committee membership and meeting attendance records for fiscal 2024.

<table>
<tr><th colspan="2">Michelle Savoy</th></tr>
<tr><td>Director; Chair of the Board*
Ontario, Canada
Elected by: Board of Directors
Director since: December 15, 2015
Current Term Expires: 2027</td><td></td></tr>
<tr><th>Meeting Attendance/Committee Membership</th><th>Principal Occupation Held in Last Five Years</th></tr>
<tr><td>Board 8/8
Audit & Finance Committee** 2/2
Corporate Governance Committee 4/4
Transformation Committee** 2/2
Human Resources & Compensation Committee** 9/9
Pension Committee** 4/4
Safety Committee 2/2

* The Board elected Ms. Savoy to serve as the Chair of the Board on January 10, 2024. She also became a member of the Safety Committee and ceased being a member of each of the Human Resources and Compensation Committee and the Pension Committee on the same date.
**ex officio member.</td><td>Corporate Director.</td></tr>
</table>

Kathy Baig	
Director Québec, Canada Elected by: Government of Canada Director since: February 3, 2023 Current Term Expires: 2026	
Meeting Attendance/Committee Membership	**Principal Occupation Held in Last Five Years**
Board 8/8 Audit & Finance Committee* 3/3 Safety Committee* 2/2 Transformation Committee 3/3 ** Ms. Baig joined the Safety Committee and the Pension Committee on January 10, 2024. She subsequently stopped serving as a member of each of the Audit & Finance Committee and the Pension Committee on January 31, 2024. No Pension Committee meetings were held while Ms. Baig was a member of that committee.*	Managing Director and Chief Executive Officer of École de technologie supérieure. Former Vice President, Business Development Operations Leader, Transportation at Stantec Inc. from November 2022 to May 2024. From June 2016 to June 2022, President at Ordre des Ingénieurs du Québec.

Edward M. Barrett	
Director; Chair of the Transformation Committee New Brunswick, Canada Elected by: Board of Directors Director since: February 7, 2013 Current Term Expires: 2025*	
Meeting Attendance/Committee Membership	**Principal Occupation Held in Last Five Years**
Board 8/8 Corporate Governance Committee** 3/3 Human Resources & Compensation Committee 8/9 Transformation Committee 3/3 ** At the completion of the Company's annual meeting in January 2025, Mr. Barrett will have served his 12-year maximum term on the Board.* *** Mr. Barrett was a member of the Corporate Governance Committee until January 10, 2024.*	Co-CEO and Chair of Barrett Corporation.

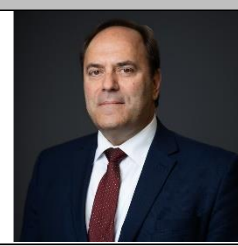
Raymond G. Bohn

Director
Ontario, Canada
Director since: February 1, 2021
Current Term Expires: N/A

Meeting Attendance/Committee Membership		Principal Occupation Held in Last Five Years
Board	8/8	President & CEO of the Company from February 1, 2021. From September 1, 2020 to January 31, 2021, Mr. Bohn was Vice President & Chief Human Resources Officer. Mr. Bohn was Executive Vice President, Human Resources, Communications & Public Affairs from September 1, 2017 to August 31, 2020
Pension Committee	4/4	
Safety Committee	4/4	

Michael DiLollo

Director; Chair of the Safety Committee
Ontario, Canada
Elected by: Commercial Air Carriers
Director since: February 7, 2013
Current Term Expires: 2025*



Meeting Attendance/Committee Membership		Principal Occupation Held in Last Five Years
Board	8/8	Managing Director, Capital Solutions at Caisse de dépôt et placement du Québec (CDPQ).
Corporate Governance Committee	4/4	
Safety Committee	4/4	

** At the completion of the Company's annual meeting in January 2025, Mr. DiLollo will have served his 12-year maximum term on the Board.*

Peter Duffey

Director
Ontario, Canada
Elected by: Labour Unions
Director since: January 7, 2021
Current Term Expires: 2025

Meeting Attendance/Committee Membership		Principal Occupation Held in Last Five Years
Board	8/8	From May 2014 to June 2020, President & Chief Executive Officer of CATCA.
Pension Committee	4/4	
Safety Committee	4/4	
Transformation Committee	3/3	

Bonnie DuPont	
Director; Chair of the Human Resources & Compensation Committee Alberta, Canada Elected by: Board of Directors Director since: February 7, 2013 Current Term Expires: 2025*	
Meeting Attendance/Committee Membership	**Principal Occupation Held in Last Five Years**
Board 8/8 Corporate Governance Committee 4/4 Human Resources & Compensation Committee 9/9 Transformation Committee 3/3 ** At the completion of the Company's annual meeting in January 2025, Ms. DuPont will have served her 12-year maximum term on the Board.*	Corporate Director.

Marc Grégoire	
Director Québec, Canada Elected by: Government of Canada Director since: May 13, 2019 Current Term Expires: 2025	
Meeting Attendance/Committee Membership	**Principal Occupation Held in Last Five Years**
Board 8/8 Human Resources & Compensation Committee 9/9 Safety Committee* 4/4 Transformation Committee* 2/2 ** Mr. Grégoire joined the Transformation Committee and the Corporate Governance Committee on January 10, 2024 at which time he ceased being a member of the Safety Committee. He subsequently stopped serving as a member of the Corporate Governance Committee on January 31, 2024. No Corporate Governance Committee meetings were held while Mr. Grégoire was a member of that committee.*	Corporate Director.

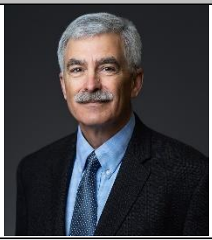
Lucie Guillemette		
Director Québec, Canada Elected by: Commercial Air Carriers Director since: January 10, 2024 Current Term Expires: 2027		
Meeting Attendance/Committee Membership		**Principal Occupation Held in Last Five Years**
Board Audit & Finance Committee Transformation Committee	4/4 2/2 2/2	Corporate Director. From January 2017 to April 2023, Executive Vice President and Chief Commercial Officer at Air Canada.
Kevin Howlett		
Director; Chair of the Pension Committee British Columbia, Canada Elected by: Commercial Air Carriers Director since: January 13, 2021 Current Term Expires: 2027		
Meeting Attendance/Committee Membership		**Principal Occupation Held in Last Five Years**
Board Human Resources & Compensation Committee Pension Committee	8/8 9/9 4/4	Corporate Director.
Davey Lewis		
Director British Columbia, Canada Elected by: Labour Unions Director since: January 12, 2022 Current Term Expires: 2025		
Meeting Attendance/Committee Membership		**Principal Occupation Held in Last Five Years**
Board Audit & Finance Committee Corporate Governance Committee	8/8 5/5 4/4	Corporate Director.

Candice Li	
Director; Chair of the Audit & Finance Committee Alberta, Canada Elected by: Commercial Air Carriers Director since: January 13, 2021 Current Term Expires: 2027	

Meeting Attendance/Committee Membership		Principal Occupation Held in Last Five Years
Board Audit & Finance Committee Pension Committee	8/8 5/5 4/4	Chief Financial Officer at Transdev Canada. From February 1, 2021 to August 26, 2022, Chief Financial Officer and from July 27, 2020 to January 31, 2021 Executive Vice President, Finance at Benevity, Inc. (Benevity). Vice President, Finance at Attabotics Inc. from March 2020 to July 2020 and Vice President, Finance & Fleet Management at WestJet Airlines Ltd. (WestJet) from October 2015 to March 2020.

Sarah Morgan-Silvester	
Director; Chair of the Corporate Governance Committee British Columbia, Canada Elected by: Board of Directors Director since: January 11, 2023 Current Term Expires: 2026	

Meeting Attendance/Committee Membership		Principal Occupation Held in Last Five Years
Board Audit & Finance Committee Corporate Governance Committee* Human Resources & Compensation Committee Pension Committee **Ms. Morgan-Silvester joined the Corporate Governance Committee on January 10, 2024.*	8/8 5/5 1/1 9/9 4/4	Corporate Director.

<table>
<tr><th colspan="3">Iain Stewart</th></tr>
<tr><td colspan="2">Director
Ontario, Canada
Elected by: Government of Canada
Director since: January 23, 2024
Current Term Expires: 2027</td><td></td></tr>
<tr><th colspan="2">Meeting Attendance/Committee Membership</th><th>Principal Occupation Held in Last Five Years</th></tr>
<tr><td>Board
Audit & Finance Committee
Corporate Governance Committee
Pension Committee</td><td>4/4
2/2
1/1
2/2</td><td>Corporate Director. From October 2021 to January 2024, President of the National Research Council of Canada (NRC) and from September 2020 to October 2021, President of the Public Health Agency of Canada. President of the NRC from August 2016 to September 2020.</td></tr>
<tr><th colspan="3">David Weger</th></tr>
<tr><td colspan="2">Director
Saskatchewan, Canada
Elected by: General Aviation
Director since: January 10, 2018
Current Term Expires: 2027</td><td></td></tr>
<tr><th colspan="2">Meeting Attendance/Committee Membership</th><th>Principal Occupation Held in Last Five Years</th></tr>
<tr><td>Board
Audit & Finance Committee
Pension Committee*
Safety Committee

* Mr. Weger joined the Pension Committee on January 10, 2024.</td><td>8/8
5/5
2/2
4/4</td><td>Corporate Director.</td></tr>
</table>

Independent Functioning of the Board

All of the directors, other than the President & CEO, are independent. The responsibilities of the Chair of the Board are set out in the Terms of Reference for the Chair, attached as **Appendix B**. The By-laws of the Company do not allow the positions of Chair and President & CEO to be occupied by the same person. The structure and composition of the Board and its Committees have been designed to ensure that the Board functions independently of management. To further enhance the ability of the Board to function independently from management, a portion of each regularly scheduled Board meeting is reserved for discussion without the President & CEO or other representatives of management being present. For fiscal 2024, the Board held eight meetings.

The President & CEO is not a member of the Corporate Governance, Audit & Finance, Transformation or Human Resources & Compensation Committees. As a result, these Committees are composed entirely of independent directors.

Directorships of Other Reporting Issuers

The following current directors are also directors of other reporting issuers:

Name of Director	Name of Other Reporting Issuer
Edward Barrett	Wajax Corporation
Sarah Morgan-Silvester	Canadian Western Bank
Michelle Savoy	Pizza Pizza Royalty Corp.

Nomination of Directors

As described above, NAV CANADA has five Members - the Government of Canada, a commercial air carrier member, a general aviation member, a labour unions member, and the Director member. These Members elect a total of 14 of the 15 directors. The President & CEO is also a director.

The process for nominating and selecting those directors elected by the Director Member is led by the Corporate Governance Committee. As part of its mandate, this Committee develops and annually updates a long-term plan for the composition of the Board which takes into consideration the current strengths, skills and experience on the Board and the strategic direction of NAV CANADA, and recommends nominees to the Board for election.

In performing this mandate, the Committee seeks director nominees with the skills and experience needed to properly oversee the interests of the Company. The Committee carefully evaluates each candidate to ensure that they possess the necessary experience, skills and qualifications that the Committee has found contribute to being an effective member of the Board. Such key criteria include, among others:

- the highest level of personal and professional ethics, integrity and values;
- practical wisdom and mature judgment;
- an inquisitive and objective perspective;
- skills and experience that are complementary to the current Board and helpful with the Company's current activities and strategic direction; and
- willingness to serve as a helpful resource to the Board and to management, where necessary and appropriate, and to objectively appraise the performance of management.

In addition to the qualifications that each director nominee must have, the Board believes that one or more of the members of the Board should possess the experience and expertise listed below given their particular relevance to the business of the Company and its structure:

- Air Transportation Industry Experience
- Aviation Industry Experience
- Corporate Governance Experience
- Audit and Financial Accounting Expertise
- Legal Expertise
- Engineering Expertise
- Technological Expertise
- Strategic Planning and Risk Management Experience
- Corporate Finance and Investment Management Experience
- HR/Compensation Experience
- Pension Plan Expertise
- Government Experience

- Leadership Experience

The mandate of the Corporate Governance Committee is attached as **Appendix C**.

Assessments

Biennial assessments are conducted of the effectiveness and contributions of the Board, the Chair of the Board and each Committee. In addition, recognizing that individual director development contributes to the overall effectiveness of the Board, each director participates in a peer review process, carried out every two years. The Corporate Governance Committee oversees the process of conducting the assessments and makes recommendations to the Board on areas that may require improvement. Each Committee reviews its assessment and makes improvements as needed.

Position Descriptions

The Board has developed position descriptions for the Chair of the Board, the President & CEO, and the Committee Chairs. These position descriptions are attached as **Appendices B, D** and **E**, respectively.

Orientation and Continuing Education

An orientation program for new directors is in place to assist them in familiarizing themselves with the Company, the Board, its Committees, other directors and assisting them in understanding their responsibilities and enhancing their ability to contribute. The orientation program is designed to familiarize newly elected directors with their role, responsibilities and liabilities and provide them with an in-depth overview of the Company, the ANS and, the Board and its Committees. The program consists of written materials, meetings with the Chair of the Board, other directors, the President & CEO and executive team, corporate staff and visits to the Company's facilities . Each new director is assigned a mentor, a fellow director with similar Committee memberships and several years of service on the Board.

Director education is regarded as any manner in which directors obtain or enhance their knowledge that is useful to the director in the fulfillment of his or her obligation as an effective Board member and includes, but is not limited to, any form of

- course,
- seminar,
- conference,
- guest speaker,
- educational topic on meeting agendas,
- reading material provided in support of meeting material,
- tours of Company facilities,

or any other information or specific training. Directors have opportunities to receive continuing education at Committee and Board meetings where sessions are conducted on emerging issues and trends. Twice a year, the Board receives an in-depth presentation from management on current business issues. Directors are encouraged to attend seminars or courses on relevant subject matters provided by outside institutions or organizations. All directors are members of the Institute of Corporate Directors (ICD) and as such are able to leverage courses offered by the ICD. They are also encouraged to arrange individual tours at facilities at regular intervals to keep their knowledge of operations current. Subject to the nature of the education, directors are provided with funding by the Company for courses taken.

The following table provides details on certain director training initiatives undertaken by Board members in fiscal 2024.

Director Continuing Education Fiscal 2024		
Topic	**Presentation By**	**Attendees**
Evolving ESG Disclosure Expectations – Spotlight on ISSB	KPMG LLP	Audit & Finance Committee
Cost Allocation Methodology	NAV CANADA Management	Audit & Finance Committee
Operational Training	CAE	Board of Directors
Board Oversight of ESG (Tailored Course)	ICD	Board of Directors, Executive Management Committee and members of Senior Management
Liability Driven Investing Innovation	PH&N Institutional	Pension Committee
Equity Market Insights	Wellington Management	Pension Committee
NAV CANADA's Safety Management System	NAV CANADA Management	Safety Committee
Board Oversight of Social Issues	ICD	Raymond Bohn
Fraud and Corruption Prevention for Directors	CDPQ and KPMG	Michael DiLollo
Oversight of Cyber Security	ICD	Peter Duffey
The Path - Indigenous Cultural Awareness Training	Vancouver Airport Authority and Native Education College	Kevin Howlett
Climate Adaptation Strategies and the Board's Role	ICD	Davey Lewis
Sustainability and ESG Training	Competent Boards	Candice Li
Navigating AI from the Boardroom	ICD	Sarah Morgan-Silvester
The Future of Sustainability with ISSB Standards	ICD	Sarah Morgan-Silvester
Board Oversight of Internal Audit	ICD	David Weger

The Tailored Course provided by ICD was designed to, among other things, build our directors' climate competency by equipping them with the knowledge, tools and forward-thinking strategies to enhance their oversight of climate related risks and improve boardroom discussions on climate transition. The Tailored Course was delivered in two formats: (i) a self-study module on the fundamentals of climate governance; and (ii) three four-hour interactive virtual live sessions that focussed on the integration of ESG into the oversight of risk management, the integration of ESG into the oversight of strategy and the oversight of ESG communication and reporting, respectively. The directors and members of executive and senior management that completed the required pre-reading and attended each session of the Tailored Course earned a certificate of completion from the ICD.

Compensation

The Corporate Governance Committee reviews director compensation on a biennial basis and makes recommendations to the Board regarding changes, if any are deemed necessary or appropriate. Such review might include the retention of outside consultants to provide assistance. Compensation for directors is in cash for Board and Committee retainers, fees for chairing the Board or Committees, as well as reimbursement of travel and related business expenses.

For more information on fees paid to directors refer to the Company's Form 51-102F6 *Statement of Executive Compensation* (Form 51-102F6) which is attached as **Appendix H**.

The Human Resources & Compensation Committee has responsibility for the review and updating of the executive compensation package to ensure it is competitive in the marketplace and meets the Company's compensation philosophy. Executive compensation is more fully described in the Form 51-102F6 which is attached as **Appendix H**.

The Human Resources & Compensation Committee is composed entirely of independent directors. The Committee's mandate is attached as **Appendix F**.

