



# **2025 ANNUAL INFORMATION FORM 51-102F2**

**Year Ended August 31, 2025**

**October 23, 2025**

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# NAV CANADA

## 2025 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, tariffs, trade protection measures, renegotiation of existing trade agreements, 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 23, 2025 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.

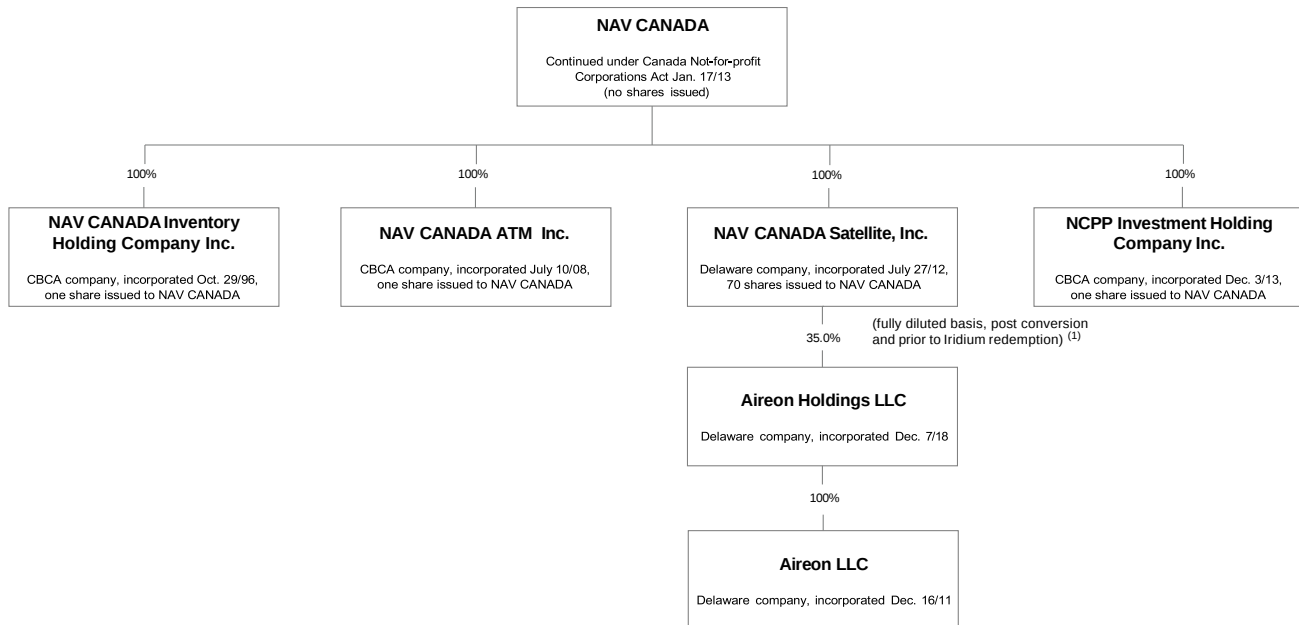
#### CORPORATE STRUCTURE

##### 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).

With safety at the core, NAV CANADA's efforts and resources are committed to ensuring that airspace users operate in a safe ANS with the lowest possible risk. NAV CANADA continues to evolve its safety management systems (SMS) and Quality Management System (QMS) to maintain and continuously 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 co-chair a joint Safety Oversight Committee and a Steering Committee. These forums support open communication regarding safety and operational risks relevant to the Company, the regulator and the users of the airspace. Our regulatory partnership with Transport Canada supports continuous safety improvement in 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, Training 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, mitigations and action plans for those risks, corporate and project safety planning, incident and hazard reporting under just culture, aeronautical studies, safety audits, safety investigations, safety reviews, safety culture surveys, occupational safety and health reviews, 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 focuses 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 and environmental and occupational health and safety (EOSH) platforms provide an open, accessible and transparent system for the reporting, sharing and analysis of safety data from our SMS processes across the Company. These provide an 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, Training and Technology departments. The QMS is national in scope. 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. An Operational Proficiency Program is in place to ensure the operational knowledge, skills and judgement of operational air traffic controllers and specialists meet a standard of excellence and professionalism, while promoting continuous improvement of ATS.

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 currently no CARs pertaining to fatigue oversight, NAV CANADA has implemented its FRMS following

International Civil Aviation Organization (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 continues to be highly rated.

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 safety conferences such as 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 Application.

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 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, 14 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 four categories.

### ***Aeronautical Information Services***

Aeronautical information services acquire aeronautical data, develop aeronautical charts and procedures, and publish that data for pilots and ATS users. This information is continuously updated for accuracy and checked for safety prior to publishing on a routine internationally recognized cycle. This data is amended periodically for short term changes utilizing the Notice to Airmen (NOTAM) system. This data is published for national and international use.

### ***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 recover the ongoing costs of the Company. 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.

### ***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, 2025 (fiscal 2025) increased in comparison to the fiscal year ended 2024 (fiscal 2024) by 3.3%. Excluding the effect of an extra day for the leap year for fiscal 2024, air traffic levels in fiscal 2025 increased by 3.6%. 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<br>2023 – 2025 |                                       |       |       |
|---------------------------------------------|---------------------------------------|-------|-------|
|                                             | Year ended August 31<br>(\$ millions) |       |       |
|                                             | 2025                                  | 2024  | 2023  |
| Enroute                                     | 871                                   | 853   | 856   |
| Terminal                                    | 792                                   | 743   | 687   |
| Daily/Annual/Quarterly charges              | 57                                    | 52    | 60    |
| NAT and Int'l COM                           | 108                                   | 112   | 120   |
| Total                                       | 1,828                                 | 1,760 | 1,723 |

## Human Resources

We employed 5,411 people as of August 31, 2025 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, 2025 |
|---------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Air Traffic Controllers                                 | CATCA (Canadian Air Traffic Control Association - Unifor Local 5454)        | 2,050                                                                    |
| Electronics Technologists                               | IBEW (International Brotherhood of Electrical Workers), Local 2228          | 608                                                                      |
| Flight Service Specialists                              | ATSAC (Air Traffic Specialists Association of Canada - Unifor Local 2245)   | 739                                                                      |
| Professional Engineers and Information Technology Staff | PIPSC (The Professional Institute of the Public Service of Canada)          | 603                                                                      |
| Administrative Staff                                    | PSAC (Public Service Alliance of Canada)                                    | 281                                                                      |
| Operational and Training Support Specialists            | CANSA (Canadian Air Navigation Specialists Association - Unifor Local 1016) | 268                                                                      |
| Flight Inspection and Service Design Pilots             | CFPA (Canadian Federal Pilots Association)                                  | 41                                                                       |
| Financial Staff                                         | ACFO (Association of Canadian Financial Officers)                           | 25                                                                       |

## 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 2025, there were 423 ab initio (i.e. entry-level) 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, 2025, was 466. This represents an increase of 64 Students when compared to the 402 Students in training as of August 31, 2024. Fiscal 2025 also saw the issuance of 76 new air traffic controller licenses and 66 new flight service specialist certifications. This represents an increase of 13 new air traffic control licenses when compared to the 63 that were issued in fiscal 2024.

