

Notes for an Address

By

Marc Courtois

Chair of the Board

NAV CANADA

Annual General Meeting

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Good afternoon.

To our guests, our customers, our employees and other stakeholders in attendance, thank you for joining us today.

It is my pleasure to welcome you to our Annual General Meeting and report on the highlights of the Company's landmark 20th year.

During my four years as Chair, I have developed a deep appreciation for the NAV CANADA culture of excellence and innovation, and its drive to keep moving forward in safety, service and efficiency.

Growing from an inspired idea in the early 1990s to change the governance and oversight of Canada's Air Navigation System, we have become the world's most respected operator. And we are not stopping there.

That's why the theme and title of this year's annual report is "The Next Level," which blends two concepts that are essential in our business – flight safety and performance.

Air traffic controllers use flight levels to keep aircraft a safe distance apart.

When a pilot requests a move to the "next level," or an air traffic controller offers a pilot a change in flight level, it is most often to help improve efficiency and performance.

Assigning aircraft to their optimum flight level is a key function of our air navigation services.

Keeping the Company on course and at its optimum level is the focus of all of our planning and execution.

Safety is, of course, our first priority.

Through all the changes of the past 20 years, the Company's commitment to safety has remained constant, fuelling the drive to continuously improve and advance.

The Company has an exemplary safety record. We continued this record in fiscal 2016, as measured by a key safety benchmark – the rate of IFR-to-IFR losses of separation per 100,000 aircraft movements.

As of August 31, 2016, our five-year moving average was 0.69 per 100,000 movements – well within the top decile of major ANSPs.

In fact, our safety record has been among the best for more than a decade.

Standing behind our strong safety performance, are the skilled and dedicated people of NAV CANADA. They are the foundation of our strong safety culture.

We also work in close collaboration with partner organizations around the world to enhance aviation safety.

NAV CANADA is an active member of CANSO, the Civil Air Navigation Services Organisation, participating in CANSO's Global Performance Benchmarking Report for more than 10 years, and in other programs that move the bar in worldwide safety.

We are taking a lead role in CANSO's Standard of Excellence in Air Navigation Services-Safety program, which is designed to assess the maturity of an ANSP's safety management system.

We are also actively working with the CANSO group that is developing a system for sharing best safety practices among members world-wide.

People have always been the key to NAV CANADA's success at moving to new levels of performance.

The Board of Directors recognizes NAV CANADA employees as the backbone of the Company, and their importance is embedded in our revised mission statement, which you can read in this year's annual report.

This mission statement reflects both our commitment to our employees and our determination to be a world leader, demonstrating the close interdependence of the two.

Employee engagement continues to move toward the next level, and we can see this progress reflected in the Company's annual awards program, Points of Pride.

It was again my privilege and pleasure to present Chairman's Awards to 21 of our outstanding employees at National Awards Night 2016 in the categories of Safety, People, Performance, Customer Service, Technology and Community Service.

These are employees whose efforts have made a truly significant difference in their workplaces or in their communities.

I encourage you to read about all our award winners in the annual report.

The contribution of our people is reflected in our strong business and financial results in 2016.

These results demonstrate both the efficacy of our business model and the commitment of our employees to maintain industry leadership.

Air traffic for fiscal year 2016 was 4.1 per cent higher than in 2015, helping the Company achieve a strong financial performance. We ended the year with a positive balance in our rate stabilization account.

With the notional balance of the rate stabilization account growing, the Company implemented rate reductions at the beginning of September lowering customer service charges by an average of 7.6 per cent.

At the same time, the Company announced it will be investing \$500 million over the next three years in every aspect of its business to bring NAV CANADA to the next level.

We are increasing our investments in air traffic services training, air traffic management and business systems, facilities, and satellite-based ADS-B surveillance through our Aireon joint venture.

By introducing global air traffic services surveillance over the world's oceans and remote areas, Aireon will take surveillance and ATM performance to the next level and beyond.

The project is on track to go live in 2018.

In closing, I want to thank my colleagues on the Board of Directors for their contributions to the Company. NAV CANADA values your sound business judgment.

I am also pleased to welcome a new member to our Board, Louise Tardif.

Finally, on behalf of my Board colleagues, I would like to congratulate Neil Wilson on his first year as President and CEO, as well as his management team and all NAV CANADA employees for their hard work and dedication.

As we celebrate the highlights of the past 20 years and look ahead to the next 20, it's clear that NAV CANADA remains focused on moving forward.

We can see the Company's energy and confidence reflected in the new NAV CANADA logo.

It's a fresh look that celebrates our accomplishments, reflects our renewed vision, and points the way as NAV CANADA takes "serving a world in motion" to the next level.

I look forward to the next chapter.

Thank you, merci beaucoup