Ethical Business Conduct

The Code of Conduct is designed to govern the conduct of all directors and officers, and the disclosure and avoidance of conflicts of interest. This disclosure is updated annually, or more frequently, as required. All of the Company's directors and officers have signed a Code of Conduct and Conflict of Interest declaration. During fiscal 2024, no proceedings were taken against any director or officer by the Board under the Code of Conduct.

In addition, NAV CANADA has a *Code of Business Conduct* (Code of Business Conduct) which applies to all directors, officers and employees of the Company. Copies of both the Code of Conduct and the Code of Business Conduct are available on the Company's website and on SEDAR+ at www.sedarplus.com. The Corporate Governance Committee has responsibility for reviewing with the Board and management the results of an annual review of compliance with the Code of Conduct.

Directors and executive officers of the Company who hold office as a director, officer or elected official of another entity or who are an associate or employee of another entity that might be in conflict with their duty or interest towards the Company, must file a written declaration to this effect with the Company. No director or officer who is in such a position may participate in the consideration of any transaction or agreement in which such other entity has an interest.

The Code of Business Conduct, which applies to all employees, directors and officers of the Company is reviewed and approved by the Board and complies with the requirements of National Policy 58-201 *Corporate Governance Guidelines*. The Board is committed to bringing the highest degree of honesty, integrity and ethical conduct to the Company's operations and business relationships. This commitment is reflected in the NAV CANADA vision and values, as well as in all dealings with employees, customers, bargaining agents, suppliers, and other stakeholders. The Code of Business Conduct describes how that commitment is put into everyday practice.

The Code of Business Conduct is not simply a list of rules. It is intended to help employees, directors and officers maintain the very high standard of ethical behaviour expected of a company entrusted with public safety. Throughout the Code of Business Conduct, employees, directors and officers are directed to appropriate internal review and redress mechanisms available within the Company to address specific situations and potential violations. Examples of internal review and redress mechanisms include the Alternate Dispute Resolution Process, the Workplace Accommodation Right of Review Process, the Official Languages Internal Complaints Procedure, Harassment Occurrence Resolution Process, grievance processes available to unionized employees, and the Internal Complaints Resolution Process.

The Company has in place policies and processes on whistleblowing. The NAV CANADA whistleblowing system, called SENTINEL, is confidential and independently managed, and has procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls, auditing or pension plan matters, as well as reporting of serious ethical, legal, fraudulent or other concerns that could harm the reputation and/or financial standing of the Company. SENTINEL ensures that employees have an outlet for reporting concerns relating to the Company that are not being addressed through existing channels. Concerns regarding accounting, internal controls or auditing matters are directed to the Chair of the Audit & Finance Committee, concerns relating to pension plan matters are directed to the Chair of the Pension Committee and serious ethical, legal, fraudulent or other concerns are directed to the Chair of the Board.

In addition, the Company has a confidential safety reporting program, called ARGUS+, which provides employees with the opportunity to identify potential hazards while remaining anonymous. ARGUS+ ensures that employees who recognize a potential hazard can report their concerns confidentially. Every employee and manager is encouraged to use the ARGUS+ program, without fear of recrimination.

The Board, officers and management of the Company are committed to an active disclosure culture. The Company's Corporate Disclosure Policy (available on the Company's website) ensures communications to the investing public are timely, accurate, consistent, informative, compliant with legal and regulatory requirements and are broadly disseminated.

Gender Diversity

The Company and the Board recognize the importance of diversity, including gender, in the selection of directors and executive officers and believe that diversity enhances corporate and board discussion, viewpoints and, ultimately, performance.

While there are no targets in place regarding the representation of women on the Board or when hiring executive officers, the Company has an *Employment Equity and Diversity Policy* which applies when hiring and promoting executive officers. This policy sets out an objective that the Company's hiring practices are to be as much a reflection of the Canadian labour market as possible, while improving designated group representation within the workplace and supporting diversity in its business practices.

Two-thirds of the Board's members are elected by the Company's stakeholder members and while the Board cannot dictate requirements to those stakeholders, the Corporate Governance Committee of the Board regularly examines the experience, skills and attributes, including gender, required for filling Board vacancies, and communicates these requirements to our stakeholder members for their consideration when electing directors. The Corporate Governance Committee similarly identifies desirable competencies and attributes, including gender, while ensuring an appropriate mix of skills and experience with respect to those directors elected by the Board.

Currently, more than one-third (40%) of the Board members are women, with 75% of the Board-elected directors and 50% of the directors elected by the Commercial Air Carriers being women. There are also four women (50%) on the Executive Management Committee of the Company. Within the senior management group, which by definition includes individuals in policy-making functions, approximately 37% are women.

Board Committees

Our Board has six committees, as described below, which do not take action or make decisions on behalf of the Board unless specifically mandated to do so.

Audit & Finance Committee		
Mandate	**Meetings held in fiscal year**	**Current Membership**
Responsible for assisting the Board in fulfilling its oversight responsibilities relating to the Company's financial reporting and disclosure obligations, including review of annual and interim financial statements, the integrity of the Company's financial reporting and internal controls, the oversight of the Company's internal audit function, compliance with legal and regulatory requirements, and the qualifications, independence and performance of the Company's chartered professional accountants. The Committee also provides oversight on treasury matters and reviews and recommends to the Board any financing and/or financial risk management transactions proposed by management.	Five	Candice Li, Chair Lucie Guillemette Davey Lewis Sarah Morgan-Silvester Iain Stewart David Weger

Corporate Governance Committee		
Mandate	**Meetings held in fiscal year**	**Current Membership**
Develops general policies relating to corporate governance to ensure that the Company has in force an effective corporate governance system that adds value and assists the Company in achieving its objectives.	Four	Sarah Morgan-Silvester, Chair Michael DiLollo Bonnie DuPont Davey Lewis Michelle Savoy Iain Stewart

Human Resources & Compensation Committee		
Mandate	**Meetings held in fiscal year**	**Current Membership**
Provides oversight to ensure a high quality of leadership within NAV CANADA, an employee and labour relations strategy that provides for a productive and fulfilling work environment, and ongoing flexibility and productivity throughout the Company. As well, the Committee ensures that the human resources plans and programs reflect the Company's human resources values and principles.	Nine	Bonnie DuPont, Chair Edward Barrett Marc Grégoire Kevin Howlett Sarah Morgan-Silvester

Pension Committee		
Mandate	**Meetings held in fiscal year**	**Current Membership**
Oversees the investment management of plan assets and the administration of the Company's retirement plan, which includes a registered pension plan and supplementary retirement arrangements. At the invitation of the Chair, an observer member, nominated by the employees' unions, attends the meetings.	Four	Kevin Howlett, Chair Raymond Bohn Peter Duffey Candice Li Sarah Morgan-Silvester Iain Stewart David Weger Michael Simard, Observer

Safety Committee		
Mandate	**Meetings held in fiscal year**	**Current Membership**
Oversees the safety of the Company's air navigation services and products, primarily by monitoring the integrity and effectiveness of our risk management safety policies.	Four	Michael DiLollo, Chair Kathy Baig Raymond Bohn Peter Duffey Michelle Savoy David Weger

Transformation Committee		
Mandate	**Meetings held in fiscal year**	**Current Membership**
Responsible for the oversight of the implementation and progress of the technology and other business transformation initiatives outlined in the Company's Strategic Plan (collectively, the "Transformation Program"), for reviewing and recommending refinements to the Transformation Program from time to time to the extent necessary and to foster forward thinking.	Three	Edward Barrett, Chair Kathy Baig Peter Duffey Bonnie DuPont Marc Grégoire Lucie Guillemette

Audit & Finance Committee Information

The Company has an Audit & Finance Committee that meets the requirements of NI 52-110. The Terms of Reference for the Audit & Finance Committee are attached as **Appendix G**.

Independence & Financial Literacy - All of the members of the Audit & Finance Committee are independent and are financially literate within the meaning of NI 52-110.

The following describes the relevant education and experience of the current members of the Committee.

Candice Li, CPA, CA, CPA (IL), Chair of the Audit & Finance Committee - Ms. Li has over twenty years of experience in a broad range of finance functions including accounting, treasury and corporate finance, financial planning and analysis, investor relations, risk management, internal controls, internal audit, tax and strategic sourcing. She is currently the Chief Financial Officer at Transdev Canada, a company that is an innovator and leader in public transit systems, and previously served as the Chief Financial Officer at Benevity. Prior thereto, Ms. Li had a 14-year career at WestJet where she held numerous roles with increasing responsibility in the finance department which included serving as Director, Audit & Advisory Services, Vice President, Treasurer, Vice President, Controller and Vice President, Finance & Fleet Management. She also served as the Interim Chief Financial Officer of WestJet from May to October 2015. Ms. Li held accounting and audit positions at PricewaterhouseCoopers LLP (now PwC) after obtaining her Bachelor of Commerce from the University of Calgary. She currently also sits on the board of governors of the University of Calgary and serves on each of its Audit Committee and Budget Committee. Ms. Li is both a Canadian Chartered Professional Accountant and a U.S. Certified Public Accountant (Illinois) and is a holder of the Sustainability & ESG designation (GCB.D).

Lucie Guillemette – Ms. Guillemette had over 35 years of service with Air Canada, most recently serving as Executive Vice President and Chief Commercial Officer from 2017 to 2023 where she had overall responsibility for all of Air Canada's commercial strategies to support the airline's business objectives and margin growth. In this role, she had oversight for optimizing all commercial activities for the airline and its regional partners including network planning and management, revenue performance, product, marketing, branding, sales and distribution activities worldwide. She also had oversight of Air Canada Cargo's business. Prior thereto, Ms. Guillemette served as Vice President, Revenue Management and Senior Vice President, Revenue Optimization of Air Canada. She was also President of Air Canada Vacations where the Chief Financial Officer reported directly to her. Lucie currently sits on the Executive Committee of the board of the McGill University Health Center (MUHC) Foundation and previously served on the board and Executive Committee of the Canadian Chamber of Commerce and on the board of the Airline Tariff Publishing Company (ATPCO).

Davey Lewis – Mr. Lewis spent approximately 40 years in the aviation industry with over 30 years as an air traffic controller, ATC supervisor and manager at the Company. Approximately ten years of his career were spent working for CATCA, the professional association that represents Canadian air traffic controllers, where he served as its exclusive bargaining agent. He also served on CATCA's board of directors for a total of 13 years where he was the President & CEO and Chairman of the Board for the last six years. As a CATCA executive, he obtained extensive contract administration experience and was involved in numerous rounds of collective bargaining with the Company, being the chief negotiator for the first ever round of bargaining with NAV CANADA. As a Unit Manager and General Manager, he was responsible for the budget, administration and service delivery at the Victoria and Vancouver Harbour towers and the Edmonton FIR, respectively. He also previously served on the board of directors and the investment committee of the Canadian Science and Technology Growth Fund, a fund that was managed by TIMCO, one of Canada's top labour-sponsored venture capital fund managers. Mr. Lewis has taken a course on financial literacy offered by the ICD and plans to take additional similar courses in the future.

Sarah Morgan-Silvester, FICB - Ms. Morgan-Silvester acquired significant experience and exposure to accounting and financial reporting as a member of the Partnership Board (as an outside board member) of Grant Thornton LLP and Grant Thornton Consulting, as the former Executive Vice President, Personal Financial Services and Wealth Management of HSBC Bank Canada, and President and Chief Executive Officer of HSBC Trust Company (Canada). She is a director of Canadian Western Bank (Chair of the Board and Audit Committee member) and former director of the British Columbia Ferry Services Inc. (Chair of its Audit and Finance Committee). Ms. Morgan-Silvester received a Bachelor of Commerce (Hons) from the University of British Columbia and is a Fellow of the Institute of Canadian Bankers.

Iain Stewart – Mr. Stewart is experienced in resource management, comptrollership, and reviewing and interpreting fiscal information and financial statements. He has over 30 years of experience in the Canadian federal public service, of which 24 years were as an executive responsible for financial management and being accountable for delivering results for Canadians. This included being the President (Deputy Minister) responsible for two federal agencies, each of which had annual budgets of over $1.5b annually (the National Research Council of Canada and the Public Health Agency of Canada). Mr. Stewart spent a third of his career at the Treasury Board of Canada Secretariat (TBS) in positions of increasing seniority, responsible for supporting Ministers with managing all Government of Canada expenditures, culminating in his appointment as the Associate Secretary (Associate Deputy Minister) of TBS. He is also currently a member of the Audit and Finance Committees for three other not-for-profit organizations, namely, the Canadian Centre for Innovation Policy, Genome Canada, and the Royal Society of Canada.

David Weger, ICD.D - Mr. Weger had over 21 years of service with Nutrien Ltd. (formerly, Potash Corporation of Saskatchewan Inc.). He most recently served as Senior Director, Administration Services where he was responsible for three business units and the preparation of selling, general and administrative budgets, capital budgets, leasing and capital planning, real estate design build and monetization opportunities, and tax efficient life cycle cost analysis for real property and assets. Prior to joining the Board, he served on the board of directors of the Canadian Business Aviation Association (CBAA). Mr. Weger previously served as the Chair of the board of directors of the Saskatoon Airport Authority and as a member of its Audit & Finance Committee. He also previously served on the Audit & Finance Committee of NAV CANADA from January 2018 to January 2020. Mr. Weger is a graduate of the University of Saskatchewan, College of Commerce - Business Administration program and is a holder of the ICD.D designation.

Non-Audit Services - The Audit & Finance Committee has adopted a policy for the pre-approval of the provision of audit-related, tax and other non-audit services by the Company's external auditors. The policy provides that all non-audit services provided by the Company's external auditors must be pre-approved by the Committee, and also incorporates a list of prohibited non-audit services.

Annually, the Committee updates and approves a list of pre-approved services including those that are recurring or otherwise expected to be provided. The Committee is also informed annually of the services for which the auditors have been engaged and the related fees. Any additional requests for pre-approval are addressed on a case-by-case specific engagement basis as described below.

Recommendations in respect of each engagement are submitted by the Chief Financial Officer to either the Chair of the Audit & Finance Committee or to the full Committee. The engagement may commence upon approval of the Chair of the Committee (where aggregate fees are expected to be less than $50,000) or of the full Committee (where the aggregate fees are expected to be greater than $50,000).

External Auditor Fees - The aggregate fees billed by the Company's external auditors KPMG LLP during fiscal 2024 and fiscal 2023 were as follows:

	Year Ended August 31, 2024 ($)	Year Ended August 31, 2023 ($)
Audit Fees (1)	674,765	691,899
Audit-Related Fees (2)	59,385	59,385
Tax Fees (3)	262,066	165,601
Other Fees (4)	0	44,940
Total	996,216	961,825

(1) **Audit Fees** - were paid for professional services rendered for the audit of the Company's annual financial statements and the review of the Company's interim financial statements in fiscal 2024.

(2) **Audit-Related Fees** - were paid for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements and are not reported under the audit fees item above. These services consisted of translation services.

(3) **Tax Fees** - were paid for professional services related to tax compliance, tax advice and tax planning. These services consisted of the review of tax returns, assistance in the commodity tax area, tax assistance with respect to specific transactions, tax compliance for foreign jurisdictions and other compliance services.

(4) **Other Fees -** were paid for professional services related to assurance services required on a cost sharing project.

Executive Officers

In addition to the President & CEO, we had five other executive officers as at the end of fiscal 2024. All are appointed for non-fixed terms of office.

Amanda Sarginson was subsequently appointed as Vice President, Chief Legal Officer and Corporate Secretary effective as of September 1, 2024.

Raymond G. Bohn, President & CEO, will retire on or around October 31, 2024.

Name, Residence and Date of Appointment	Position	Principal Occupation and Position Over Past Five Years
RAYMOND G. BOHN Ontario, Canada February 1, 2021	President & CEO	From September 1, 2020 to January 31, 2021, Mr. Bohn was Vice President & Chief Human Resources Officer. From September 1, 2017 to August 31, 2020, he was Executive Vice President, Human Resources, Communications & Public Affairs.
MARIE-PIER BERMAN Manitoba, Canada November 1, 2022	Vice-President & Chief of Operations	From December 2020 to October 31, 2022, Ms. Berman was Assistant Vice President, ATS Service Delivery. From April 2018 to December 2020, she was the General Manager of the Winnipeg FIR.
MARK COOPER Ontario, Canada September 1, 2020	Vice President, Chief Technology & Information Officer	From September 3, 2019 to August 31, 2020, Mr. Cooper was Senior Vice President, Air Navigation Systems Technology.
DIANA KELLY Ontario, Canada April 8, 2022	Vice President & Chief Human Resources Officer	From September 1, 2020 to April 7, 2022, Ms. Kelly was Vice President, Chief Safety & Quality Officer. From September 17, 2018 to August 31, 2020, she was Assistant Vice President, Corporate Planning and Performance.
ANTHONY MACKAY Ontario, Canada November 1, 2022	Vice President, Chief Safety & Quality Officer	From April 2022 to October 31, 2022, Mr. MacKay was Interim Assistant Vice President, Safety & Quality. From November 2020 to April 2022, he was Director, Operational Safety. From September 2018 to November 2020 Mr. MacKay was Assistant Vice President, ATS.
DONNA MATHIEU Ontario, Canada January 13, 2022	Vice President & Chief Financial Officer	From September 1, 2020 to January 12, 2022, Ms. Mathieu was Vice President, Chief Investment Officer & Treasurer. From June 1, 2017 to August 31, 2020, she was Vice President, Pension Investments & Treasurer.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as noted below, no director or executive officer of NAV CANADA is, as at the date of this AIF, or has within ten years prior to the date of this AIF:

(a) been a director, chief executive officer or chief financial officer of any company (including the Company) that:

  (1) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days, where such order was issued:

    (i) while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

    (ii) after the director or executive officer 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; or

  (2) while that 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

(b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such director or officer.