In addition to the recruitment and retention of air traffic controllers and flight service specialists, the recruitment and retention of other specialties such as engineering, computer science and electronics technologists has also been a focus for management for both the operation of the Company's core business and the gradual implementation of the Transformational Initiatives (as defined below).

## 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.

NAV CANADA's sustainability strategy is currently being developed and implemented. NAV CANADA has set up a strong governance framework for our sustainability commitments and priorities, with leadership support, Board oversight, an active 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 sustainability 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 Environmental, Social and Governance (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.

In fiscal 2025 we published NAV CANADA's first Climate Action and Environment Strategy, a comprehensive, company-wide framework designed to reduce emissions, embed sustainability across our operations and support a greener future for the aviation industry. Our strategy provides clear direction on how we prioritize and implement environmental initiatives across our business, integrating sustainability into our everyday decision-making, from infrastructure to operations.

NAV CANADA is a signatory to 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. NAV CANADA is committed to working with industry partners to enable and prioritize innovative technologies and procedures that can reduce Canada's greenhouse gas (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.

NAV CANADA's commitment and progress on sustainability was recognized by CANSO in fiscal 2025 with a Level 2 in their GreenATM environmental accreditation program. This milestone reflects the steps we've made towards a more sustainable future for Canadian aviation and highlights our ongoing engagement with the international community on these priorities.

## 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, 2024 for one year and we intend to renew it on November 15, 2025. 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

Safely delivering air navigation services continues to be the corporate focus.

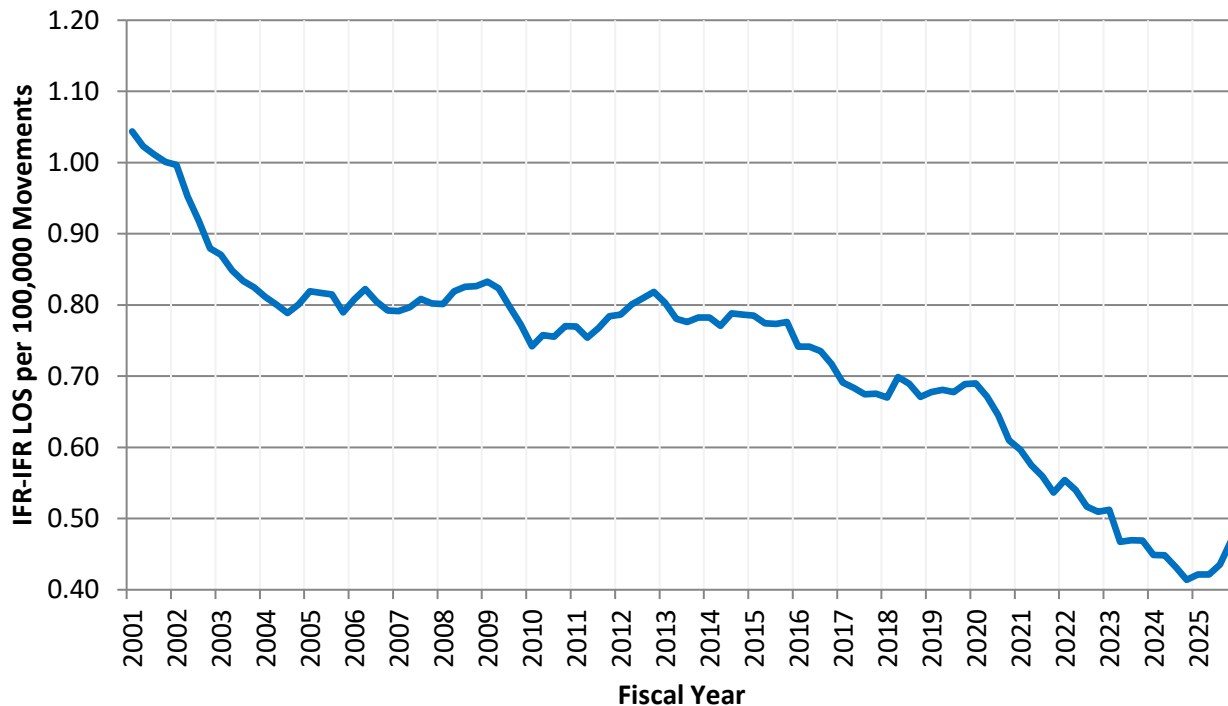
One measurement of safety performance is the number, type and risk level of potentially unsafe conditions—called “operating irregularities”. An ATS operating irregularity (ATS-OI) occurs when ATS are being provided and less than the minimum required separation existed between two aircraft or when safety 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 0.47 per 100,000 aircraft movements as of August 31, 2025. This is 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.