LEGAL PROCEEDINGS

The Company is party to legal proceedings in the ordinary course of its business. Management does not expect the outcome of any of these proceedings to have a material adverse effect on the consolidated financial position or results of operations of the Company.

INTERESTS OF EXPERTS

KPMG LLP are our auditors. As such they have provided the audit report filed with our fiscal 2024 annual audited consolidated financial statements, which are filed on SEDAR+. In connection with the audit of the Company's annual consolidated financial statements for fiscal 2024, the auditors confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

MATERIAL CONTRACTS

The following is the only material contract, other than contracts entered into in the ordinary course of business, which has been entered into by the Company within the most recent fiscal year, or was entered into before the most recently completed fiscal year and is still in effect:

- The GOI referred to above under the heading "Capital Structure".

A copy of this document has been filed as a material contract on SEDAR+ and is available at www.sedarplus.com.

TRANSFER AGENT AND REGISTRAR

The trustee and registrar for the Company is BNY Trust Company of Canada, located in Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.com. Additional financial information relating to the Company can be found in the annual audited consolidated financial statements and MD&A for fiscal 2024.

APPENDIX A

TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

INTRODUCTION

The primary responsibility of the board of directors is to foster the long-term success of NAV CANADA consistent with its fiduciary responsibility to NAV CANADA.

The board of directors operates by delegating certain of its tasks and responsibilities, including spending authorizations, to management and by reserving certain powers to itself. Subject to the Articles of Continuance and By-Laws of NAV CANADA, the board of directors retains the responsibility for managing the business and affairs of NAV CANADA, including the selection of Board-elected Directors, selecting its Chair, appointing officers and committees and determining director compensation.

The board of directors shall act in the best interests of the company and be accountable for the stewardship of the company, including, but not limited to, overseeing the conduct and operation of the company, reviewing and approving corporate strategies, plans and financial objectives, appointing, developing, monitoring, advising and supervising senior management, assessing the performance and results of management and the company, making reasonable efforts to maintain effective corporate communications with Members and the public as contemplated herein, making reasonable efforts to maintain the integrity of internal control and management/financial systems, exercising duty of care and preserving the company's assets; developing the company's approach to corporate governance, and to the extent feasible, satisfying itself as to the integrity of the President and other executive officers, and that the President and other executive officers create a culture of integrity throughout the company.

The duties and responsibilities of individual directors are contained in the Company's Corporate Governance Manual.

SELECTION OF CHAIR, PRESIDENT AND OFFICERS

The board of directors has the responsibility:

(a) for the appointment and replacement of a President and the Chair, for monitoring and review (with and through the Human Resources and Compensation Committee) of the President's and the Chair's performance, approving President compensation and providing advice and counsel to the President in the execution of their duties;

(b) acting upon the advice of the Human Resources and Compensation Committee, and the President concerning their direct reports, to approve the appointment of all officers; and

(c) for ensuring that plans have been made for management succession.

MONITORING AND ACTING

The board of directors has the responsibility:

(a) to monitor NAV CANADA's progress towards its objects and policies, and to revise and alter its direction through management in light of changing circumstances;

(b) for the identification of the principal risks of NAV CANADA's business and ensuring the implementation of appropriate systems to manage these risks; and

(c) for taking appropriate steps to gain reasonable assurance that management has implemented sound internal controls and management information systems.

STRATEGY DETERMINATION

The board of directors has the responsibility to review with management the mission of the business, its objects and policies, and the strategy by which it proposes to reach those objects and policies, taking into account, among other things, the opportunities and risks of the business.

POLICIES AND PROCEDURES

The board of directors has the responsibility to take appropriate steps to gain reasonable assurance that management has put in place appropriate processes:

(a) to approve and monitor compliance with all significant policies and procedures by which NAV CANADA is operated; and

(b) to ensure that NAV CANADA operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

COMMUNICATION

The board of directors has the responsibility:

(a) to ensure timely, informative and broad dissemination of material information, as outlined in the Company's Corporate Disclosure Policy and other communication policies;

(b) to ensure that the financial performance of NAV CANADA is adequately reported to Members, other security holders and regulators, as applicable, on a timely and regular basis;

(c) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards;

(d) to ensure the timely reporting of any other developments that have a significant and material impact on NAV CANADA;

(e) to report annually to Members and others required by applicable law on its stewardship for the preceding financial year; and

(f) to ensure that NAV CANADA has systems in place which accommodate feedback from Members and others required by applicable law.

LEGAL REQUIREMENTS

A. The board of directors is responsible for ensuring that all applicable legal requirements have been met, and documents and records have been properly prepared, approved and maintained.

B. Canadian law, including, without restriction, the By-laws of NAV CANADA, establishes the legal requirements for the board of directors:

   i) to manage the business and affairs of NAV CANADA;

   ii) to act honestly and in good faith with a view to the best interests of NAV CANADA;

   iii) to exercise the care, diligence and skill that might reasonably be expected from a person of their knowledge and experience;

iv) to act in accordance with its obligations contained in the *Canada Not-for-profit Corporations Act*, the *Securities Act* of each province and territory of Canada in which NAV CANADA is a "reporting issuer", other relevant legislation and regulations, and NAV CANADA's Articles of Continuance and By-laws;

v) the following responsibilities cannot be delegated to management or to any Committee:

(a) any submission to the Members of a question or matter requiring approval of the Members;

(b) the filling of a vacancy among the directors, subject to the provisions of the By-laws of NAV CANADA, or in the office of the external auditor;

(c) the manner and the term for the issuance of securities of NAV CANADA;

(d) the payment of a commission to any person in consideration of the purchase or agreement to purchase securities of NAV CANADA from NAV CANADA or from any other person, or procuring or agreeing to procure purchasers for any such securities;

(e) the approval of all disclosure documents, including prospectuses, required under securities laws;

(f) the approval of the financial statements of NAV CANADA;

(g) the adoption, amendment or repeal of By-Laws of NAV CANADA; and

(h) the amendment of customer service charges charged by NAV CANADA in respect of the ANS.

CYBER SECURITY

The board of directors shall monitor and review management's cyber security maturity and performance reports on a quarterly basis, receive a report from the Vice President, Chief Technology and Information Officer on a semi-annual basis and receive a cyber security maturity assessment conducted by a third party on a biennial basis or as otherwise agreed by the board.

APPENDIX B

TERMS OF REFERENCE FOR THE CHAIR

INTRODUCTION

The Company's Corporate Governance Policy Manual sets out the nature of the role of the Chair with specific reference to the By-laws of NAV CANADA in this regard. Given the broad statement of the powers of the office of the Chair, the Corporate Governance Committee, in conjunction with the Chair, has more specifically delineated the responsibilities of the Chair.

CHAIR RESPONSIBILITIES

A. Introduction

The overriding objective of the Chair is to provide strong leadership and facilitate highly effective performance of the board of directors. The board of directors has ultimate accountability for the management of NAV CANADA. Critical to meeting this accountability is the relationship between the board of directors, management, Members and other stakeholders. The Chair, as the presiding member of the board of directors, must ensure that these relationships are effective and efficient and further the best interests of NAV CANADA. In performing this role, the Chair shall work with management, manage the board of directors, and ensure effective relations with Members, other stakeholders and the public. In this regard, the Chair, in concert with the President, is responsible for public interaction with respect to the affairs of NAV CANADA.

B. Board of Director's Interface with Management

The Chair shall:

i) ensure management is aware of concerns of the board of directors, Members and other stakeholders;

ii) ensure that management strategy, plans and performance are appropriately conveyed to the board of directors; and

iii) ensure the board of directors has exposure to the management team.

C. Managing the Affairs of the Board of Directors

The Chair shall:

i) chair board of directors' meetings;

ii) ensure that the mechanisms for effective governance are in place and the board of directors is alert to its obligations to NAV CANADA, Members, management, and other stakeholders under applicable law;

iii) provide strong leadership to the board of directors and assist in reviewing and monitoring the vision, strategy, and policies of NAV CANADA;

iv) as a member of the Corporate Governance Committee, participate in recommending the committees of the board of directors and their composition, review the need for, and the performance and suitability of, those committees and recommend such adjustments as are deemed necessary from time to time;

v) in conjunction with the Corporate Governance Committee, ensure that the Board-elected Director selection process and composition of the Board-elected Directors are appropriate and serve the needs of NAV CANADA; and

vi) conduct board of directors' meetings in an efficient, effective and focused manner.

D. Relations with Members, Other Stakeholders and the Public

The Chair shall:

i) assume the role of liaising with the Advisory Committee of NAV CANADA;

ii) ensure NAV CANADA's management and, where applicable, the board of directors, are appropriately represented at official functions and meetings with Members and other stakeholders; and

iii) ensure there are appropriate and effective channels of communications between the board of directors, management, Members and other stakeholders.

APPENDIX C

TERMS OF REFERENCE OF THE CORPORATE GOVERNANCE COMMITTEE

PURPOSE

At NAV CANADA, "board governance" means the process and structure used to supervise the business and affairs of NAV CANADA consistent with a view to discharging the Company's objects contained in the Articles of Continuance. The process and structure define any delegation of power and establish mechanisms for achieving accountability by the Board and management.

The Statement of Purpose contained in the Articles of Continuance mandate NAV CANADA to acquire, own, manage, operate and develop the ANS in a safe, secure, efficient and cost effective manner, and include:

(a) fostering and maintaining the highest professional standards;

(b) facilitating service availability and reasonable fees;

(c) operating as a good employer; and

(d) meeting reasonable needs of remote communities.

Fundamental to these is ensuring the financial viability of the business of NAV CANADA.

The purpose of the Corporate Governance Committee (the "Committee") is to provide a focus on board governance that will enhance the corporate performance of NAV CANADA. The Committee's activities shall include reviewing, monitoring and making recommendations regarding the effectiveness of the Board of NAV CANADA, establishing and administering a process for the ongoing selection and development of its individual directors; and recommending the composition and Chairs of the various Board committees.

COMPOSITION AND TERM OF OFFICE

The Committee shall be composed of up to six directors comprising one director elected by the Government Member, one director elected by the User Members, one director elected by the Union Member and two Board-elected directors, provided that one of the members of the Committee shall be the Chair.

Members of the Committee are eligible for reappointment at the will of the Board.

A majority of the members of the Committee shall constitute a quorum.

DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, and consistent with the Corporation's By-laws, the Committee shall:

(a) Develop and annually update a long term plan for the composition of the Board-elected directors that takes into consideration the current strengths, skills and experience on the Board, and the strategic direction of NAV CANADA;

(b) Develop recommendations regarding the essential and desired experiences and skills for potential directors elected by the Members, taking into consideration the Board's short-term needs and long-term succession plans;

(c) Recommend to the Board nominees for election as Board-elected directors;

(d) Review, monitor and make recommendations to the Board regarding new director orientation and the ongoing development of existing members of the Board;

(e) Review as required, for Board approval, the Corporate Governance Manual outlining the policies and procedures by which the Board will operate and the terms of reference for the Board, the Board Chair, the President, directors and Board committees;

(f) Assess the needs of the Board in terms of the frequency and location of Board and committee meetings, meeting agendas, discussion papers, reports and information, and the conduct of meetings and make recommendations to the Board as required;

(g) Review the Corporation's structures and procedures to ensure the Board is able to, and in fact does, function independently of management;

(h) Biennially implement an appropriate evaluation process for the Board, the Board Chair and Board committees and an individual director evaluation process;

(i) Biennially review the By-laws of NAV CANADA and recommend changes to the Board;

(j) Annually, in consultation with the Chair, review and recommend composition and Chairs of the various Board committees;

(k) Annually recommend to the Board of Directors a Chair of the Board. In making each such recommendation, the Committee will ensure that the candidate shall have such skills and abilities that are appropriate to the appointment of the Chair, including: (i) exceptional business experience and acumen; (ii) held in high regard by their peers; (iii) an advanced understanding of NAV CANADA's values and strategic plans; and (iv) the respect and confidence of, and an effective and productive relationship with, each of the President and the Board;

(l) Monitor and review with the Board and management the results of their review of NAV CANADA's compliance with the Conflict of Interest Guidelines and Code of Conduct for directors and officers;

(m) Annually review and make recommendations to the Board respecting directors' remuneration (fees, retainer and other amounts) and benefits to be provided or paid to directors and directors' and officers' insurance;

(n) Prepare recommendations for the Board regarding any reports required or recommended on corporate governance (e.g. public reports required to meet Canadian Securities Administrators' guidelines);

(o) Review and recommend revisions to its terms of reference to the Board;

(p) Have authority to engage and compensate any outside advisor that it deems necessary to permit it to carry out its duties;

(q) Conduct a portion of each meeting without management present; and

(r) Have such other powers and duties as may be delegated to it by the Board from time to time.

ACCOUNTABILITY

The Committee shall report to the Board at each regular meeting all such action it has taken since the previous report.

CORPORATE GOVERNANCE COMMITTEE TIMETABLE

The major annual activities of the Committee are outlined in the Committee's Workplan.

APPENDIX D

TERMS OF REFERENCE FOR THE PRESIDENT & CEO

INTRODUCTION

The Company's Corporate Governance Policy Manual sets out the nature of the role of the President & CEO with specific reference to the By-laws of NAV CANADA. Given the broad statement of the powers of the office of the President & CEO, the Corporate Governance Committee, in conjunction with the Chair, has more specifically delineated the responsibilities of the President & CEO.

PRESIDENT & CEO RESPONSIBILITIES

The Board of Directors has ultimate accountability for the management of NAV CANADA. Critical to meeting this accountability is the relationship between the Board of Directors, management, Members and other stakeholders. The President & CEO is responsible for the customary duties of the president and chief executive officer of a corporation similar in size and operation to that of NAV CANADA and has ongoing responsibility for the accountability of management to the board of directors. In addition, the President & CEO, in concert with the Chair, is responsible for public interaction with respect to the affairs of NAV CANADA. The President & CEO shall liaise with the users of the ANS on major issues and shall adopt an ongoing consultative and resource role, internally, in respect of customer service charges, and a leading public role in the implementation of the same.

The President & CEO shall:

(a) lead and manage NAV CANADA;

(b) report to the board of directors;

(c) keep the board of directors current on major developments, ensuring the board of directors has sufficient information to permit it to fully discuss potential issues and to make decisions;

(d) recommend to the board of directors strategic directions for NAV CANADA's business and, when approved, successfully implement the corresponding strategic, business and operational plans;

(e) direct and monitor the activities of NAV CANADA in a manner that strives towards the achievement of targets and ensures the assets of NAV CANADA are safeguarded and optimized in the best interests of NAV CANADA;

(f) develop and implement operational policies to guide NAV CANADA within the limits prescribed by NAV CANADA's Articles of Continuance, By-Laws and other applicable laws, and the framework of the strategic directions adopted by the board of directors;

(g) develop and recommend to the board of directors the overall corporate organization structure and staffing;

(h) create, maintain and review with the board of directors an annual plan for the development and succession of management;

(i) oversee the interfaces between NAV CANADA and the public;

(j) meet regularly and as required with the board of directors to review material issues and to ensure that the board of directors is provided in a timely manner with all the information it requires to fulfil its statutory and other obligations;

(k) provide the board of directors with exposure to the key management of NAV CANADA;

(l) participate in and support international activities with respect to air navigation services including participation on the Boards of Directors of international air navigation services related associations and/or corporations; and

(m) engage in public service as agreed with the board of directors in connection with NAV CANADA's charitable, educational and cultural activities.

APPENDIX E

TERMS OF REFERENCE FOR COMMITTEE CHAIRS

CHAIR OF COMMITTEE RESPONSIBILITIES

Chairs of Committee are selected by the full board of directors on the recommendation of the Corporate Governance Committee and the Chair of the Board. The roles and responsibilities of the Chairs of Board Committees include, but are not limited to:

(a) ensuring that the work of the Committee is well organized and proceeds in a timely fashion;

(b) in consultation with the Committee and management, determine the agenda, frequency and length of Committee meetings;

(c) presiding at Committee meetings;

(d) arranging for an alternate to chair a Committee meeting if he or she is absent from such meeting;

(e) reporting to the full board of directors on all action taken by the Committee since its previous report to the board of directors;

(f) reporting to the board of directors on matters arising which are determined important for full board of directors consideration.

APPENDIX F

TERMS OF REFERENCE FOR THE

HUMAN RESOURCES & COMPENSATION COMMITTEE

PURPOSE

The purpose of the Human Resources & Compensation Committee (the "Committee") is to assist the Board of Directors (the "Board") in fulfilling its oversight role with respect to:

(a) establishing the Company's compensation philosophy and satisfying itself that the compensation structure and programs are consistent with its philosophy, strategy and prudent management of its operations and the risks to which it is exposed;

(b) overseeing the hiring, promotion and compensation of the Officers of the Company (the "Officers") and other Vice Presidents;

(c) ensuring that an effective succession management program is in place;

(d) ensuring there is an effective talent management strategy in place; and

(e) ensuring other human resources and labour relations strategies, policies and programs are effective.

COMPOSITION AND TERMS OF OFFICE

The Committee shall consist of no more than six directors, at least two of whom shall be elected to the Board of Directors by Members other than the Union Member and one of whom shall be a Board-elected director. A majority of members of the Committee shall constitute a quorum.

The Committee shall meet not less than four times per year.

DUTIES AND RESPONSIBILITIES

The Board hereby delegates to the Committee the following powers and duties:

(a) The Committee shall develop a NAV CANADA compensation philosophy and guidelines that are competitive and motivating, and that attract and retain all employees and management alike.

(b) The Committee shall, on an annual basis, review the Company's operating budget and assumptions with respect to employee costs prior to Board approval, and liaise with other committees as appropriate.

(c) The Committee shall, on an ongoing basis as required, within the context of budgets and policies established by the Board, review the suitability of the Company's labour negotiations strategy and give guidance as to overall costs.

(d) The Committee shall review the design and recommend for approval by the Board, the benefits to be provided by the NAV CANADA Pension Plan and Supplemental Retirement Plans.

(e) The Committee shall annually review certain relevant HR policies, including a Code of Conduct which shall be applicable to all employees, and when required, recommend changes for approval to the Board.

(f) The Committee shall review submissions from the President & CEO ("President") and recommend approval to the Board, for the recruitment, appointments or terminations of Officers. The Committee shall approve the remuneration for each new Officer, except the President.

(g) The Committee shall evaluate the President's performance. This evaluation will include:

- receipt from the President of his self-appraisal for the prior year's performance, and goals and objectives to be approved by the Committee for the upcoming year;
- the conduct of interviews with the President's direct reports by the Chair of the Committee and the Chair of the Corporate Governance Committee;
- an assessment of the President's performance by all directors, consolidated by an outside or an internal Company resource; and
- feedback to the President on all aspects of the evaluation.

A consolidated assessment reflecting the evaluation carried out by the Committee will then be forwarded and approval will be recommended to the Board.

(h) The Committee shall review performance evaluations and approve annually, compensation, incentive payments, perquisites and benefits of the Officers other than the President. Following the completion of each annual evaluation of the President's performance that is undertaken by the Committee, the Committee shall recommend approval to the Board of the compensation, incentive payments, perquisites and benefits of the President. Their review may include benchmarking analysis provided by an outside compensation expert.

(i) The Committee shall review and update the design of the Executive Total Compensation Plan (base pay, Short-term Incentive and Long-term Incentive Plans, benefits, perquisites) biannually to ensure it is competitive in the marketplace and meets NAV CANADA's compensation philosophy. On an as-needed basis, the Committee shall conduct an in-depth Executive Total Compensation Plan review, using an outside compensation expert.

(j) The Committee shall have the authority to engage and compensate any outside advisor that it deems necessary to permit it to carry out its duties, including the selection and terms of reference of outside consultants retained to provide advice.

(k) The Committee shall review and annually recommend to the Board the succession plan for Officers. The Committee shall also review and approve annually succession plans and career planning for all other management levels and ensure that appropriate succession management processes are in place for all such other management levels.

(l) The Committee shall review and recommend updates to its terms of reference to the Board annually and provide the Members with access to such terms of reference.

(m) The Committee shall review and recommend approval to the Board, executive compensation disclosure before public disclosure of the information.

(n) The Committee shall review and approve those severance payments for non-unionized employees, as required by the Company's Delegation of Financial Authorities.

(o) The Committee shall regularly review the results of employee engagement surveys and management's strategy to maintain and/or improve employee engagement.

(p) The Committee shall report to the Board at the next Board meeting, all such action it has taken since its previous report to the Board. The minutes of all meetings of the Committee shall be available to all Directors.

(q) The Committee shall review, on a quarterly basis, a report from Management containing status updates of HR based "whistleblowing" complaints, including the resolution of any follow-up actions.

(r) The Committee shall also have such other powers and duties as may be delegated to it from time to time by the Board.

(s) The Committee shall conduct a portion of each meeting without management present.

(t) The Committee shall review on a regular basis the specific business risks under the Enterprise Wide Risk Management program assigned to it by the Board.

(u) The Committee Chair shall liaise with other Committee Chairs as necessary to achieve the Committee's purpose and execute its duties and responsibilities.

APPENDIX G

TERMS OF REFERENCE FOR THE AUDIT & FINANCE COMMITTEE

1. Purpose of the Audit & Finance Committee

The Board of Directors ("Board") is responsible for administering the business and affairs of NAV CANADA (the "Corporation") and exercising all of the powers of the Corporation. In discharging that responsibility, the Board delegates certain matters and powers to the senior officers of the Corporation ("Management") but retains authority to supervise the management of the business and affairs of the Corporation. The Board's supervisory function involves Board oversight of all significant aspects of the management of the Corporation's business and affairs including its financial reporting and disclosure obligations. The Board has tasked the Audit & Finance Committee (the "Committee") to assist with its oversight of the financial reporting and disclosure obligations by overseeing the following:

a) the Corporation's financial reporting and disclosure processes;

b) the external auditors' qualifications, objectivity and independence;

c) the performance of the Director, Internal Audit and the Corporation's Internal Audit function;

d) the Corporation's Finance and Treasury functions; and

e) other duties assigned by the Board.

2. Establishment of the Committee

The Board has established the Committee which complies with National Instrument 52-110 *Audit Committees* (the "Instrument") of the Canadian Securities Administrators ("CSA"). The Committee is hereby empowered and required:

a) to take all actions and make all inquiries which, in the opinion of the Board or the Committee, are necessary or desirable for the Committee to gain reasonable assurance as to whether the Corporation's financial reporting obligations are being met by the Corporation; and

b) to report to the Board the conclusions reached by the Committee.

3. Composition of the Committee

A. The members of the Committee shall be appointed by the Board and, as required by the Corporation's By-laws, shall consist of at least four, but not more than six, directors of the Corporation. Subject to the exemptions contained in the Instrument, each member of the Committee shall be "independent" and "financially literate", as defined by the CSA with respect to Audit Committees. No officer of the Corporation or the Chair of the Board, may serve as a member of the Committee. The Board may remove any member of the Committee at any time.

B. The Board shall appoint, and may remove, the Chair of the Committee from time to time.

C. It is recognized that occasions may arise in which members of the Committee are in a position in which their duty to the Corporation actually conflicts or is perceived to conflict with their duty to others. It is the responsibility of each member of the Committee and of the Committee as a whole to recognize and deal with such conflicts in a manner that provides the greatest assurance that the actions and decisions of the Committee are free from any conflict, whether perceived or real.

4. Reliance on Management and Experts

In contributing to the Committee's discharging of its duties under these terms of reference, each member of the Committee shall be entitled to rely in good faith upon:

a) financial statements of the Corporation represented to him or her by one or more members of Management or in a written report of the external auditors to present fairly the financial condition of the Corporation; and

b) any report of a lawyer, accountant, engineer, appraiser, actuary or other person whose profession lends credibility to a statement made by any such person.

5. Operating Procedures

A. The Committee, in consultation with Management, the Director, Internal Audit and the external auditors, shall develop an annual Committee Work Plan that is responsive to the Committee's responsibilities set out in these terms of reference.

B. In addition, the Committee, in consultation with Management, the Director, Internal Audit and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Corporation's accounting principles and policies and financial disclosure.

C. To assist the Committee in discharging its responsibilities, the Committee may retain, in addition to the external auditors, at the expense of the Corporation, one or more persons having special expertise, including independent counsel and other advisors. The Committee shall be entitled to set and pay compensation for any advisors engaged by the Committee.

D. The Committee shall meet four times annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chair of the Committee, or upon the request of a member of the Committee or at the request of the external auditors.

E. Seventy-two hours written notice of a meeting shall be given, other than by mail, to each Committee member and to the external auditor. If notice is given by mail, such notice shall be mailed at least 14 days prior to the meeting. No notice of a meeting of the Committee shall be required if all Committee members are present and waive notice, or if those absent have signified their consent to the meeting being held in their absence. No error or omission in giving notice of any meeting of the Committee or any adjourned meeting of the Committee (provided that such error or omissions not material) shall invalidate such meeting or make void any proceedings taken thereat and any Committee member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

F. The Director, Internal Audit and the external auditors are entitled to attend each meeting of the Committee and be heard, and shall attend every meeting of the Committee if requested to do so by one of its members.

G. A Committee member or the external auditors may participate in a meeting of the Committee by means of a telephonic, an electronic or other communications facility that permits all persons participating in the meeting to hear each other, and a person participating in such a meeting by such means is deemed to be present at the meeting.

H. At any meeting of the Committee, a quorum shall be a majority of the members of the Committee.

I. Each Committee member shall be entitled to exercise one vote on each motion at each meeting of the Committee. Except as expressly provided herein and unless otherwise expressly provided by the *Canada Not-for-profit Corporations Act*, at all meetings of the Committee every question shall be determined by a majority of votes cast at the meeting. A declaration by the Chair of the Committee that a resolution has been carried and an entry to that effect in the minutes shall be *prima facie* proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

J. A resolution in writing, signed by all members of the Committee entitled to vote on that resolution at a meeting of the Committee, is as valid as if it had been passed at a meeting of the Committee.

K. Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Corporation shall act as Secretary of all meetings of the Committee.

L. In the absence of the Chair at any meeting of the Committee, the members shall appoint one of their members to serve as acting Chair at the meeting.

M. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and be available to each other director of the Corporation in a timely fashion.

N. The Chair of the Committee shall report on the proceedings from each meeting of the Committee to the next-following regularly scheduled meeting of the Board.

O. The Committee shall be entitled to communicate directly with the external auditors and, at each meeting of the Committee, to meet in private with them, the Vice President & Chief Financial Officer ("CFO") of the Corporation or such other parties as the Committee requests.

P. The Committee shall be entitled to communicate directly with the Director, Internal Audit and shall meet in private with the Director, Internal Audit at each regularly scheduled meeting of the Committee.

6. Duties and Responsibilities

The Committee shall perform the functions customarily performed by an audit committee and any other functions assigned by the Board. The Committee's oversight responsibility for the financial reporting and disclosure processes includes the following:

i. to oversee Management in their efforts to establish and maintain internal control to provide reasonable assurance with regard to the reliability of financial reporting;

ii. to oversee Management in their commitment to create a culture of honesty and ethical behaviour, including setting the proper tone and placing a strong emphasis on fraud prevention; and

iii. at least biennially, oversee Management's policies in respect to fraud and changes made to the Ethics Committee Charter.

In addition, the Committee shall have the following duties and responsibilities:

A. Annual and Interim Financial Statements

For the purpose of gaining reasonable assurance as to whether the Corporation's financial statements for each interim financial quarter of the Corporation (the "Current Quarter") and each financial year of the Corporation (the "Current Year") present fairly, in all material respects, the financial position of the Corporation, the results of its operations and its cash flows in accordance with generally accepted accounting principles ("GAAP") as applicable to the Corporation and together with the interim Management's Discussion and Analysis ("MD&A") or year-end MD&A and Annual Information Form ("AIF") constitute a fair presentation of the Corporation's financial results and condition, before release to the public:

a) review the Corporation's financial statements for the Current Quarter (the "Current Interim Statements") or Current Year (the "Current Annual Statements") with Management;

b) review the reasonableness of material changes in accounting policies, estimates, accruals and reserves made since the end of the previous reporting period;

c) review any unresolved items identified by the external auditors in preparing their review engagement report on the Current Interim Statements or identified during their audit of the Current Annual Statements and resolve any disagreements between Management and the external auditors regarding financial reporting;

d) obtain a report, in writing, from the external auditors, reflecting misstatements (whether corrected or uncorrected) identified during the performance of the review or audit engagements based on their review or audit misstatement posting threshold;

e) annually obtain a report from the external auditors, in writing, on whether in the course of their audit of the Current Annual Statements, they became aware of any matters to be communicated to the Committee under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board or any other professional standards currently in place. This report will include, if relevant, any matters concerning accounting principles, policies or practices employed in preparing the Current Annual Statements and any significant change in the planned audit strategy;

f) obtain and review a copy of the representation letter provided by Management to the external auditors relating to the Current Interim Statements or Current Annual Statements;

g) review with Management, the external auditors and the Corporation's legal counsel, material legal claims or other contingencies affecting the Corporation to gain reasonable assurance that all such claims and contingencies that could have a material effect upon the financial position or results of operations of the Corporation have been appropriately reflected in the Current Interim Statements or Current Annual Statements;

h) on a quarterly basis, receive and review a report from Management's Disclosure Committee confirming compliance with the Corporation's Disclosure Policy and with its disclosure controls and procedures; and

i) recommend approval of the Current Interim Statements or Current Annual Statements to the Board.

B. Other Material Financial Information

For the purpose of gaining reasonable assurance as to whether material financial information concerning the Corporation is disseminated to the public in a timely manner and is accurate, complete and fairly presented:

a) review with Management each annual and interim MD&A;

b) review with Management all news releases and reports concerning the Corporation's annual or interim financial statements and subsequent news releases and reports that may have a material impact on such financial statements. In circumstances where events render it impractical to consult with the entire Committee prior to issuing such news releases or reports, authority to review and approve such news release or reports may be exercised by the Chair of the Committee or the Chair of the Board;

c) review with Management all other core disclosure documents such as prospectuses, material change disclosures of a financial nature, AIFs, and related news releases; and

d) recommend approval of the annual and each interim MD&A as well as all other core disclosure documents to the Board.

C. Fair Presentation

For the purpose of gaining reasonable assurance as to whether the Corporation's financial statements for each financial year and for each interim financial quarter of the Corporation present fairly the financial position of the Corporation, the results of its operations and its cash flows and as to whether material financial information concerning the Corporation which is to be disseminated to the public is accurate, complete and fairly presented:

a) review the competency requirements and review the competencies of all individuals serving in key financial reporting, treasury and internal control over financial reporting ("ICFR") roles;

b) oversee the work of the external auditors in preparing or issuing an audit or other report in respect of the Corporation's financial statements or performing other audit, review or attest services for the Corporation;

c) review the process relative to the quarterly certifications by the President & Chief Executive Officer ("CEO") and the CFO of the Corporation in respect of ICFR and disclosure controls and procedures ("DC&P"). On a quarterly basis receive and review a report from Management regarding:

i. the status of the work done to support the CEO and CFO certificates, including appropriate disclosure of conclusions in the Corporation's MD&A;

ii. the conclusions on design (and annually on the effectiveness) of ICFR and DC&P;

iii. the existence of any significant deficiencies or material weaknesses in the design or effectiveness of internal control that could adversely affect the Corporation's ability to record , process, summarize and report financial data; and

iv. any significant changes in internal control or changes to the environment in which the internal controls operate, including corrections of previously reported significant deficiencies or material weaknesses;

d) receive timely reports from Management, the external auditors and the Director, Internal Audit on all indications or detection of significant fraud and the corrective activity undertaken in respect thereto;

e) at least annually, receive a report from Management on the Corporation's fraud risk assessment; and

f) review commentaries received from securities regulators pursuant to continuous disclosure reviews, if any, together with Management's responses.

D. External Auditors

The external auditors report directly to the Committee.

For the purpose of gaining reasonable assurance that the external auditors are objective and independent:

a) obtain annually a written communication from the external auditors confirming that they are independent of the Corporation in accordance with the ethical requirements that are relevant to the Corporation's audit of the financial statements in Canada, and with the following information:

i. all fees paid by the Corporation or any affiliate of the Corporation to the external auditors or any affiliate of the external auditors in the last financial year of the Corporation ended prior to the date of such report, and

ii. all relationships between the external auditors or any affiliate of the external auditors and the Corporation or any affiliate of the Corporation that may reasonably be thought to bear on the external auditors' independence;

b) in advance of the external auditors' commencement of each audit of the Corporation's financial statements, review with the external auditors their audit planning report detailing their risk assessment, the proposed scope of the audit, the proposed areas of significant risk in the audit and the materiality levels that the external auditors propose to employ;

c) inquire whether Management has placed restrictions on the scope or extent of the external auditors' audit examinations or the external auditors' reporting of their findings to the Committee;

d) engage in an open and frank discussion with the external auditors on any matter that may have a significant effect on the understandability, relevance, reliability and comparability of the annual and interim financial statements; and

As part of the Committee's assessment of the external auditors:

a) annually undertake a review of the external auditors' performance; and

b) annually inquire of the external auditors regarding the existence of any material issues raised in the most recent reviews carried out by the Canadian Public Accountability Board that would have a material effect on the ability of the external auditors to provide quality audit services

E. Internal Auditor

To maintain independence, the Director, Internal Audit reports functionally to the Committee and administratively to the CEO.