### Rate of IFR-IFR Losses of Separation per 100,000 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.

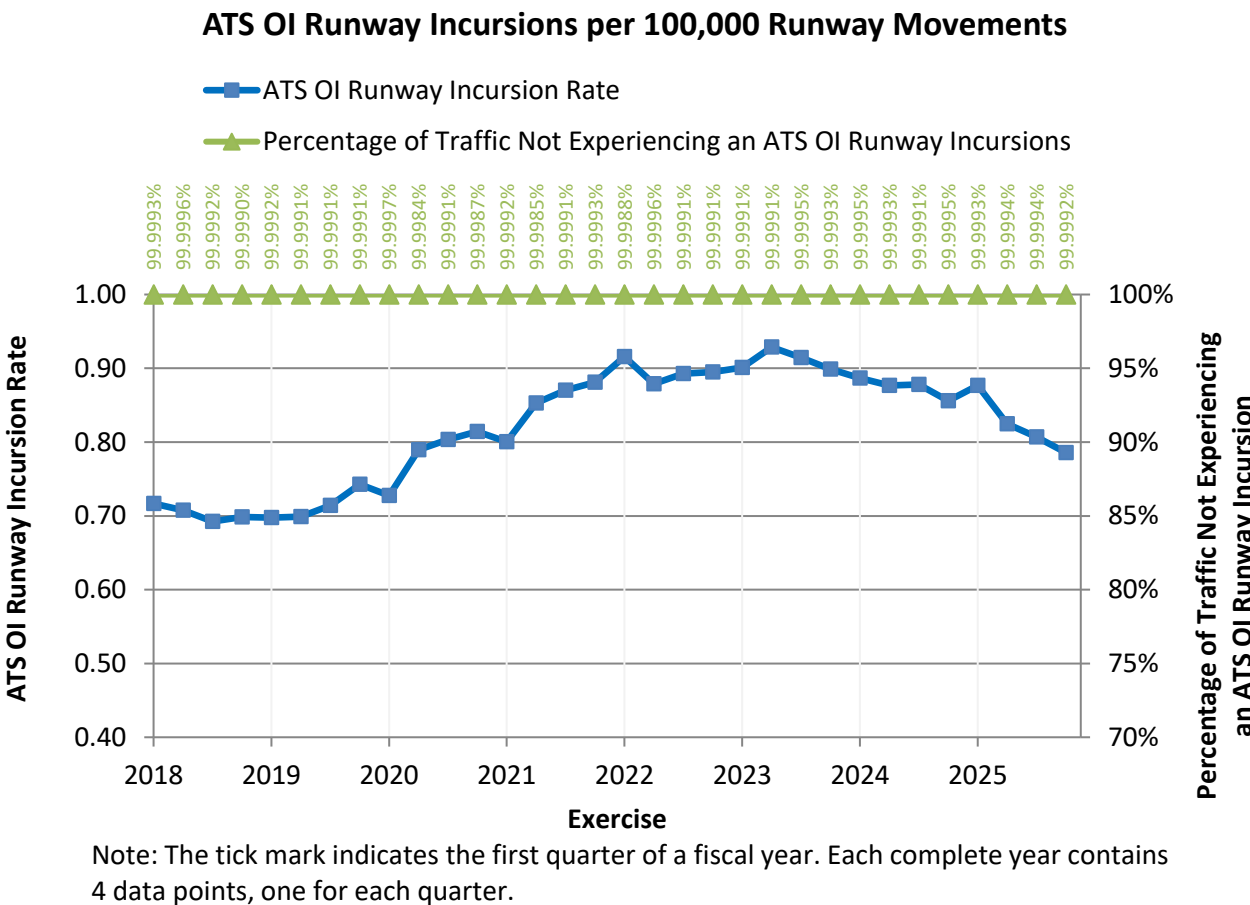
Further extending the benefits of space-based ADS-B surveillance into our domestic airspace enhanced safety and efficiency while ensuring our long-term alignment with the global aviation system. The Canada-wide expansion of space-based ADS-B has brought new areas into surveillance coverage and, where 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.

#### ***ATS-OI Runway Incursions***

Runway incursions considered an ATS-OI account for 8.2% of all reported runway incursions in Canada over the last decade. In fiscal 2025, this percentage was 6.6%. 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 99.990% 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 0.79 at the end of fiscal 2025, 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.



**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.

The Company has embarked on three interconnected transformational initiatives (Transformational Initiatives) that will drive its long-term strategic direction into the future. These Transformational Initiatives consist of trajectory-based operations (TBO), a system that will take into account the full picture of a flight from takeoff to landing, airspace modernization (ASM), the re-imagining of our airspace holistically to better meet the opportunities and challenges of the future, while accounting for our customers' desired routes, and digital aerodrome air traffic services (DAATS), that will allow for ATS to be provided from a

location other than an airport itself through digital facilities.

The Transformational Initiatives will enable us to respond to the evolving landscape of aviation and the needs of our customers while creating a more resilient organization for the future. These initiatives are expected to be deployed over the next 15 years and beyond.

Certain key improvements that the Company focused on in fiscal 2025, including in relation to TBO and DAATS, are highlighted below. The Company will continue to provide updates on the implementation of the Transformational Initiatives in future disclosures, including AIFs, as key milestones are achieved. Information on components of Transformational Initiatives has also been provided in previous AIFs.

### ***Space-based ADS-B***

NAV CANADA began leveraging revolutionary space-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. NAV CANADA has also implemented 14 ground-based ADS-B sites across its network. 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. This engagement will begin in the fall of 2025.

### ***Digital Twin in Operations***

NAV CANADA's Digital Twin – Sector Performance Optimizer (DT-SPO) is an artificial intelligence (AI)-powered tool that transforms data into actionable insights by predicting flights, taskload, optimal sector configuration and shift allocation up to 30 hours in advance. DT-SPO combines airspace and flight data with employee scheduling to provide recommendations for opening and/or closing sectors to support optimal shift coverage and service delivery. Developed collaboratively between the Company's Technology and Operations departments, DT-SPO is deployed across all ACCs at NAV CANADA and is being used in all high-level specialties. This AI-enabled tool supports daily strategic decision-making at ACCs, enhancing operational efficiency and building resilience to everyday challenges. Recently recognized internationally as a runner-up in the Airspace World ATM Awards for Innovation to Enable Sustainable Future Skies, DT-SPO positions NAV CANADA at the forefront of AI-driven operational support, pushing the boundaries of technology, automation and operations to shape the future of aviation.

### ***ITEC Implementation Announcement***

NAV CANADA, in partnership with Indra and its European ANSP iTEC Alliance partners, announced that it will introduce iTEC SkyNex - the next-generation air traffic management (ATM) system - at Edmonton's ACC, which will serve as the first Canadian site for implementation and the first deployment of this advanced technology outside Europe. At the heart of the iTEC SkyNex system is the Flight Data Processor (FDP). The FDP calculates flight paths, detects potential conflicts and updates flight data in real time which supports safe, coordinated operations across borders. This new FDP will facilitate the replacement of our legacy Canadian Automated Air Traffic System (CAATS). This generational leap will strengthen integration, reduce costs, enhance efficiency and support greener, more sustainable air travel while positioning Canada at the forefront of global aviation innovation. As a critical step toward TBO, iTEC SkyNex reflects Canada's leadership in digital transformation, international collaboration and the development of scalable, interoperable solutions that will shape the future of global aviation.

## ***Digital Facilities***

NAV CANADA's DAATS, commonly referred to as Digital Facilities, represents a transformative step toward modernizing ATS provision across Canada. Related work conducted in fiscal 2025 included the validation of the design, technology and operational concepts related to DAATS. DAATS will leverage digital technology to enable location-independent service delivery, enhancing safety, resilience and operational efficiency. Through the establishment of centralized DAATS hubs, ATS operators will be co-located in modern, collaborative environments that promote teamwork and support technical uniformity nationwide. In partnership with Kongsberg Geospatial and ACAMS AS, NAV CANADA is working towards integrating advanced 360-degree camera systems and airport interfaces to deliver a seamless operational experience. With construction underway for a Digital Facility in Kingston and validation activities planned in Ottawa and Kingston, DAATS is laying the foundation for a scalable, cost-effective and sustainable future for ATS in Canada.

## **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 while ensuring that we are making appropriate investments to support our core safety and service responsibilities and our Transformational Initiatives.

Including the Company's revised customer service charge rates that were increased by an average of 3.73% across the service categories as of January 1, 2025 (the Revised Charges), service charges are on average 22.9% 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.

## **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 (now known as Computershare Advantage Trust 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, 2025.

| Total Borrowings       |                              |                          |
|------------------------|------------------------------|--------------------------|
| Issued Under           | Amount                       | Type                     |
| MTI                    | \$239 million                | Bonds                    |
| GOI                    | \$1,910 million              | General Obligation Notes |
| Bank Credit Facilities | \$714 million <sup>(1)</sup> | Letters of Credit        |

| Undrawn Committed Borrowing Capacity |                              |                              |
|--------------------------------------|------------------------------|------------------------------|
| Total Available                      | \$996 million <sup>(2)</sup> |                              |
| Expiring (unless extended)           | December 2025                | \$54 million <sup>(1)</sup>  |
|                                      | December 2026                | \$92 million <sup>(1)</sup>  |
|                                      | March 2028                   | \$425 million <sup>(3)</sup> |
|                                      | March 2030                   | \$425 million <sup>(3)</sup> |

<sup>(1)</sup> Bi-lateral letter of credit facilities for pension obligations.

<sup>(2)</sup> This amount includes \$146 million available under the bi-lateral letter of credit facilities, and the remaining \$850 million represents undrawn amounts under the bank credit facility, \$390 million of which has been allocated to meet the Company's operations and maintenance reserve fund requirement under the MTI.

<sup>(3)</sup> Bank credit facility with a syndicate of Canadian financial institutions.

Refer to Note 19 of our annual audited consolidated financial statements for fiscal 2025, 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, 2025:

| 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 21, 2025, 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, 2025, 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 QMS receives

oversight from Transport Canada and is audited by an external party to ensure regulatory compliance, conformance to internal direction and identify opportunities for improvement.

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.

### **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, certified flight service and technology specialists. The success of the Company's core business therefore depends heavily on its ability to recruit, train and retain these skilled operational personnel.

Failure to recruit, train and retain the appropriate level of such skilled operational personnel could impact our ability to restore and maintain resilience in the Company's operational staffing, preventing the Company from delivering its intended levels of service. The Company's operations could also be adversely impacted if its employees are 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.

To mitigate the risk of insufficient staffing, the Company has, among other things, augmented its training capacity, implemented technology to improve service delivery efficiencies and has developed an Optimal Staffing Strategy that effectively identifies operational staffing needs. Achieving and maintaining optimal staffing levels takes time due to training constraints and attrition. Our ATS Learning department is designing, developing and delivering training for operational personnel with the aim of having the Company meet its staffing requirements.

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

### **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, rates of economic growth or decline, tariffs, trade protection measures, renegotiation of existing trade agreements, 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 Rate Stabilization Account (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 2025, dated October 23, 2025.

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.

### **Strategic Realization**

The Transformational Initiatives are expected to alter the Company's operations at an unprecedented scale over a long timeframe. In addition to addressing systemic issues and technology obsolescence, the Transformational Initiatives are expected to provide significant benefits to the aviation industry in terms of improved efficiency, increased capacity and enhanced safety.

The implementation of the Transformational Initiatives must be appropriately designed and monitored by the Company to ensure continued alignment with the needs and capacity of the organization, its customers and stakeholders. The extended timeline of the Transformational Initiatives requires a strong focus by the Company on ensuring that the planned initiatives are responsive to emerging requirements.

Certain components of the Transformational Initiatives will require regulatory concurrence. The regulatory process has a long timeframe with no certainty of its outcome and may ultimately result in restrictions, limitations or conditions being imposed by Transport Canada that may delay or require changes to one or more of the Transformational Initiatives.

If the Company is unable to successfully implement one or more of the Transformational Initiatives, the

intended benefits and efficiencies of the initiatives may not be realized by the Company's customers and stakeholders, and we could sustain a negative impact to our business, financial condition and/or reputation.

## **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 2025, six of eight collective agreements, covering approximately 93% of our represented employees are in place, with expiry dates ranging from 2025 to 2028. The Company is in ongoing collective bargaining with the two remaining bargaining agents whose collective agreements expired in 2022 and 2023, respectively.

## **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, especially in the aviation and critical infrastructure domains.

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

This past year, the Company continued to bolster 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 2025 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 threat intelligence program was revamped to improve information sharing and analysis of data and to also provide more timely and accurate threat profiles. Global ANSP and Canadian cyber security working groups continue to be led by the Company. The Company participated in a "Five Skies" tabletop exercise in fiscal 2025 led by Airservices Australia that focused on

the identification of gaps should a global air traffic management cyber incident occur.

The Company's Executive Management Committee (EMC) continues to provide internal oversight on matters related to cyber security. The meeting cadence for the year was maintained and effective oversight was provided on various matters, including threat profiling, risk management and incident response. A joint Board and EMC tabletop exercise was conducted in fiscal 2025, in partnership with the Company's Corporate Security department, that included physical and cyber security related incidents in order to assess the Company's response and recovery abilities.

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. Fiscal 2025 continued to highlight increased attention from threat actors against the aviation industry in general, as well as various Canadian airports and carriers, and is 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.

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 2025.

| Michelle Savoy                                                                                                                                                                                                                                     |  |                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------|
| Director; Chair of the Board<br>Ontario, Canada<br>Elected by: Board of Directors<br>Director since: December 15, 2015<br>Current Term Expires: 2027                                                                                               |  |  |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                            |  | Principal Occupation Held in Last Five Years                                         |
| Board 8/8<br>Audit & Finance Committee* 5/5<br>Corporate Governance Committee 5/5<br>Transformation Committee* 4/4<br>Human Resources & Compensation Committee* 11/11<br>Pension Committee* 4/4<br>Safety Committee 4/4<br><br>*ex officio member. |  | Corporate Director.                                                                  |

| Kathy Baig                                                                                                                                                                                                                                                                                                                          |  |                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director; Chair of the Transformation Committee<br>Québec, Canada<br>Elected by: Government of Canada<br>Director since: February 3, 2023<br>Current Term Expires: 2026                                                                                                                                                             |  |                                                                                                                                                                                    |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                                                             |  | Principal Occupation Held in Last Five Years                                                                                                                                                                                                                          |
| Board8/8<br>Audit & Finance Committee*3/3<br>Corporate Governance Committee*2/2<br>Safety Committee*2/2<br>Transformation Committee4/4<br><br><i>* Ms. Baig joined the Corporate Governance Committee on January 8, 2025 at which time she ceased being a member of the Audit &amp; Finance Committee and the Safety Committee.</i> |  | Managing Director and CEO 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. |
| Mark Cooper                                                                                                                                                                                                                                                                                                                         |  |                                                                                                                                                                                                                                                                       |
| Director<br>Ontario, Canada<br>Director since: December 2, 2024<br>Current Term Expires: N/A                                                                                                                                                                                                                                        |  |                                                                                                                                                                                   |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                                                             |  | Principal Occupation Held in Last Five Years                                                                                                                                                                                                                          |
| Board5/5<br>Pension Committee3/3<br>Safety Committee3/3                                                                                                                                                                                                                                                                             |  | President and CEO of the Company since December 2, 2024. From September 1, 2020 to December 1, 2024, Mr. Cooper was Vice President, Chief Technology & Information Officer.                                                                                           |