To obtain reasonable assurance with respect to the work performed by the internal audit function, the Committee will:

a) review and approve the Internal Audit Charter on an annual basis;

b) review and the internal audit activity's strategic plan, objectives, performance measures and outcomes;

c) review and discuss with the Director, Internal Audit their approach to using the risk assessment to develop the 12-month rolling internal audit plan and 24-month outlook;

d) review and approve the proposed risk-based 12-month rolling internal audit plan and subsequent 24-month outlook;

e) review and approve the annual budget and staff complement;

f) review internal audit's performance relative to its audit plan;

g) review the recommendations arising from the internal audits and special projects. Review the adequacy and appropriateness of Management's responses to recommendations made by the internal auditors, including the remediation timetable thereof;

h) review, approve and report to the Board together with the CEO on the appointment, reassignment or dismissal of the Director, Internal Audit;

i) review and approve the competency requirements and evaluate the competencies of the Director, Internal Audit; and

j) review and approve the annual performance evaluation and salary recommendation for the

Director, Internal Audit.

F. Finance and Treasury

For the purpose of overseeing the Finance and Treasury functions:

a) review and discuss the quarterly Treasury Report including updates on debt covenant compliance, forecast liquidity and credit facility usage, discussions with credit rating agencies, reports by bond or debt market analysts, reserve fund and cash equivalent investments, and any other treasury matters that may arise;

b) review and recommend to the Board financing transactions proposed by Management, as applicable, pursuant to the Treasury Policy;

c) review and recommend to the Board interest rate hedging strategies presented as part of the annual budgeting process or separately to the Committee;

d) review the Treasury Policy on an annual basis and recommend any changes for approval by the Board; and

e) review at least annually the adequacy of capital and liquidity including reserve funds.

G. Other Duties and Responsibilities

The Committee shall:

a) recommend to the Board a firm of chartered professional accountants that is a participating audit firm in the Canadian Public Accountability Board, to be nominated for appointment as the external auditors;

b) recommend to the Board the compensation of the external auditors for the conduct of the annual audit, and in accordance with and subject to the applicable terms of the Instrument, grant pre-approval of all Management recommended fee estimates for permissible non-audit services (as that term is defined by the CSA) to be provided to the Corporation or its subsidiaries by the external auditors;

c) review and approve, at least biennially, the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditors of the Corporation in accordance with the applicable terms of the Instrument;

d) review annually the external audit partner rotation plans;

e) review the status of "whistle blowing" complaints on a quarterly basis, including the resolution of any follow-up actions, and at least biennially review and suggest appropriate changes, if any, to the Corporation's "whistle blowing" procedures for:

   i. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters including feedback on closure of these items, and

ii. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

f) review annually the expenses of the Chair of the Board for the purpose of gaining reasonable assurance as to the reasonableness of such expenses;

g) obtain quarterly certificates from Management as to the Corporation's compliance with laws and regulations governing payroll withholdings, tax remittances and similar filings, workers compensation premiums and other such similar withholding obligations, and Management's compliance with the Corporation's Anti-Corruption Policy and the Code of Business Conduct;

h) review and approve, at least biennially, any changes to the Corporation's Disclosure Policy and the composition of Management's Disclosure Committee;

i) review and discuss emerging accounting principles and issues, and new securities regulations that are applicable to the Corporation;

j) ensure that orientation is provided to new Committee members and that continuing education is provided for all Committee members on the business, accounting developments and other matters relevant to their responsibilities as Committee members;

k) review annually the Delegation of Financial Authorities ("DFA") for appropriateness and recommend any changes for approval to the Board;

l) in accordance with the DFA, review with Management, as required, the financial statements of corporate entities to which financial support has been provided by the Corporation;

m) review the Corporation's Credit Terms and Conditions on an annual basis and recommend any changes for approval to the Board;

n) review the financial implications and key financial assumptions reflected within the Company's Operating and Capital Budget prior to finalization and presentation to the Board for approval;

o) at least annually, review the provisions of these terms of reference for the purpose of recommending to the Board changes needed to meet new legislative or regulatory requirements to incorporate evolving best practices for audit committees or any other changes that are required;

p) at least annually, formally assess the effectiveness of the Committee in discharging its responsibilities, and report there on to the Board; and

q) annually confirm that all responsibilities outlined in these terms of reference have been carried out.

APPENDIX H

2024 STATEMENT OF EXECUTIVE COMPENSATION

FORM 51-102F6

Year Ended August 31, 2024

October 24, 2024

COMPENSATION DISCUSSION & ANALYSIS

The following Compensation Discussion & Analysis (CD&A) sets out the compensation philosophy and elements of executive compensation for the executive officers of NAV CANADA (also referred to herein as we, our, us or the Company), as well as the actual compensation paid to the Company's President & Chief Executive Officer (CEO), the Vice President & Chief Financial Officer (CFO),each of the Company's three other most highly compensated executive officers serving in such capacity as at August 31, 2024 and a former executive officer who would have been a NEO but for the fact that they were neither an executive officer of the Company nor acting in a similar capacity as at the end of fiscal 2024 (collectively, the Named Executive Officers or the NEOs). Our President & CEO, Raymond G. Bohn, will retire on or around October 31, 2024. For the purposes of this CD&A, executive officers include the following positions: the President & CEO and the other executive officers set out in the table under the section entitled "Executive Officers" in the AIF (collectively, the Executive Officers).

Human Resources is sometimes referred to in this CD&A as "HR". Capitalized terms not defined in this CD&A are defined elsewhere in the AIF.

Except as otherwise indicated, all dollar amounts in this CD&A are expressed in Canadian dollars and references to $ are to Canadian dollars.

Report of the Human Resources & Compensation Committee

The Human Resources & Compensation Committee (the Committee) of the Board of Directors of the Company (the Board), which is composed entirely of independent directors, has been delegated responsibility from the Board for the development of a compensation philosophy, including the review and approval of the executive compensation program to ensure it is competitive in the marketplace and supports the Company's executive compensation philosophy.

Skills and Experience of Committee Members

Members of the Committee are Bonnie DuPont (Chair), Edward Barrett, Marc Grégoire, Kevin Howlett and Sarah Morgan-Silvester and each has experience with human resources issues and compensation policies.

Bonnie DuPont (Chair) is retired from Enbridge Inc. where she served for 12 years as the senior executive responsible for information technology, human resources, public and government affairs, corporate governance matters, and corporate social responsibility (CSR). She holds a Bachelor's degree (Great Distinction) from the University of Regina and earned her Master's degree at the University of Calgary. She is a Fellow of the Institute of Corporate Directors (ICD), and a 2006 graduate of the ICD Corporate Directors' Education Program. She formerly served on the board of Bird Construction, a Toronto Stock Exchange (TSX) listed company and chaired its Human Resources and Governance Committee for over ten years. She also served as the Chair of the board of governors of the University of Calgary for four years, after having chaired its Human Resources and Governance Committee for four years. In addition, she was the chair of the Human Resources and Compensation Committee for the six years during which she was on the board of the Bank of Canada, and she served on the board of SilverWillow Energy, a former TSX-Venture Exchange listed company, where she chaired the Governance and Compensation Committee. Ms. DuPont has lectured in the Directors' Education Program, specializing on the Management of Human Capital and Succession Planning. She also provides executive coaching services to several large Canadian organizations. Ms. DuPont has been a member of the Committee since February 2013.

Edward Barrett is Co-CEO and Chair of Barrett Corporation, a business with operations throughout Canada and the U.S. in the telecommunications, wholesale distribution, and refrigeration business sectors. As Co-CEO of Barrett Corporation, he has responsibilities for all aspects of senior management performance review and compensation. Mr. Barrett previously served as the Chair of NB Power, the New Brunswick provincial utility, for approximately ten years. In that capacity he had direct oversight, together with the HR Committee Chair, of annual CEO performance assessment, compensation, and development of goals and objectives. Prior to becoming Chair of the NB Power board, he was Chair of its HR Committee. In addition, Mr. Barrett is the Chair of the board of Wajax Corporation, a TSX listed company, and has served for thirteen years on its HR Committee which has responsibility for CEO and senior management compensation, short, mid-term and long-term compensation plans/incentives and all aspects of performance review. He also previously served on the HR and Governance Committee of Medavie Blue Cross and is a Fellow of the ICD. Mr. Barrett joined the Committee in January 2015.

Marc Grégoire has extensive experience in the aviation industry, having spent 27 years at Transport Canada in various leadership roles, including as Assistant Deputy Minister, Safety and Security. Mr. Grégoire became Commissioner of the Canadian Coast Guard, Fisheries and Oceans in 2010 until his retirement from the Public Service in December 2014. As Commissioner, he managed a budget of over $600 million and an organization of approximately 5,000 employees. During his tenure in the Public Service, he was involved with performance management, employee development, succession planning, labour relations and compensation issues for senior management and staff. Mr. Grégoire joined the Committee in January 2021.

Kevin Howlett retired after more than 45 years in the aviation industry, the vast majority of it with Air Canada. Most recently at Air Canada, he served as the Senior Vice President, Regional Markets & Government Relations and, prior thereto, the Senior Vice President, Employee Relations. Mr. Howlett has years of experience in all areas of human resources management. During his tenure as Senior Vice President, Employee Relations he was responsible for the human resource and labour relations functions at Air Canada, including strategic support to the business units, organizational alignment and strategy, talent management, recruitment programs, employee and occupational health services, employee development and total rewards, including pensions and benefits. Mr. Howlett is a holder of each of the Chartered Professionals in Human Resources (CPHR) and the ICD.D designations. He is the past Chair of CPHR British Columbia and Yukon and also sits on the national board of CPHR. He also currently serves on the board of the Vancouver Airport Authority and is a member of its HR & Compensation Committee. He also previously served on each of the board and HR & Compensation Committee of the Greater Vancouver Board of Trade. Mr. Howlett joined the Committee in January 2021.

Sarah Morgan-Silvester, FICB, is a corporate director. She has a background in financial services and was previously Executive Vice President, Personal Financial Services and Wealth Management of HSBC Bank Canada, and President and CEO of HSBC Trust Company (Canada). Ms. Morgan-Silvester currently serves on a number of boards including as Board Chair and member of the Human Resources Committee of the Canadian Western Bank. She previously served on the board and the Human Resources and Compensation Committee of British Columbia Ferry Services Inc. and on the board of ENMAX Corporation where she chaired its Safety and Human Resources Committee. She also served in the past as Chancellor of the University of British Columbia and Chair of the BC Women's Hospital and Health Centre Foundation. Ms. Morgan-Silvester received a Bachelor of Commerce (Hons) from the University of British Columbia and is a Fellow of the Institute of Canadian Bankers. She also holds a Human Resources and Compensation Committee designation from the Directors College. Ms. Morgan-Silvester joined the Committee in January

2023.

Risk Oversight

The Committee reviews and approves the Company's executive compensation policies and takes into account associated risks. As described below, the Company's executive compensation program is straightforward and consists of five elements: base salary, annual cash incentive, long-term cash incentive, pension plan, benefits and perquisites. The Committee believes that the executive compensation philosophy, reflecting the balance in the Company's Shared Purpose (set out below), does not encourage Executive Officers to expose the Company to excessive or inappropriate risks.

Certain elements of the executive compensation program are in place to mitigate risk, such as:

- an appropriate balance between fixed and variable pay, and long-term and annual incentives;
- no guaranteed minimum incentive payouts; and
- a significant portion of each Executive Officer's compensation is "at risk" either through the annual cash incentive or the long-term cash incentive.

As set out in its Terms of Reference (**Appendix F of the Company's Annual Information Form**), the Committee annually reviews the total compensation program for Executive Officers and ensures that the design and application of the total compensation program has a clear link between pay and performance and does not encourage excessive risk taking by Executive Officers. The Committee conducts biennial Executive Total Compensation Program reviews, retaining outside compensation experts for assistance when necessary.

The Committee believes that executive base salaries (the fixed compensation element) are sufficient and paid at approximately the median of comparator companies.

The Committee believes that the variable compensation elements (annual and long-term cash incentives) of the total executive compensation program represent a sufficient percentage of overall compensation to motivate Executive Officers to achieve short and long-term corporate goals. The annual and long-term cash incentives contain specific performance goals with minimum and maximum thresholds. Actual results are measured against pre-approved goals and objectives and are linked to the Company's performance against its Shared Purpose. In addition, the annual and long-term cash incentive programs are designed such that each program provides a balance against the other, thus minimizing risks associated with the achievement of any one goal at the expense of others. This is achieved by establishing corporate cost management, safety plan and strategic plan goals, as well as functional goals in the short-term plan, with complementary financial, safety and productivity goals in the long-term plan, as described below.

In aid of its risk management, the Committee ensures that the corporate cost management award portion of the annual incentive plan is based on year-end audited financial statements. A review of certain parameters of the annual and long-term incentive awards is conducted by the Company's Director, Internal Audit. The Committee has not identified any risks that might arise from the Company's executive compensation program that are reasonably likely to have a material adverse effect on the Company.

Compensation Consultants

As part of its regular review of the executive compensation program, the Committee uses outside compensation experts as a resource when necessary. The Committee began engaging the services of the Southlea Group in fiscal 2022 to evaluate the market competitiveness of its total executive compensation, including base salaries, annual incentives, long-term incentives, pensions, benefits and perquisites. The Committee also engages Willis Towers Watson to provide market benchmark consulting services. The decisions of the Committee are its own and may reflect factors other than the information and recommendations provided by the Southlea Group and Willis Towers Watson.

The Company also engages Willis Towers Watson for actuarial services. The actuarial services provided by Willis Towers Watson do not present any conflicts with the services provided as market benchmarking consultant to the Committee.

The Committee is not required to pre-approve services, other than services related to executive compensation, provided by the Southlea Group, Willis Towers Watson or their respective affiliates.

The table below sets out the fees billed by the Southlea Group and Willis Towers Watson for each of the last two fiscal years in respect of the services noted below.

Advisor	Fiscal Year	Executive Compensation Related Fees	All Other Fees
Southlea Group	2024	$73,406	$0
	2023	$71,000	$0
Willis Towers Watson	2024	$0	$82,320[1]
	2023	$182,452	$756,733[1]

[1] Includes fees paid for other matters such as consulting advice in respect of pension matters, benchmarking, and actuarial valuations.

Executive Compensation Philosophy

The Company's executive compensation program is designed to support the Company's executive compensation philosophy and accomplish the following objectives:

- attract and retain qualified, committed and experienced Executive Officers;
- reward Executive Officers for their contribution to the overall success of the Company and for achievement of planned business objectives within their own area of responsibility;
- motivate superior performance with consideration of the scope and quality of achievements and variability in pay outcomes commensurate with performance;
- compensate Executive Officers based on the market value of the type of job they perform, generally targeting the median of market value for meeting performance expectations;
- support the Company's Shared Purpose; and drive behaviour in line with the Company's values and the NAV CANADA Code of Business Conduct; and
- properly manage and balance opportunities and risks facing the Company.

SHARED PURPOSE

Keeping Canada's skies safe: Shaping the future of air navigation services. The Company's Shared Purpose is supported by four pillars:

(1) Safety is at the core – It is integral to everything we do and continues to mature as the industry evolves.

(2) Innovation is key – We are passionate about modernizing Canada's air navigation system to deliver value to our customers.

(3) Expertise is the cornerstone – The skill, agility, leadership and collaboration of our people make the difference.

(4) Partnerships are essential – Our partnerships help the aviation industry improve efficiency and support an environmentally sustainable future.

Key Elements of Executive Compensation

The executive compensation package at NAV CANADA consists of the following elements (referred to as the total compensation program):

- competitive base salary;
- short-term Executive Management Annual Incentive Plan (EMAIP) ;
- long-term Executive Long-Term Incentive Plan (LTIP) and Supplementary LTIP (S-LTIP);
- pension plan; and
- benefits and perquisites.

The compensation of Executive Officers, other than the President & CEO, is recommended by the President & CEO and reviewed and approved by the Committee. The compensation of the President & CEO is recommended by the Committee and reviewed and approved by the Board.

Base Salaries

Base salaries for all Executive Officers, including that of the President & CEO, are designed to be competitive and are determined on the basis of outside market data as well as individual performance, responsibilities and experience level. All Executive Officers receive base salaries. Base salaries are reviewed annually by the Committee.

Comparator Companies

In setting total compensation for Executive Officers, the Committee reviews market compensation data for comparable positions at peer companies suggested by the Committee's external executive compensation advisors and approved by the Committee. A market study was completed in fiscal 2023 along with a development of a new peer group. In fiscal 2024, updated value from the same peer group was leveraged to reflect estimated fiscal 2024 market pay levels.