| Peter Duffey                                                                                                                                                                                                                                                                                                          |  |                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------|
| Director; Chair of the Safety Committee<br>Ontario, Canada<br>Elected by: Labour Unions<br>Director since: January 7, 2021<br>Current Term Expires: 2028                                                                                                                                                              |  |                                        |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                                               |  | Principal Occupation Held in Last Five Years                                                                              |
| Board 8/8<br>Pension Committee* 2/2<br>Safety Committee 4/4<br>Transformation Committee 4/4<br><br><i>* Mr. Duffey ceased being a member of the Pension Committee on January 8, 2025.</i>                                                                                                                             |  | Corporate Director.                                                                                                       |
| Marc Grégoire                                                                                                                                                                                                                                                                                                         |  |                                                                                                                           |
| Director<br>Québec, Canada<br>Elected by: Government of Canada<br>Director since: May 13, 2019<br>Current Term Expires: 2028                                                                                                                                                                                          |  |                                       |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                                               |  | Principal Occupation Held in Last Five Years                                                                              |
| Board 8/8<br>Human Resources & Compensation Committee 11/11<br>Safety Committee* 2/2<br>Transformation Committee* 2/2<br><br><i>* Mr. Grégoire joined the Safety Committee on January 8, 2025 at which time he ceased being a member of the Transformation Committee.</i>                                             |  | Corporate Director.                                                                                                       |
| Lucie Guillemette                                                                                                                                                                                                                                                                                                     |  |                                                                                                                           |
| Director<br>Québec, Canada<br>Elected by: Commercial Air Carriers<br>Director since: January 10, 2024<br>Current Term Expires: 2027                                                                                                                                                                                   |  |                                      |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                                               |  | Principal Occupation Held in Last Five Years                                                                              |
| Board 8/8<br>Audit & Finance Committee* 3/3<br>Human Resources & Compensation Committee* 6/6<br>Transformation Committee 4/4<br><br><i>* Ms. Guillemette joined the Human Resources &amp; Compensation Committee on January 8, 2025 at which time she ceased being a member of the Audit &amp; Finance Committee.</i> |  | 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<br>British Columbia, Canada<br>Elected by: Commercial Air Carriers<br>Director since: January 13, 2021<br>Current Term Expires: 2027                                         |  |                                                         |
| Meeting Attendance/Committee Membership                                                                                                                                                                               |  | Principal Occupation Held in Last Five Years                                                                                               |
| Board 8/8<br>Corporate Governance Committee* 2/2<br>Human Resources & Compensation Committee 11/11<br>Pension Committee 4/4<br><br><i>* Mr. Howlett joined the Corporate Governance Committee on January 8, 2025.</i> |  | Corporate Director.                                                                                                                        |
| Jean-François Lemay                                                                                                                                                                                                   |  |                                                                                                                                            |
| Director<br>Québec, Canada<br>Elected by: Commercial Air Carriers<br>Director since: January 8, 2025<br>Current Term Expires: 2028                                                                                    |  |                                                        |
| Meeting Attendance/Committee Membership                                                                                                                                                                               |  | Principal Occupation Held in Last Five Years                                                                                               |
| Board 3/3<br>Audit & Finance Committee 2/2<br>Human Resources & Compensation Committee 6/6                                                                                                                            |  | Corporate Director. From October 2016 to July 2022, Mr. Lemay was the President and General Manager of Air Transat A.T. Inc. (Air Transat) |
| Davey Lewis                                                                                                                                                                                                           |  |                                                                                                                                            |
| Director<br>British Columbia, Canada<br>Elected by: Labour Unions<br>Director since: January 12, 2022<br>Current Term Expires: 2028                                                                                   |  |                                                       |
| Meeting Attendance/Committee Membership                                                                                                                                                                               |  | Principal Occupation Held in Last Five Years                                                                                               |
| Board 8/8<br>Audit & Finance Committee 5/5<br>Corporate Governance Committee 5/5<br>Pension Committee* 2/2<br><br><i>* Mr. Lewis joined the Pension Committee on January 8, 2025.</i>                                 |  | Corporate Director.                                                                                                                        |

| Candice Li                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director; Chair of the Audit & Finance Committee<br>Alberta, Canada<br>Elected by: Commercial Air Carriers<br>Director since: January 13, 2021<br>Current Term Expires: 2027                                                                                                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                       |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  | Principal Occupation Held in Last Five Years                                                                                                                                                                             |
| Board 8/8<br>Audit & Finance Committee 5/5<br>Pension Committee* 2/2<br>Transformation Committee* 2/2<br><br><i>* Ms. Li joined the Transformation Committee on January 8, 2025 at which time she ceased being a member of the Pension Committee.</i>                                                                                                                                                                                                                                                                                                                                   |  | 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). |
| Sarah Morgan-Silvester                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                                                                                                                                                                                                                          |
| Director; Chair of the Human Resources & Compensation Committee<br>British Columbia, Canada<br>Elected by: Board of Directors<br>Director since: January 11, 2023<br>Current Term Expires: 2026                                                                                                                                                                                                                                                                                                                                                                                         |  |                                                                                                                                      |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  | Principal Occupation Held in Last Five Years                                                                                                                                                                             |
| Board 8/8<br>Audit & Finance Committee 5/5<br>Corporate Governance Committee* 2/2<br>Human Resources & Compensation Committee 10/11**<br>Pension Committee* 2/2<br>Transformation Committee* 2/2<br><br><i>*Ms. Morgan-Silvester joined the Transformation Committee on January 8, 2025 at which time she ceased being a member of each of the Corporate Governance Committee and the Pension Committee.</i><br><i>**The missed meeting was scheduled on short notice and preceded Ms. Morgan-Silvester's appointment as Chair of the Human Resources &amp; Compensation Committee.</i> |  | Corporate Director.                                                                                                                                                                                                      |

| Chantal Sorel                                                                                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director<br>Québec, Canada<br>Elected by: Board of Directors<br>Director since: January 8, 2025<br>Current Term Expires: 2028                                                                                                                                                                |  |                                                                                                                                                                                   |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                      |  | Principal Occupation Held in Last Five Years                                                                                                                                                                                                                         |
| Board 3/3<br>Corporate Governance Committee 2/2<br>Pension Committee 2/2<br>Transformation Committee 2/2                                                                                                                                                                                     |  | Corporate Director. From 2020 to 2024, Senior Advisor to the board of directors and the CEO for airport infrastructure at Aéroports de Montréal.                                                                                                                     |
| Iain Stewart                                                                                                                                                                                                                                                                                 |  |                                                                                                                                                                                                                                                                      |
| Director<br>Ontario, Canada<br>Elected by: Government of Canada<br>Director since: January 23, 2024<br>Current Term Expires: 2027                                                                                                                                                            |  |                                                                                                                                                                                   |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                      |  | Principal Occupation Held in Last Five Years                                                                                                                                                                                                                         |
| Board 8/8<br>Audit & Finance Committee 5/5<br>Corporate Governance Committee* 2/2<br>Pension Committee 4/4<br>Safety Committee* 2/2<br><br><i>* Mr. Stewart joined the Safety Committee on January 8, 2025 at which time he ceased being a member of the Corporate Governance Committee.</i> |  | 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. |

| David Weger                                                                                                                                                                                                                                                                                                                                |  |                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------|
| Director; Chair of the Corporate Governance Committee<br>Saskatchewan, Canada<br>Elected by: General Aviation<br>Director since: January 10, 2018<br>Current Term Expires: 2027                                                                                                                                                            |  |   |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                                                                    |  | Principal Occupation Held in Last Five Years                                         |
| Board 8/8<br>Audit & Finance Committee* 3/3<br>Corporate Governance Committee* 2/2<br>Pension Committee* 2/2<br>Safety Committee 4/4<br><br><i>* Mr. Weger joined the Corporate Governance Committee on January 8, 2025 at which time he ceased being a member of each of the Audit &amp; Finance Committee and the Pension Committee.</i> |  | Corporate Director.                                                                  |
| Anne Whelan                                                                                                                                                                                                                                                                                                                                |  |                                                                                      |
| Director<br>Newfoundland and Labrador, Canada<br>Elected by: Board of Directors<br>Director since: February 7, 2025<br>Current Term Expires: 2028                                                                                                                                                                                          |  |  |
| Meeting Attendance/Committee Membership                                                                                                                                                                                                                                                                                                    |  | Principal Occupation Held in Last Five Years                                         |
| Board 2/2<br>Audit & Finance Committee 2/2<br>Human Resources & Compensation Committee 6/6<br>Pension Committee 2/2                                                                                                                                                                                                                        |  | CEO of Seafair Capital and Corporate Director.                                       |

## 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 Board Chair, attached as **Appendix B**. The By-laws of the Company do not allow the positions of Board 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 2025, 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                 |
|------------------------|------------------------------------------------|
| Sarah Morgan-Silvester | National Bank of Canada                        |
| Michelle Savoy         | Pizza Pizza Royalty Corp.                      |
| Chantal Sorel          | Falco Resources Ltd.<br>Nouveau Monde Graphite |
| Anne Whelan            | Nova Leap Health 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 and Cyber Security Expertise
- Strategic Planning and Risk Management Experience
- Business Transformation 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. At the discretion of the Corporate Governance Committee, management may also be invited to participate in the assessment process along with the Board periodically to provide the directors with an additional perspective on key matters, including the interactions between the Board and its Committees and management. 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 2025.

| Director Continuing Education Fiscal 2025                                                   |                                           |                            |
|---------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------|
| Topic                                                                                       | Presentation By                           | Attendees                  |
| Canadian Public Accountability Board (CPAB) Overview                                        | CPAB                                      | Audit & Finance Committee  |
| New Global Internal Audit Standards                                                         | NAV CANADA Internal Audit                 | Audit & Finance Committee  |
| Treasury Risk Management                                                                    | NAV CANADA Management                     | Audit & Finance Committee  |
| AI in Aviation                                                                              | NAV CANADA Management                     | Board                      |
| Emergency Planning Tabletop Exercise                                                        | NAV CANADA Management                     | Board                      |
| NAV CANADA's Transformational Initiatives                                                   | NAV CANADA Management                     | Board                      |
| Portfolio Positioning and Investment Strategy Considerations in Light of the Macro Backdrop | PH&N Institutional                        | Board                      |
| Pearson Long-term Investments in Facilities and Terminals (LIFT)                            | Greater Toronto Airports Authority (GTAA) | Board                      |
| Overview of Annuity Purchase Market in Canada                                               | Willis Towers Watson                      | Pension Committee          |
| NAV CANADA's Safety Management System                                                       | NAV CANADA Management                     | Safety Committee           |
| Board Oversight of AI                                                                       | ICD                                       | Marc Grégoire, Anne Whelan |
| Environmental/Social Governance Planning for Boards                                         | Indigenous Works                          | Kevin Howlett              |
| Navigating the Impact of U.S. Tariffs on Canada                                             | RBC                                       | Candice Li                 |
| The Governance of Technology Transformation and the Role of the Audit Committee             | Deloitte                                  | Candice Li                 |
| Governing in Turbulent Times: Building Agility & Resilience                                 | ICD                                       | Sarah Morgan-Silvester     |
| Digital Transformation from the Boardroom                                                   | ICD                                       | Chantal Sorel              |

## Compensation

The Corporate Governance Committee reviews director compensation on an annual 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 2025, 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](http://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 reports 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 they feel 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, almost half (47%) of the Board members are women, with 100% of the Board-elected directors and 50% of the directors elected by the Commercial Air Carriers being women. There are also four women (44%) on the EMC of the Company. Within the senior management group, which by definition includes individuals in policy-making functions, approximately 38.5% 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, review of public reporting aligned to ESG reporting standards, 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<br>Jean-François Lemay<br>Davey Lewis<br>Sarah Morgan-Silvester<br>Iain Stewart<br>Anne Whelan |

| 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. In addition, the Committee oversees the progress on the Company's overall efforts with respect to sustainability issues and ESG matters, and provides guidance and recommendations to the Board about the general strategy and direction with respect to such matters. | Five                         | David Weger, Chair<br>Kathy Baig<br>Kevin Howlett<br>Davey Lewis<br>Michelle Savoy<br>Chantal Sorel |

| 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. | Eleven                       | Sarah Morgan-Silvester, Chair<br>Marc Grégoire<br>Lucie Guillemette<br>Kevin Howlett<br>Jean-François Lemay<br>Anne Whelan |

| 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<br>Mark Cooper<br>Davey Lewis<br>Chantal Sorel<br>Iain Stewart<br>Anne Whelan<br><br>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 the Company's SMS, QMS, Environmental Occupational Safety and Health and our related risk management safety policies. | Four                         | Peter Duffey, Chair<br>Mark Cooper<br>Marc Grégoire<br>Michelle Savoy<br>Iain Stewart<br>David Weger |

| Transformation Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                              |                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Mandate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Meetings held in fiscal year | Current Membership                                                                                              |
| Responsible for the oversight of the implementation and progress of the Company's strategic transformation initiatives (collectively, the "Transformation Program") ensuring alignment with long-term goals and sustainability of the Company, for reviewing and recommending refinements to the Transformation Program from time to time to the extent necessary, to foster forward thinking and to obtain an integrated view of the Transformation Program to assist the Board in approving the Company's strategic plan. | Four                         | Kathy Baig, Chair<br>Peter Duffey<br>Lucie Guillemette<br>Candice Li<br>Sarah Morgan-Silvester<br>Chantal Sorel |

## 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 Airlines Ltd. (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).