NAV CANADA had adopted two peer groups in the past to align with the respective talent markets across the executive team. The Corporate Functions peer group was the primary group used for most of the executives and the Service Delivery peer group was more specific to the industry orientation used for those roles that would typically be found within related industries. Based on the market study, the Committee approved the adoption of a single peer group based on the former Corporate Functions peer group in fiscal 2023 with the addition of relevant transportation companies to increase the industry orientation of the overall peer group.

The peer group is criteria-based such that the specific companies may change depending on their alignment with the criteria and participation in the underlying compensation survey(s) used for the analysis. The Fiscal 2023 Peer Group included fifty-five Canadian companies who participate in the Willis Towers Watson General Industry Executive Compensation Survey and the Mercer Benchmark Database/Total Remuneration Survey who operate in a broad selection of industries with revenue range of approximately 1/3 to 3x NAV CANADA's revenue; a broader range is considered for more directly related to transportation companies. This peer group was constructed to ensure that it was comprised of companies with greater than 500 employees, no more than approximately 33% publicly traded organizations, approximately 20% wholly owned subsidiaries, approximately 10% government organizations and approximately 20% of organizations in any one industry, except for the transportation industry.

The following companies in the Fiscal 2023 peer group were used to review the competitiveness of the Company's executive compensation for fiscal 2024:

Fiscal 2023 Peer Group		
ABC Technologies Holdings Inc.	Alstom Transport Canada Inc.	ATB Financial
B2Gold Corp.	Bombardier Aerospace Inc.	Bruce Power L.P.
Canada Bread Company Ltd.	Capital Power Corporation	CEDA International Corporation
CHC Group Ltd.	Cineplex Inc.	Coast Capital Savings Federal Credit Union
Corix Infrastructure Inc.	CRH Canada Group Inc.	Deckers Outdoor Corporation
Definity Financial Corporation	Element Fleet Management	Énergir Inc.
ENMAX Corporation	EPCOR Utilities Inc.	Everest Re Group, Ltd.
Export Development Canada	Federal Express Canada Corporation	General Dynamics Land Systems – Canada Corporation
General Electric Company	Graham Management Services LP	Greater Toronto Airport Authority
Husky Injection Molding Systems Ltd.	Inter Pipeline Ltd.	Interfor Corporation
J.D. Irving, Limited	Kinross Gold Corporation	Laurentian Bank of Canada
Ledcor IP Holdings Ltd.	Lockheed Martin Corporation	Maple Leaf Food Inc.
Maple Leaf Sports & Entertainment Ltd.	MCAP Financial Corporation	Molson Coors Canada Inc.
Moneris Solutions Corp.	Nova Scotia Power Inc.	Purolator Inc.
Samuel, Son and Co.	Seaspan ULC	Secure Energy Services Inc.
Spin Master Corp.	Stantec Inc.	STEP Energy Services Ltd.
The Co-operators Group Limited	TMX Group Limited	Toronto Hydro-Electric Systems Ltd.

UAP Inc.	Western Forest Products Inc.	WestJet Airlines Ltd.
YYC Calgary International Airport		

Annual Incentive Plan

The Company provides a short-term incentive plan, known as the EMAIP (the Plan) which is administered by the Committee. Participants in the Plan are those officers occupying executive management positions (President & CEO and the Vice Presidents).

The purpose of the Plan is to provide an incentive to the executive management team to achieve and exceed the Company's short-term strategic objectives.

The following terms used in this section have the following meanings:

"Key Performance Area (KPA)" means one of the Plan's three corporate performance areas: KPA 1 – Service Delivery, KPA 2 - Net Cashflow and KPA 3 – People.

"Key Performance Indicator (KPI)" means the performance measure(s) used to evaluate the success of a particular corporate KPA or functional goal.

"KPI Maximum" means the level of performance required to award the maximum payout for a particular KPI.

"KPI Target" means the level of performance required to award the target (100%) payout for a particular KPI.

"KPI Threshold" means the level of performance required to award any payout for a particular KPI.

"*Net Cashflow*" means net amount of cash and cash equivalents from operations and capital expenditures.

Participants are eligible to earn an award according to their position and performance levels. For fully meeting performance goals, participants in the Plan are eligible to earn an annual incentive corresponding to their target award. For exceeding the performance goals, participants are eligible to earn an annual incentive up to their maximum award. Annual incentives are payable in cash within 90 days following the end of each fiscal year. No incentives are earned for performance below the KPI Threshold. If a participant's employment is terminated for cause by the Company, or if the participant resigns voluntarily, other than by retirement pursuant to the Company's retirement policy, no incentive is paid for the year in which the termination or resignation takes place, unless otherwise decided by the Company.

The following table sets forth the incentive entitlement of a participant in the Plan.

	Incentive Entitlements (as a % of base salary)	
Position	Target Award	Maximum Award
President & CEO	95.0%	142.5%
Vice Presidents – VP3	50.0%	75.0%

Vice Presidents – VP2	35.0%	52.5%
Vice Presidents – VP1	30.0%	45.0%

Determination of Performance Goals

The Plan has two categories of performance goals, which are defined at the beginning of each fiscal year.

(1) Corporate goal(s) derived from:

(i) KPA 1 – Service Delivery: On-time performance of arrivals and departures are key performance areas for air carriers and NAV CANADA contributes to their success;

(ii) KPA 2 - Net Cashflow: advancing the goal to manage cashflow to reduce the Company's financial risk and create value for stakeholders;

(iii) KPA 3 - People: delivery of Leaders of the Future (LOTF) as well as Diversity, Equity, Inclusion and Belonging training to the participant groups.

(2) Functional goal(s) related to the responsibilities of each major function of the Company (such as safety, operations, human resources, technology, finance, etc.) and which are supportive of the Company's annual business plan and Shared Purpose.

The corporate and functional goals are to be measurable and quantifiable (for example in terms of dollars, timing, efficiency ratio, etc.). Weightings are assigned to each category of performance goal depending on the participants' positions, as set out below:

Goals category		President and Chief Executive Officer		Vice-Presidents	
Corporate	- Service Delivery	70%	30%	70%	30%
	- Net Cashflow		35%		35%
	- People		5%		5%
Functional		30%		30%	

Corporate Goals and Parameters

KPA 1: Service Delivery

KPI 1.1: Percentage of total scheduled flights at the four major Canadian airports (Four Majors) directly impacted by ground delay programs (GDPs) and approval requests (APREQs) where staffing was a contributing factor, from May to August 2024. *Weight = 75%*

	Performance	Payout
KPI Threshold	Less than 7%	50%
KPI Target	Less than 4%	100%
KPI Maximum	Less than 1%	150%

a) No award will be achieved 7% or more of total scheduled flights at the Four majors are directly impacted by GDP's and APREQs where staffing was a contributing factor, from May to August 2024.
b) 50% of the target award will be achieved if less than 7% of total scheduled flights at the Four majors are directly impacted by GDP's and APREQs where staffing was a contributing factor, from May to August 2024.
c) 100% of the target award will be achieved if less than 4% of total scheduled flights at the Four majors are directly impacted by GDP's and APREQs where staffing was a contributing factor, from May to August 2024.
d) 150% of the target award will be achieved if less than 1% of total scheduled flights at the Four majors are directly impacted by GDP's and APREQs where staffing was a contributing factor, from May to August 2024.
e) Straight line interpolation shall be used to assess the payout for results between the KPI Threshold and KPI Target or between the KPI Target and KPI Maximum, as applicable.

KPI 1.2: Increase in average delay (in minutes) for scheduled arrivals at the Four Majors directly impacted by GDPs and APREQs where staffing was a contributing factor, relative to the average delay of all other scheduled arrivals at the Four Majors over the same time period (May to August 2024). *Weight = 25%*

	Performance	Payout
KPI Threshold	40 minutes	50%
KPI Target	20 minutes	100%
KPI Maximum	5 minutes	150%

a) No award will be achieved if the increase in average delay (in minutes) for scheduled arrivals at the Four Majors directly impacted by GDPs and APREQs where staffing was a contributing factor, relative to the average delay of all other scheduled arrivals at the Four Majors over the same time period (May to August 2024) exceeds 40 minutes.
b) 50% of the target award will be achieved if the increase in average delay (in minutes) for scheduled arrivals at the Four Majors directly impacted by GDPs and APREQs where staffing was a contributing factor, relative to the average delay of all other scheduled arrivals at the Four Majors over the same time period (May to August 2024) is 40 minutes or less.
c) 100% of the target award will be achieved if the increase in average delay (in minutes) for scheduled arrivals at the Four Majors directly impacted by GDPs and APREQs where staffing was a contributing factor, relative to the average delay of all other scheduled arrivals at the Four Majors over the same time period (May to August 2024) is 20 minutes or less.
d) 150% of the target award will be achieved if the increase in average delay (in minutes) for scheduled arrivals at the Four Majors directly impacted by GDPs and APREQs where staffing was a

contributing factor, relative to the average delay of all other scheduled arrivals at the Four Majors over the same time period (May to August 2024) is 5 minutes or less.

Straight line interpolation shall be used to assess the payout for results between the KPI Threshold and KPI Target or between the KPI Target and KPI Maximum, as applicable.

KPA 2: Net Cashflow

KPI 2: Net Cashflow achieved for the year as compared to the fiscal 2024 budget.

	Performance	Payout
KPI Threshold	85% of KPI Target	50%
KPI Target	Fiscal 2024 Net Cash Flow Budget (Adjusted for the difference between budget assumptions for expired agreements and final bargaining mandates)	100%
KPI Maximum	130% of KPI Target	150%

a) No award will be achieved if the fiscal 2024 Net Cashflow is less than 85% of KPI Target.
b) 50% of the target award will be achieved if the fiscal 2024 Net Cashflow equals 85% of KPI Target.
c) 100% of the target award will be achieved if the fiscal 2024 Net Cashflow equals fiscal 2024 Net Cashflow budget, adjusted for the difference between budget assumptions for expired agreements and final bargaining mandates.
d) 150% of the target award will be achieved if the fiscal 2024 Net Cashflow equals 130% of KPI Target.
e) Straight line interpolation shall be used to assess the payout for results between the KPI Threshold and KPI Target, and KPI Target and KPI Maximum, as applicable.
f) In addition to the foregoing provisions:
   - Any cashflows in fiscal 2024 related to the Aireon investor loan will be excluded from the calculation of Net Cashflow.
   - Other items not contemplated in the budget may be included or excluded, as appropriate, if they reflect management acting in a manner which benefitted the business or achieved a positive business outcome.
g) Adjustment for the difference between budget assumptions for expired agreements and final bargaining mandates will only be made to reflect approved mandates that are below budget assumptions.

KPA 3: People

KPI 3: Delivery of Leaders of the Future Modules to Managers, Supervisors and Union Executives in fiscal 2024 with corresponding learning outcomes realized.

	Performance	Payout
KPI Threshold	90% attendance for all participant segments, and 95% completion of condensed version for new hires + 75% agreement on the learning outcome related questions	50%
KPI Target	KPI Threshold + 85% agreement on the learning outcome related questions	100%
KPI Maximum	KPI Target + 95% agreement on the learning outcome related questions	150%

a) No award will be achieved if less than 90% of all participant segments complete required training or less than 95% of new management hires complete a condensed version and if less than 75% agreement on learning outcome related questions.
b) 50% of the target award will be achieved if 90% of all participant segments complete required training and 95% of new management hires complete a condensed version and 75% or more agreement on learning outcome related questions.
c) 100% of the target award will be achieved if KPI Threshold plus 85% agreement on learning related questions achieved.
d) 150% of the target award will be achieved if KPI Target plus 95% agreement on the learning related questions achieved.
e) Straight line interpolation shall be used to assess the payout for results between the KPI Threshold and KPI Target or between the KPI Target and KPI Maximum, as applicable.
f) Participant segments are New Managers (Condensed Module 1), all Managers (Modules 2, 3 & DEIB), Union Executives (Modules 1 & 2), and Team Supervisors (Modules 1 & 2).

Functional Goals and Parameters

KPI: Performance levels for functional goals as measured by percentage of maximum payout.

	Performance	Payout
KPI Threshold	*	50%
KPI Target	*	100%
KPI Maximum	*	150%

* Performance levels for functional goals are approved on an annual basis by the President & CEO for participants other than himself, taking into account the actual performance of any participant as against their predetermined annual goals and objectives and other relevant factors where the participant has impacted the ability of the Company to achieve its overall corporate objectives. The Committee approves the annual functional goals for the President & CEO and determines his functional goal performance.

The Committee has the right to increase or decrease total incentive awards payable to take into account, in whole or in part, occurrences when the Plan does not produce intended results when considering factors like KPIs and the business environment in which the performance was achieved.

Functional Goals

President & CEO - As President & CEO, Mr. Bohn is responsible for managing the affairs of the Company. During fiscal 2024, his functional objectives included (1) improving strategy management by (i) building stakeholder understanding around the organization's Shared Purpose and strategic direction, (ii) communicating strategy throughout the organization and linking it to departmental and individual objectives and (iii) integrating business and financial plans towards achievement of long- term strategic objectives; (2) improving human resource levels to support the Company's core mandate and its strategic transformation; (3) enhancing the relationship with employees to create the right conditions to renew the employee value proposition aligned with strategy and financial sustainability; and (4) ensuring the assessment and development of high-potential employees to prepare them for executive positions and to mitigate succession risk for the Company.

Vice President & CFO - As CFO, Ms. Mathieu is responsible for financial planning and management of the financial risks of the Company and its pension plan. Areas of responsibility include financial strategy and operations, forecasting, planning and analysis, cash collections and payments, financial reporting, internal controls, treasury and relations with investors, credit rating agencies and lenders. In fiscal 2024, her functional objectives included, among other things, developing a long-term financial plan to support the Company's strategic direction and overseeing the implementation of the Company's medium-term debt and rate strategy in support of the Company's continued post pandemic financial recovery while employing a balanced approach to rate setting.

Vice President & Chief of Operations - Ms. Berman has overall responsibility for the delivery of ATS services provided by all operational units across the country. In addition, she leads ATS Standards, Flight Operations and Aeronautical Information Management (AIM), ensuring that business initiatives are aligned with the corporate strategy and integrated to deliver value to NAV CANADA's customers. In fiscal 2024, Ms. Berman's objectives included developing the Concept of Operations for the Canadian Network Management Unit (CNMU), implementing the Class B mandate for Space-based ADS-B equipage requirements, progressing plans to address critically staffed operational units including amalgamations and airspace changes while implementing Fatigue Management guidelines along with completing the change control and prioritization framework to manage AIM requested changes.

Vice President, Chief Technology & Information Officer - Mr. Cooper has overall responsibility for the design, development, configuration, installation, adaptation and maintenance of all technology used by NAV CANADA. He also has responsibility for the Construction and Facilities departments. In fiscal 2024, Mr. Cooper's objectives included progressing the technology enabled future airspace concepts called Trajectory Based Operations (TBO) and Digital Towers, deploying technology at the Four Majors to improve operational resilience and capacity, the cyber security of all operational systems, ownership of the operational systems technology strategy and supporting product roadmaps.

Vice President & Chief Human Resources Officer – Ms. Kelly has responsibility for leading the People Strategy and ensuring alignment with NAV CANADA's strategic direction. Her role includes all Human Resources and Labour Relations for the Company, and since May 1, 2024, the responsibility for ATS Training and Workforce Planning was added to her portfolio. In fiscal 2024, Ms. Kelly's functional objectives included improving organizational culture, building a diverse and inclusive workforce, building brand reputation and attracting and training talent in the organization.

Long-Term Incentive Plan

The Company provides an LTIP, in which each of the President & CEO and other Executive Officers participate. The LTIP is based on a cash award calculated each year or on a cumulative basis and is paid once every three years, after review and confirmation by the Committee. The key performance areas of the LTIP are reviewed and confirmed or changed by the Committee at the commencement of each fiscal year.

The Company also provides a S-LTIP for certain officers, to be determined by the Committee from time to time, which will be awarded in addition to and on the same basis as the LTIP as set out below. No portion of any supplementary payout will be included in the determination of pensionable earnings.

The target and maximum awards for the LTIP and the S-LTIP included in the tables below are expressed as a percentage of annual base salary.

Position	Target LTIP Award	Target S-LTIP Award
President & CEO	110% of base salary (2)	50% of base salary
Vice President, Chief Technology & Information Officer – VP3	45% of base salary	25% of base salary (1)
Vice Presidents – VP3	60% of base salary (2)	
Vice Presidents – VP2	45% of base salary	
Other Vice Presidents – VP1	35% of base salary	

Position	Maximum LTIP Award	Maximum S-LTIP Award
President & CEO	165% of base salary (2)	75% of base salary
Vice President, Chief Technology & Information Officer – VP3	67.5% of base salary	37.5% of base salary (1)
Vice Presidents – VP3	90% of base salary (2)	
Vice Presidents – VP2	67.5% of base salary	
Other Vice Presidents – VP1	52.5% of base salary	

(1) Vice Presidents – VP3 appointed after September 1, 2020 are not eligible for S-LTIP awards.