**Jean-François Lemay** - Mr. Lemay had 11 years of service with Air Transat, most recently serving as President and General Manager from 2016 to 2022 where he had overall responsibility for the operational management of the carrier, including financial matters, and where he supervised the implementation of the corporation's main strategic objectives. During this period, the Air Transat Chief Financial Officer reported directly to him. Prior thereto, Mr. Lemay served as General Manager of Air Transat and as Vice President, Human Resources and Talent Management of the parent company, Transat A.T. Inc. (Transat). Prior to joining the Transat group of companies, he was a partner at the law firm of Dunton Rainville with a practice in administrative and labour and employment law. Mr. Lemay is a member of the Québec Bar and holds a law degree from the Université de Montréal.

**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 Flight Information Region (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.

**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 CEO of HSBC Trust Company (Canada). She is a director of the National Bank of Canada (Risk Management Committee member) and former director of each of the Canadian Western Bank (Chair of the Board and Audit Committee member) and 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, ICD.D** – 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 and is a holder of the ICD.D designation.

**Anne Whelan, ICD.D** - Ms. Whelan is an entrepreneur, corporate director and business leader as well as CEO of Seafair Capital, a growth-focused company with investments in community and behavioural health services and technology, e-learning and corporate services. She has acquired significant experience and exposure to accounting and financial reporting on account of her corporate directorships and through Seafair Capital, where the Chief Financial Officer reports directly to her. Ms. Whelan is also a director of the Bank of Canada (Chair of its Audit Committee), CSA Group and Nova Leap Health Inc. She is a former director of the Business Development Bank of Canada (member of each of its Audit Committee and Board Investment Committee) and Newfoundland Power, a subsidiary of Fortis Inc. Ms. Whelan holds a Bachelor of Arts and a Master of Business Administration from Memorial University 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 2025 and fiscal 2024 were as follows:

|                                   | Year Ended<br>August 31,<br>2025(\$) | Year Ended<br>August 31, 2024<br>(\$) |
|-----------------------------------|--------------------------------------|---------------------------------------|
| Audit Fees <sup>(1)</sup>         | 691,555                              | 674,765                               |
| Audit-Related Fees <sup>(2)</sup> | 61,050                               | 59,385                                |
| Tax Fees <sup>(3)</sup>           | 161,192                              | 262,066                               |
| Other Fees <sup>(4)</sup>         | 0                                    | 0                                     |
| Total                             | 913,797                              | 996,216                               |

<sup>(1)</sup> **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 2025.

<sup>(2)</sup> **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.

<sup>(3)</sup> **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.

<sup>(4)</sup> **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 eight other executive officers as at the end of fiscal 2025. All are appointed for non-fixed terms of office.

Donna Mathieu will retire as Vice President and Chief Financial Officer on January 7, 2026. Micheline Pion will assume the Vice President & Chief Financial Officer position effective as of January 8, 2026.

| Name, Residence and Date of Appointment            | Position        | Principal Occupation and Position Over Past Five Years <sup>(1)</sup>                                              |
|----------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------|
| MARK COOPER<br>Ontario, Canada<br>December 2, 2024 | President & CEO | From September 1, 2020 to December 1, 2024, Mr. Cooper was Vice President, Chief Technology & Information Officer. |

|                                                           |                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MICHAEL BÉLANGER<br>Ontario, Canada<br>May 20, 2025       | Vice President & Chief Strategy Officer                                 | From June 2024 to May 2025, Mr. Bélanger was Senior Director, Operations Integration (Global Network) at the Vantage Group. From October 2023 to June 2024, he was Senior Director of Operations (Canadian Network) at the Vantage Group. From August 2021 to October 2023, Mr. Bélanger held the position of Director, Aviation Safety, Regulations and Performance at the GTAA. He was Director, Aviation Programs and Compliance at the GTAA from March 2015 to August 2021.  |
| MARIE-PIER BERMAN<br>Manitoba, Canada<br>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.                                                                                                                                                                                                                                                                                        |
| FRED GASPAR<br>Ontario, Canada<br>April 28, 2025          | Vice President & Chief Stakeholder Relations and Communications Officer | From July 2024 to April 2025, Mr. Gaspar was Assistant Deputy Minister, Lac-Mégantic Rail Bypass at Transport Canada. From August 2023 to July 2024, he was Special Advisor to the Associate Deputy Minister at Transport Canada. From September 2021 to September 2023, Mr. Gaspar held the position of Vice President, Commercial and Trade at Canada Border Services Agency (CBSA). He was Director General, Commercial Programs at CBSA from January 2019 to September 2021. |
| DIANA KELLY<br>Ontario, Canada<br>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.                                                                                                                                                                                                                                                                                                                                                                           |
| ANTHONY MACKAY<br>Ontario, Canada<br>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<br>Ontario, Canada<br>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.                                                                                                                                                                                                                                                                                                                                                                |
| AMANDA SARGINSON<br>Ontario, Canada<br>September 1, 2024  | Vice President, Chief Legal Officer & Corporate Secretary               | From May 1, 2024 to August 31, 2024, Ms. Sarginson was Acting Vice President, Chief Legal Officer & Corporate Secretary. From November 2021 to August 31, 2024, she was Assistant Vice President, Labour Relations. From June 2017 to November 2021, Ms. Sarginson held the position of Senior Legal Counsel.                                                                                                                                                                    |
| DAVID SHEPPARD<br>Ontario, Canada<br>January 9, 2025      | Vice President & Chief Technology and Information Officer               | From May 13, 2024 to January 8, 2025, Mr. Sheppard was Acting Vice President & Chief Strategy Officer. From June 2020 to May 12, 2024, he was Assistant Vice President, ANS Technology Services.                                                                                                                                                                                                                                                                                 |

<sup>(1)</sup> Unless otherwise indicated, all past positions are with NAV CANADA.

## **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

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 2025 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 2025, 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](http://www.sedarplus.com).

## **TRANSFER AGENT AND REGISTRAR**

The trustee and registrar for the Company is Computershare Advantage Trust of Canada (formerly known as 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](http://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 2025.

## **APPENDIX A**

### **TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS**

#### **INTRODUCTION**

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

The Board 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 retains the responsibility for managing the business and affairs of NAV CANADA, including the selection of Board-elected Directors, selecting the Board Chair, appointing officers and committees and determining director compensation.

The Board 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 BOARD CHAIR, PRESIDENT AND OFFICERS**

The Board has the responsibility:

- (a) for the appointment and replacement of a President and the Board Chair, for monitoring and review (with and through the Human Resources and Compensation Committee) of the President's and the Board 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 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;
- (c) for taking appropriate steps to gain reasonable assurance that management has implemented sound

internal controls and management information systems; and

- (d) to oversee, through the Corporate Governance Committee, NAV CANADA's progress on its overall efforts with respect to sustainability issues and environmental, social and governance matters, including the general strategy and direction with respect to such matters and the evaluation of targets and performance related thereto.