(2) Revised new target awards effective September 1, 2022.

In the absence of the availability of equity-related compensation plans, the LTIP and S-LTIP are intended to:

- tie executive rewards to stakeholder gains and satisfaction;
- motivate and reward Executive Officers for achieving long term performance goals aligned to strategy;

- attract and retain key Executive Officers; and
- retain an element of long-term pay at risk.

The LTIP is designed to reward the executive management of the Company for special effort, achievements and results over a three-year period to ensure alignment between the objectives of the stakeholders and those of management. Some components are calculated annually and some are calculated on a cumulative basis.

The current LTIP and S-LTIP performance cycle is from September 1, 2023 to August 31, 2026. They provide for a possible cash award based on five key performance areas. The amount of the award is estimated each year, and will be finalized and paid at the conclusion of the three-year period after review and confirmation by the Committee.

The following terms used and tables contained in this section relate to the Performance Cycle ending August 31, 2026 and have the following meanings:

"Key Performance Area (KPA)" means one of the LTIP's and S-LTIP's five critical performance areas: KPA 1 – Financial Risk; KPA 2 – Capital Debt; KPA 3 – ATS Qualifications & Certifications; KPA 4 – Strategy and KPA 5 – Safety (Modifier).

"Key Performance Indicator (KPI)" means the performance measure(s) used to evaluate the success of a particular KPA.

"KPI Maximum" means the level of performance required to award the maximum payout for a particular KPI.

"KPI Target" means the level of performance required to award the target (100%) payout for a particular KPI.

"KPI Threshold" means the level of performance required to award any payout for a particular KPI.

"*Net Cashflow*" means net amount of cash and cash equivalents from operations and capital expenditures.

"Performance Cycle" means the three-year period commencing on September 1, 2023.

The LTIP and S-LTIP set out specific, measurable goals in the three KPAs set forth in the following table which also sets outs the corresponding total percentage of the target award allocated to each such KPA.

KPA	Percentage of Target Award
KPA 1 – Financial Risk	25%
KPA 2 - Capital Debt	25%
KPA 3 - ATS Qualifications and Certifications	25%
KPA 4 – Strategy	25%
KPA 5 – Safety	Modifier*

* Safety is introduced as a Modifier in the plan design and can bring potential payout down as much as 25% (Negative 25% at KPI Threshold level to a 0% at KPI Target with straight-line interpolation).

Rationale, Goals and Parameters

KPA 1: Financial Risk – Total of 25% of the Target Award

The Company's objective to reduce financial debt by the end of fiscal 2026 and maintain higher cash liquidity levels as we improve our financial resilience needs to be carefully balanced with plans to invest in the business, the rate strategy and the impacts that a potential economic slowdown would have on the business.

KPI 1: Total cash liquidity and debt reduction achieved by end of fiscal 2026.

	Performance	Payout
KPI Threshold	At least $600M by end of fiscal 2026	50%
KPI Target	At least $660M by end of fiscal 2026	100%
KPI Maximum	At least $720M by end of fiscal 2026	150%

a) No payout will be made if cash liquidity and debt reduction of at least $600M by the end of fiscal 2026 is not achieved.
b) 50% of the target award will be achieved if cash liquidity and debt reduction is at least $600M by the end of fiscal 2026.
c) 100% of the target award will be achieved if cash liquidity and debt reduction is at least $660M by the end of fiscal 2026.
d) 150% of the target award will be achieved if cash liquidity and debt reduction is at least $720M by the end of fiscal 2026.
e) Straight line interpolation shall be used to assess the payout for results between the KPI Threshold and KPI Target or between the KPI Target and KPI Maximum, as applicable.

KPA 2: Capital Debt – Total of 25% of the Target Award

The Company must reduce its capital obsolescence risk in support of its core service mandate. This will require a carefully managed and risk-based execution of the plan. The level of capital investment must be balanced with the Company's objective to reduce its financial debt by the end of fiscal 2026.

KPI 2: Capital Debt reduction compared to capital plan.

	Performance	Payout
KPI Threshold	Capital debt investment of at least $320M	50%
KPI Target	Capital Debt investment of at least $370M	100%
KPI Maximum	Capital debt investment of at least $440M	150%

a) No payout will be made if the amount invested in capital projects that achieve reductions in capital debt is less than $320M by the end of fiscal 2026.

b) 50% of the target award will be achieved if the amount invested in capital projects that achieve reductions in capital debt is at least $320M by the end of fiscal 2026.
c) 100% of the target award will be achieved if the amount invested in capital projects that achieve reductions in capital debt is at least $370M by the end of fiscal 2026.
d) 150% of the target award will be achieved if the amount invested in capital projects that achieve reductions in capital debt is at least $440M by the end of fiscal 2026.
e) Straight line interpolation shall be used to assess the payout for results between the KPI Threshold and KPI Target or between the KPI Target and KPI Maximum, as applicable.

KPA 3: ATS Qualifications and Certifications – Total of 25% of the Target Award

Training and the success of ATS students is paramount to the delivery of service and achieving milestones in the Company's strategic direction.

KPI 3: Increase qualifications and certifications of new operational Air Traffic Controller and Flight Service Specialists as compared to the baseline of fiscal 2017 – fiscal 2019 training success.

	Performance	**Qualifications & Certifications**	**Payout**
KPI Threshold	Increase of 25%	435	50%
KPI Target	Increase of 40%	487	100%
KPI Maximum	Increase of 50%	522	150%

a) No payout will be made if an increase of 25% (435 qualifications and certifications) is not achieved.
b) 50% of the target award will be achieved if an increase of 25% (435 qualifications and certifications) is achieved.
c) 100% of the target award will be achieved if an increase of 40% (487 qualifications and certifications) is achieved.
d) 150% of the target award will be achieved if an increase of 50% (522 qualifications and certifications) is achieved.
e) Straight line interpolation shall be used to assess the payout for results between the KPI Threshold and KPI Target or between the KPI Target and KPI Maximum, as applicable.

KPA 4: Strategy – Total of 25% of the Target Award

NAV CANADA's strategic direction will unfold over a period of 10 to 15 years. Although many interim goals and milestones will be essential to advance the strategy, a select number of them are key milestones and define a critical path to realization. Still being in early years, fiscal 2024 to fiscal 2026 efforts are focused on implementing foundational elements; these elements are imperative to realizing expected benefits.

KPI 4: Percentage completion of the goals defined within this KPA.

1. Digital Aerodrome Air Traffic Services (DAATS): Advance the Digital Facilities Program development and execution efforts in support of a transition to the first hub.

a) Establish a development site in Ottawa with representative technology by end of fiscal 2026.

b) Sign the construction contract for the Kingston hub facility by end of fiscal 2026.

2. Airspace Modernization: Advance the modernization and harmonization of NAV CANADA's airspace in support of eventual transition to a future TBO environment.

a) Implement the ADS-B Class B mandate by end of fiscal 2026.
b) Develop the concept of operations for the network manager function by end of fiscal 2024.
c) Demonstrate the start of implementation of at least one function from network manager that is not reliant on the deployment of the new ATM system by end of fiscal 2026.
d) Define an initial transition plan, including a preliminary airspace design and an assessment of facility locations considering ACC and FIR requirements by end of fiscal 2026.

3. TBO: Establish NAV CANADA's commitment to a future TBO environment through demonstrated progress in the development of requisite technologies.

a) Deliver and install an initial iTEC Central Flight Data Processing software release into a NAV CANADA TBO pre-production environment by end of fiscal 2026.

	Performance	**Payout**
KPI Threshold	80% of completion	50%
KPI Target	100% of completion	100%
KPI Maximum	Based on Committee discretion of management's end of cycle report on achievement and expected benefits.	150%

a) The percentage completion will be measured by the calculated percentage of goals considered "completed" or "partially completed" at Performance Cycle end. Goals are considered "partially completed" based on achievement of the underlying key results and their respective weights. In addition, at the end of the performance cycle, if an underlying key result is not fully completed, yet significant achievements have been made, a partial achievement assessment will be conducted.
b) No award will be achieved if less than 80% of the goals within the KPI are successfully completed by Performance Cycle end.
c) 50% of the target award will be achieved if 80% of the goals within the KPI are successfully completed by Performance Cycle end.
d) 100% of the target award will be achieved if 100% of the goals within the KPI are successfully completed by Performance Cycle end.
e) 150% of the target award may be achieved based on the Committee's discretion of management's end of Performance Cycle report on achievement and expected benefits.
f) Straight line interpolation shall be used to assess the payout for results between the KPI Threshold and KPI Target, as applicable.

KPI 5: Safety - Modifier down by as much as 25% of Target Award

As NAV CANADA enters a period of significant technological change, it is important to maintain a standard baseline in safety. A period of change automatically introduces higher risk than would be present when operating a stable system. Maintaining the same safety threshold that existed for the last LTIP period will allow direct comparison of this three-year period, with a steadier period, as the organization embarks on DAATS, TBO and Airspace Modernization.

KPI 5: Rate of losses of IFR-to-IFR separation per 100,000 movements over the Performance Cycle.

	Performance	Modifier (% of Target Award)
KPI Threshold	0.85 or above	-25%
KPI Target	0.70 or below	0%
KPI Maximum	N/A	N/A

a) LTIP awards will be reduced by 25% of the Target Award if IFR-to-IFR losses of separation per 100,000 movements is 0.85 or above over the Performance Cycle.
b) LTIP awards will be reduced by 0% of the Target Award if achieved if IFR-to-IFR losses of separation per 100,000 movements is 0.70 or below over the Performance Cycle.
c) Straight line interpolation shall be used to assess the payout for results between the KPI Threshold and KPI Target, as applicable.

Performance Cycles and Payments for LTIP and S-LTIP

Effective September 1, 2020, a three-year performance cycle was established, with payout eligibility for the full amount (three times the annual amount) of the calculated awards under the LTIP and S-LTIP payable following the end of the three-year performance cycle. Prior thereto, from September 1, 2015 and on September 1 for every year through to September 1, 2019, three-year performance cycles were established, with calculated awards under the LTIP and S-LTIP payable annually.

Fifty percent of target amounts for outstanding portions of long-term incentive awards as of August 31, 2020 were paid early in fiscal 2021 in order to close out outstanding performance cycles to support the transition from the previous program with overlapping three-year performance periods and annual payments to the current program based on discrete three-year periods. The next LTIP and S-LTIP awards will be paid following the three-year period ending August 31, 2026.

Payouts under each of the LTIP and S-LTIP are calculated using a straight-line interpolation if realized results are between the KPI Threshold and KPI Target or between the KPI Target and KPI Maximum, as applicable.

The Committee reserves the right, acting reasonably and equitably, to increase or decrease total incentive awards to take into account, in whole or in part, occurrences when the plan does not produce intended results when considering factors like key performance indicators and the business environment in which the performance was achieved. At the start of each performance cycle, if certain major specified events are expected, to the extent possible, participants will be informed whether performance will be evaluated including or excluding the effect of extraordinary events that may occur during the performance cycle.

Executive Officers who are terminated for cause by the Company or who voluntarily resign their positions, other than by retirement pursuant to the Company's retirement policy, are not entitled to any LTIP or S-

LTIP payments, unless otherwise determined by the Company.

Special Performance Incentives

From time to time, the Committee, in consultation with the President & CEO, may make available a special performance incentive for an individual Executive Officer based on specific, one-time achievements. If these achievements are met, an agreed upon amount is paid to the Executive Officer and disclosed in the Summary Compensation Table, if applicable.

Application of Discretion

The Committee and the Board have authority over incentive payments to be made under the Plan and the LTIP and S-LTIP and may use their respective judgement, as required, using a framework and with supporting analytics. Discretion would typically be applied by making a reasonable adjustment to Corporate or Functional performance goals or the overall incentive payment within an appropriate range that is commensurate with the Committee's assessment.

Clawback or Forfeiture

The Company may require the Clawback of an Award payable to a current or former Participant within 365 days of the payment of the Award to the Participant in the following scenarios and subject to the following provisions.

(a) ***Definitions***

For the purposes of Clawback and Forfeiture, the following definitions apply:

"Award" means an incentive award payable to a Participant pursuant to either the Plan or the LTIP and S-LTIP.

"Clawback" means the cancellation or revocation of an Award, in whole or in part, in an amount determined by the Board, up to and including the cancellation or revocation of the entire Award.

"DFA" means the Designated Financial Authority of a Participant pursuant to the Delegation of Financial Authorities policy of the Company.

"Incorrect Data" means incorrect or inappropriate data or information relevant to the payment of and/or quantum of an Award.

"Misconduct" means any action by a current or former Participant in breach of their contractual, statutory, and/or common law duties to the Company, as determined by the Company, including but not limited to:

(i) fraud,
(ii) willful misconduct,
(iii) unethical conduct,
(iv) abuse of privilege under the DFA,
(v) breach of trust,
(vi) breach of or failure to follow any Company direction, policy, process, or practice, and/or

(vii) breach of governance obligations.

"Participant" means a participant under either the Plan or the LTIP and S-LTIP.

(b) *Clawback by Reason of Incorrect Data*

Where the Company determines that an Award paid to a current or former Participant was based on Incorrect Data, the Committee may recommend to the Board for the Clawback of the Award.

(c) *Clawback by Reason of Misconduct by Participant*

Where the Company determines that a current or former Participant engaged in Misconduct, the Committee may recommend to the Board for the Clawback of the Award.

(d) *Approval of Clawback*

When determining whether to require a Clawback by reason of Incorrect Data or Misconduct, and, if so, the amount of such Clawback, the Committee may consider, without limitation:

(i) the value of the Award that would have been payable but for the Incorrect Data or Misconduct, as applicable;
(ii) the value of any additional Award that would not otherwise have been paid;
(iii) the role and culpability of the current or former Participant in the Incorrect Data or Misconduct, as applicable; and
(iv) the Company's best interests in the circumstances.

Where the Committee determines that a Clawback may be required by reason of Incorrect Data or Misconduct, the Committee shall make a recommendation to the Board for approval, including recommending the appropriate action in the circumstances. The Board shall have the discretion to consider the Committee's recommendation and to implement such recommendation, in whole, in part, or as amended by the Board, in its discretion.

(e) *Repayment of Award Subject to Clawback*

Where the Board determines that a Clawback is required, the current or former Participant will be advised in writing within thirty (30) days of the Board's decision. The current or former Participant will be required to repay the amount of the Award subject to Clawback within sixty (60) days of being notified of the Clawback. Such repayment may be made by way of deduction from a current Participant's wages, in an amount and on such schedule as is determined and agreed upon in writing by the current Participant or former Participant and the Company, or by way of cheque made payable to the Company in the amount of the Clawback.

(f) *Adjustment of Award Before Payment*

After the announcement of but prior to the payment of an Award, the Board may adjust the existence and/or quantum of any such Award, in accordance with the provisions of Clawback and Forfeiture of the Plan or the LTIP and S-LTIP, as applicable. Should the payment of and/or quantum of an Award payable to a Participant be adjusted prior to the payment of the Award, the Participant will be advised in writing that the Award has been cancelled or the quantum of the Award has been adjusted, and the Award, if any, shall be paid accordingly.

Benefits

In order to attract and retain high quality talent and offer competitive levels of compensation, the Company provides benefits to its Executive Officers. The benefits are reviewed periodically to ensure an appropriate benefit level is maintained.

All Executive Officers are eligible for the Company-paid flexible benefits program, for the most part including life insurance, accidental death and dismemberment, short-term disability, long-term disability, an executive medical health assessment program, supplementary medical, dental and provincial health care, and pension plans.

Perquisites

Executive Officers are eligible to receive direct or indirect personal benefits which are not generally available to all employees. Perquisites include a general auto allowance, club membership, financial planning assistance and parking. Perquisites are reviewed periodically in order to remain competitive.

Employment Agreements and Termination Benefits

Each Named Executive Officer has an employment agreement with the Company providing for employment for an indefinite term, and providing for compensation that generally consists of:

- competitive base salary;
- short-term EMAIP;
- long-term LTIP and S-LTIP;
- participation in a defined benefit pension plan; and
- benefits and perquisites.

In the event that the employment of a Named Executive Officer who entered into an employment agreement with the Company prior to January 1, 2016 is terminated by the Company without cause, severance compensation, in lieu of notice, is determined on a case-by-case basis at the time of termination. For Named Executive Officers who became officers of the Company on or after January 1, 2016, their employment agreements provide that in the event that their employment is terminated by the Company without cause, the Company will provide such Named Executive Officer with working notice equal to 18 months. In lieu of working notice, the Company may elect to provide a lump sum severance payment or may elect any combination of working notice and severance pay.

SUMMARY COMPENSATION TABLE

The following table sets forth all compensation paid to or earned by the Named Executive Officers during the fiscal years ended August 31, 2024, 2023 and 2022.

Name and principal position	Fiscal year ending August 31	Salary($)	Annual Incentive Plan[1] ($)	Long-Term Incentive Plan ($)[2]	Pension Value[3] ($)	All other compen-sation ($)	Total compen-sation ($)
Raymond G. Bohn President & CEO	2024 2023 2022	700,000 625,000 555,333	891,310 823,563 476,587	1,237,600 800,000 654,330	880,000 1,453,000 219,000	0 0 0	3,708,910 3,701,563 1,905,250
Donna Mathieu Vice President & CFO[4]	2024 2023 2022	416,000 390,000 337,584	274,976 265,005 200,347	275,808 187,200 238,077	156,000 224,000 702,000	0 0 0	1,122,784 1,066,205 1,478,008
Marie-Pier Berman Vice President & Chief Operating Officer[5]	2024 2023 2022	290,000 258,088 227,964	190,675 158,015 74,000	192,270 104,000 0	175,000 486,000 201,000	73,053[6] 51,212[6] 0	920,998 1,057,315 502,964
Mark Cooper Vice President, Chief Technology & Information Officer	2024 2023 2022	395,000 380,000 358,917	270,773 260,300 237,962	305,533 212,800 258,915	56,000 61,000 72,000	0 0 300,000[7]	1,027,306 914,100 1,227,794
Diana Kelly Vice President & Chief Human Resources Officer[8]	2024 2023 2022	314,000 295,000 247,906	211,008 199,125 104,557	208,182 141,600 98,517	106,000 390,000 888,000	0 0 0	839,190 1,025,725 1,338,980
Leigh Ann Kirby Former Vice President, Chief Legal Officer & Corporate Secretary[9]	2024 2023 2022	240,000 341,500 319,583	120,000 227,610 212,682	133,819 163,920 142,358	145,000 81,000 116,000	1,111,093[10] 0 0	1,749,912 814,030 790,623

(1) Represents amounts earned for performance in each fiscal year. Annual incentive awards under the Plan are paid in cash within 90 days following the end of each fiscal year. For fiscal 2024, the Committee exercised its discretion under the terms of the Plan to award the KPA 3 – People metric with an achievement slightly above the Target in recognition of this successful initiative which will drive positive value and help foster a one leadership culture.

(2) Represents amount earned in each of the reported fiscal years for LTIP Performance Cycles PC23 (2021 – 2023) and PC26 (2024 – 2026). This includes amounts earned under the S-LTIP and amounts earned under the long-term incentive plan for the then Vice President, Chief Investment Officer & Treasurer. Long-term incentive awards are paid in cash within 90 days following the completion of the third year of the relevant plan.

(3) Amount mentioned is a non-cash value resulting from actuarial calculations due to the change in benefit obligation that is attributable to compensation which includes both the service cost for additional pensionable service accruing in the year and the difference in average annual pensionable earnings in excess of or below what was assumed.

Greater values typically occur in conjunction with a promotion or increase in pensionable earnings (base salary or incentive targets) which increases pension obligations for previous service. Members are assumed to retire in accordance with NCPP experience, except for Mr. Bohn and Ms. Kirby for whom October 31, 2024 and November 1, 2025 are assumed respectively.

(4) Ms. Mathieu was appointed Vice President & CFO effective January 13, 2022. Prior to this appointment, Ms. Mathieu was Vice President, Chief Investment Officer & Treasurer from September 1, 2020 to January 12, 2022.

(5) Ms. Berman qualified as a NEO during fiscal 2024. She was appointed Vice President & Chief of Operations effective November 1, 2022. From December 2020 to October 31, 2022, Ms. Berman was Assistant Vice President, ATS Service Delivery.

(6) This amount represents a travel allowance in lieu of relocation.

(7) This amount represents a retention bonus which was paid to Mr. Cooper as an acknowledgement of the period of uncertainty as NAV CANADA transformed its operations. The payment was made for the retention period until December 31, 2021.

(8) Ms. Kelly was appointed Vice President & Chief Human Resources Officer effective April 8, 2022. From September 1, 2020 to April 7, 2022, she was Vice President, Chief Safety & Quality Officer.

(9) Ms. Kirby's active employment with the Company ceased on May 1, 2024.

(10) This amount represents 18 months severance including: (i) annual salary ($540,000); (ii) EMAIP payments ($270,000) and (iii) LTIP payments ($301,093), paid in accordance with the terms of Ms. Kirby's employment agreement.

PENSION PLAN BENEFITS

NAV CANADA provides pension benefits to its Executive Officers through the NCPP, a registered pension plan which covers substantially all employees of the Company. The NCPP consists of three parts, all being defined benefit designs:

- Part A is a contributory component that provides benefits in respect of service prior to appointment as an Executive Officer for those appointed prior to December 31, 2018, and in respect of service until April 1, 2022 for Executive Officers appointed after December 31, 2018, who were hired by NAV CANADA prior to January 1, 2009;
- Part B is a non-contributory component that provides benefits in respect of all service for Executive Officers hired after December 31, 2018, and in respect of service after April 1, 2022 (until February 1, 2021 for the President & CEO) for other Executive Officers. In addition, Executive Officers hired by NAV CANADA after January 1, 2009 and appointed as an Executive Officer at a later date are covered by Part B for their entire service; and
- Part C is a non-contributory component that provides benefits to Executive Officers formerly participating in NAV CANADA Executive Pension Plan (Executive Pension Plan) for service until April 1, 2022 (until February 1, 2021 for the President & CEO). Effective January 1, 2021, the Executive Pension Plan was merged into the NCPP.

All Executive Officers are eligible to receive supplemental retirement arrangements in respect of benefits in excess of *Income Tax Act* limits. On April 17, 2023, a letter of credit was issued to secure 75% of benefits arising supplemental retirement arrangements in respect of current and retired Executive Officers, excluding benefits arising from the granting of additional service under individual agreements for certain retired executives. Of the $41,733,817 face amount of the letter of credit, $16,030,422 is in respect of Executive Officers at the January 1, 2024 valuation to determine the letter of credit. The amount will be reviewed annually based on actuarial valuation results. Previously, the supplemental retirement arrangements were unsecured.

Defined Benefit Plans Table

The pension obligations and reconciliations thereof detailed below are determined using the same actuarial assumptions as were used to determine the accounting information for pension plans as disclosed in the Company's audited annual consolidated financial statements for the period ended August 31, 2024. The table details the years of credited service, estimated pension benefits as at August 31, 2024, projected benefits to age 65, and changes in the accrued pension obligations during the fiscal year for the Named Executive Officers.

Name	Number of Years Credited Service[(1)]	Annual Benefits Payable ($)		Present Value of Defined Benefit Obligation at August 31, 2023 ($)	Compensa-tory Change[(4)]($)	Non-Compensa-tory Change[(5)] ($)	Present Value of Defined Benefit Obligation at August 31, 2024 ($)
		At Aug.31, 2024[(2)]	At Age 65[(3)]				
Raymond G. Bohn President & CEO[(6)]	30.289	535,353	551,916	8,894,000	880,000	960,000	10,734,000
Donna Mathieu Vice President & CFO	20.981	203,480	286,932	2,781,000	156,000	267,000	3,204,000
Marie-Pier Berman Vice President & Chief Operating Officer	20.837	118,353	225,079	1,919,000	175,000	246,000	2,340,000
Mark Cooper Vice President, Chief Technology & Information Officer	4.998	28,548	118,468	230,000	56,000	27,000	313,000
Diana Kelly Vice President & Chief Human Resources Officer	23.471	155,043	255,714	2,698,000	106,000	311,000	3,115,000
Leigh Ann Kirby Former Vice President, Chief Legal Officer & Corporate Secretary[(7)]	9.671	71,236	71,236	832,000	145,000	136,000	1,113,000

(1) The supplementary retirement arrangements for the Executive Officers, provide service credit of 1.00 years for each year of service.

Mr. Bohn's credited service includes approximately 5.8 years of elective service once recognized under the registered pension plans of previous employers and purchased in December 2005.

(2) The annual lifetime benefits payable at year-end are calculated based on actual average pensionable earnings as at the end of the current fiscal year, including 100% of the target payment under the Annual Incentive Plan for the current fiscal year, and payable at the Named Executive Officer's normal retirement date.

(3) The annual benefits payable at age 65 are based on current compensation levels and assume that the Named Executive Officer will receive 100% of the target payment under the Annual Incentive Plan and that credited service from April 1, 2022 (February 1, 2021 for the President & CEO) is under the NCPP - Part B. The maximum pensionable earnings under the Canada Pension Plan are assumed to remain constant at the current level of $68,500. For Mr. Bohn and Ms. Kirby, the amount shown is as at October 31, 2024 and November 1, 2025 respectively.

(4) Amount mentioned is a non-cash value resulting from actuarial calculations due to the change in benefit obligation that is attributable to compensation which includes both the service cost for additional pensionable service accruing in the year and the difference in average annual pensionable earnings in excess of or below what was assumed. Greater values typically occur in conjunction with a promotion or increase in pensionable earnings (base salary or incentive targets) which increases pension obligations for previous service. Members are assumed to retire in accordance with NCPP experience, except for Mr. Bohn and Ms. Kirby for whom October 31, 2024 and November 1, 2025 are assumed respectively.

(5) The change in benefit obligation that is not compensatory includes interest cost, change in assumptions and gains and losses other than for difference in earnings.

(6) Mr. Bohn was appointed President & CEO effective February 1, 2021. He started accruing pension benefits under NCPP - Part B provisions for future service commencing on February 1, 2021.

(7) Ms. Kirby's active employment with the Company ceased on May 1, 2024. Her number of years of credited service includes 18 months severance, the pension value of which is included as a compensatory change ($67,000).

Defined Benefit Plans Description

Benefits with respect to service under the NCPP are calculated as:

- 1.1% times average pensionable earnings times pensionable service for Part B (2.0% for Parts A and C);
- at age 65, benefits for all Parts are integrated with the Canada Pension Plan. For Part B, the amount subtracted is equal to 0.5% per year of pensionable service (0.7% for Parts A and C) times the Canada Pension Plan's average annual yearly maximum pensionable earnings for the year in which the member retires and the four immediately preceding calendar years (two years for Parts A and C);
- average annual pensionable earnings are based on the employee's highest paid 72 successive months of pensionable earnings, or 60 months for service accrued as Part C service or for service represented by CATCA before being promoted as an Executive Officer; and
- pensionable service may not exceed 35 years in total.

The NCPP definition of pensionable earnings applicable to earnings rendered under Parts A and B recognize salary and 100% of annual cash incentives as pensionable, but not LTIP. The Executive Pension Plan (Part C) recognized salary and 50% of the sum of amounts paid for annual cash incentives and LTIP as pensionable (with some long-term incentives classified as non-pensionable). With the transition to Part B terms, in determining the best average earnings for Executive Officers previously participating in the Executive Pension Plan, the Executive Pension Plan definition of pensionable earnings will be applied to earnings prior to April 1, 2022 and the NCPP definition of pensionable earnings will be applied to earnings on or after April 1, 2022. For the President & CEO, the applicable date is February 1, 2021.

Lifetime benefit amounts payable up to $3,610 per year of service are paid from the federally registered pension plan. Lifetime benefit amounts in excess of $3,610 per year of service are in respect of the supplemental retirement arrangements and payable from revenues of the Company.

For Part B, full benefits are available at age 65, or age plus service of at least 85 points. For Parts A and C, full benefits are available at age 60, or age 55 with at least 30 years of service. Plan members who are within 10 years of normal retirement and not eligible for full benefits as described above, are entitled to a monthly pension upon retirement. However, the pension is reduced due to early retirement. For Parts A and C, the reduction is based on one-half of one percent for each tenth of a year (5% per year) that the member is short of the applicable full pension threshold. For Part B, the reduction is based on three-tenths of one percent for each tenth of a year (3% per year) that the member is short of the applicable full pension threshold. For Executives who previously had service in Parts A and C, the Part B reduction cannot exceed what would have been applicable under Parts A and C.

Increases in Parts B and C benefits are indexed on an ad-hoc basis at the discretion of the Board. All Part A benefits are protected against inflation at the rate of change in the Consumer Price Index calculated as the average of the Consumer Price Index for each month in the 12-month period ending on September 30th in the immediately preceding year.

In the event of death in service, a commuted lump sum in accordance with applicable federal pension legislation, or an actuarially equivalent amount is payable to the individual's surviving spouse as a monthly lifetime pension. In the event of death in retirement, 60% (50% for Part A) of the benefit is payable to the individual's surviving spouse as a monthly lifetime pension.

Director Compensation

The By-laws of the Company provide that reasonable remuneration be paid to directors (other than the President & CEO) for attendance and participation at meetings of the Board and committees as fixed by resolution of the Board. Board members receive annual retainers, travel fees and have the option of participating in an executive medical health assessment program, which program is a taxable benefit. Board members are also entitled to per diems when they are required to conduct business on behalf of the Board. Starting in fiscal 2024, Directors' compensation will be reviewed on an annual basis, instead of every two years, which is consistent with the annual review of the total compensation program for Executive Officers.

The Southlea Group was retained at the end of fiscal 2022 to conduct a fulsome director compensation review that was completed in the first quarter of fiscal 2023. Based on this review, the Corporate Governance Committee recommended and the Board unanimously approved that aggregate Board compensation be increased by approximately 5%. In addition, a simplified fee structure was adopted with an all-in retainer that incorporates meeting fees and committee member retainers, the annual retainer for the Committee Chair was increased so that it is at the same level as the annual retainer for the Audit & Finance Committee Chair and the annual retainer of the Chair of the Board was increased by 5%. All of these changes came into effect as of September 1, 2022. It was also agreed by the Board that a further review be conducted in fiscal 2024 to consider increasing the directors' annual retainer by a further 5% to position the Board compensation even closer to its desired compensation philosophy at the 50th percentile of market.

The Corporate Governance Committee subsequently recommended and the Board unanimously approved in the second quarter of fiscal 2024 that the Board's annual retainer be increased by a further 5% to position the Board compensation closer to its desired compensation philosophy at the 50th percentile of market. In addition, the annual retainer of the Chair of the Board was increased by 5%. These changes came into effect as of September 1, 2023.

Board of Directors Fees – Fiscal 2024($)	
Annual Retainer	110,250
Board Meeting Attendance Fee	included in annual retainer
Board Teleconference Meeting Fee • for meetings more than one hour • for meetings less than one hour	included in annual retainer
Travel Fee (if required to travel across two provinces for the purpose of attending directors' or committee meetings)	1,500
Per Diem [1] • full day • half day	 1,250 750
Committee Fees	
Committee Member Annual Retainer per Committee	included in annual retainer
Audit & Finance Committee Member Annual Retainer	included in annual retainer
Audit & Finance Committee Chair Annual Retainer	22,500
Human Resources & Compensation Committee Chair Annual Retainer	22,500
Annual Retainer for other Committee Chairs	15,000
Committee Meeting Attendance Fee	included in annual retainer
Committee Teleconference Meeting Fee • for meetings more than one hour • for meetings less than one hour	included in annual retainer
Other	
Chair of the Board Annual Fee[2]	201,482

(1) Per diems are paid to directors when they are required to conduct business on behalf of the Board other than attendance at seminars, trade association meetings, training, or for preparation for Board and/or committee meetings.

(2) The Chair of the Board is entitled to reimbursement for "Travel Fees" but receives no additional meeting fees or other retainers or fees except in respect to Aireon LLC (Aireon), a joint venture that the Company has an interest in. See "Directors' Compensation Fiscal 2024" below.

Directors' Compensation Fiscal 2024			
Name	Fees Earned ($)	All Other Compensation[7] ($)	Total($)
Kathy Baig	110,250	1,500	111,750
Edward Barrett	125,250	7,500	132,750
Raymond G. Bohn[1]	-	-	-
Paul Brotto[2]	62,625	-	62,625
Marc Courtois[3]	80,701	-	80,701
Michael DiLollo	125,250	1,500	126,750
Peter Duffey	110,250	1,500	111,750
Bonnie DuPont	132,750	7,250	140,000
Marc Grégoire	110,250	1,500	111,750
Lucie Guillemette[4]	70,572	1,500	72,072
Kevin Howlett	117,750	6,000	123,750
Davey Lewis	110,250	6,000	116,250
Candice Li	132,750	6,000	138,750
Sarah Morgan-Silvester	117,750	7,250	125,000
Michelle Savoy[5]	199,307	1,500	200,807
Iain Stewart[6]	66,635	1,500	68,135
David Weger	110,250	7,500	117,750

(1) As President & CEO, Mr. Bohn does not receive directors' fees.

(2) Mr. Brotto retired from the Board effective January 10, 2024.

(3) Mr. Courtois retired from the Board effective January 10, 2024.

(4) Ms. Guillemette joined the Board on January 10, 2024.

(5) Ms. Savoy receives an annual fee as Chair of the Board and no other additional fees for attendance of meetings. She is entitled to reimbursement for travel fees. As Chair of the Aireon Board, Ms. Savoy receives an annual retainer and fees for attendance of meetings.

(6) Mr. Stewart joined the Board on January 23, 2024.

(7) Includes travel fees paid to directors who are required to travel across two provinces for meetings, and per diems, which are paid when a director is required to conduct business on behalf of the Board other than attendance at seminars, trade association meetings, training, or for preparation for Board and/or committee meetings.