## **STRATEGY DETERMINATION**

The Board 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 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 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 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:
  - 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 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 BOARD CHAIR

#### INTRODUCTION

The Company's Corporate Governance Policy Manual sets out the nature of the role of the Board 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 Board Chair, the Corporate Governance Committee, in conjunction with the Board Chair, has more specifically delineated the responsibilities of the Board Chair.

#### BOARD CHAIR RESPONSIBILITIES

##### A. Introduction

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

##### B. Board's Interface with Management

The Board Chair shall:

- i) ensure management is aware of concerns of the Board, Members and other stakeholders;
- ii) ensure that management strategy, plans and performance are appropriately conveyed to the Board; and
- iii) ensure the Board has exposure to the management team.

##### C. Managing the Affairs of the Board

The Board Chair shall:

- i) chair Board meetings;
- ii) ensure that the mechanisms for effective governance are in place and the Board is alert to its obligations to NAV CANADA, Members, management, and other stakeholders under applicable law;
- iii) provide strong leadership to the Board 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 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 meetings in an efficient, effective and focused manner.

D. Relations with Members, Other Stakeholders and the Public

The Board 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, 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, 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 Board 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 Board Chair, review and recommend composition and chairs of the various Board committees;
- (k) Annually recommend to the Board a Board Chair. 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 Board 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) Oversee the progress on the Corporation's overall efforts with respect to sustainability issues and environmental, social and governance matters, and provide guidance and recommendations to the Board about the general strategy and direction with respect to such matters, including the evaluation of strategies, targets and performance related thereto;
- (p) Annually review and recommend approval to the Board of the Corporation's Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*;
- (q) Review and recommend revisions to its terms of reference to the Board;
- (r) Have authority to engage and compensate any outside advisor that it deems necessary to permit it to carry out its duties;
- (s) Conduct a portion of each meeting without management present; and
- (t) 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 and the Director, Internal Audit, 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, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS) 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, any findings from fraud risk procedures performed 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, 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. Environmental, Social and Governance ("ESG") Information

For the purpose of gaining reasonable assurance as to whether material ESG related information concerning the Corporation as required by regulation, is disseminated to the public in a timely manner and is accurate, complete and fairly presented in accordance with ESG reporting standards:

- a) perform its activities having regard to the Corporation's ESG practices and strategies;
- b) monitor the development of material ESG information including the adequacy and effectiveness of related control mechanisms and the integration of material ESG information in external reporting;
- c) review the scope and approach of independent assurance providers related to reporting on material ESG matters; and
- d) review and recommend to the Board, those elements of public reporting aligned to ESG reporting standards.

## D. 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 adequacy of resources assigned to key financial reporting, treasury and internal control over financial reporting ("ICFR") functions;

- 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 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.

#### E. 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 and its controlled consolidated entities to the external auditors or any affiliate member firms 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 member firms of the external auditors and the Corporation and its controlled consolidated entities 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

#### F. 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 to confirm the authority, role, responsibilities, scope, and services of the internal audit function;
- b) review the internal audit activity's strategic plan, objectives, performance measures and outcomes;
- c) review and discuss with the Director, Internal Audit their approach to develop the risk-based 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;
- j) review and approve the annual performance evaluation and salary recommendation for the Director, Internal Audit; and
- k) review the results of Internal Audit's quality assurance and improvement program annually.

#### G. 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.

#### H. 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 and its controlled consolidated entities by the external auditors or affiliated member firms;
- 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, confirm that all responsibilities outlined in these terms of reference have been carried out, and report there on to the Board.

**APPENDIX H**

**2025 STATEMENT OF EXECUTIVE  
COMPENSATION FORM 51-102F6**

**Year Ended August 31, 2025**

**October 23, 2025**

## 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 former President & CEO, the Vice President & Chief Financial Officer (CFO) and each of the Company's three other most highly compensated executive officers serving in such capacity as at August 31, 2025 (collectively, the Named Executive Officers or the NEOs). Our Vice President & CFO, Donna Mathieu, will retire on January 7, 2026. Micheline Pion will assume the Vice President & CFO position effective January 8, 2026. 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

The members of the Committee are Sarah Morgan-Silvester (Chair), Marc Grégoire, Lucie Guillemette, Kevin Howlett, Jean-François Lemay and Anne Whelan and each has experience with human resources issues and compensation policies.

*Sarah Morgan-Silvester, FICB*, (Chair) 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 the board of the National Bank of Canada. She previously served as Board Chair of the Canadian Western Bank, as a member of the Human Resources Committee of each of the Canadian Western Bank and the British Columbia Ferry Services Inc. and on the board of ENMAX Corporation where she chaired its Safety and Human Resources Committee. Ms. Morgan-Silvester also previously served as Chancellor of the University of British Columbia and Chair of the BC Women's Hospital and Health Centre Foundation. She received a Bachelor of Commerce (Hons) from the University of British Columbia and is a Fellow of the Institute of Canadian Bankers. Ms. Morgan-Silvester also holds a Human Resources and Compensation Committee designation from the Directors College. She joined the Committee in January 2023.

*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.

*Lucie 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, network growth and margin expansion. She also had oversight of Air Canada Cargo's business and previously served as the President of Air Canada Vacations. One of the other various positions Ms. Guillemette held during her tenure at Air Canada was Senior Director, Human Resources where she had overall responsibility for the airline's employee services, talent and performance management programs, linguistics and diversity. She currently sits on the Executive, Human Resources and Grants Committees of the board of the McGill University Health Center (MUHC) Foundation and on the boards of the Air Canada Foundation and Les Violons du Roy. Ms. Guillemette joined the Committee in January 2025.

*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.

*Jean-François Lemay* had 11 years of service with Air Transat, most recently serving as President and General Manager from 2016 to 2022 where he had overall responsibility for the operational management of the carrier, including human resources and compensation matters, and where he supervised the implementation of the corporation's main strategic objectives. Prior thereto, Mr. Lemay served as General Manager of Air Transat and as Vice President, Human Resources and Talent Management of the parent company, Transat, where he participated in meetings of Transat's Human Resources and Compensation Committee. During his tenure as a senior executive at the Transat group of companies, he was involved with performance and compensation management, executive and staff development, succession planning and labour relations, including leading the negotiation of six collective agreements. Prior to joining Transat, he was a Partner at the law firm of Dunton Rainville with a practice in administrative and labour and employment law. Mr. Lemay is a member of the Québec Bar and holds a law degree from the Université de Montréal. He joined the Committee in January 2025.

*Anne Whelan* is an entrepreneur, corporate director and business leader as well as CEO of Seafair Capital, a growth-focused company with investments in community and behavioural health services and technology, e-learning and corporate services. As CEO of Seafair Capital, she has responsibilities for all aspects of senior management performance review and compensation. Prior to assuming the leadership of Seafair Capital, Ms. Whelan was an HR consultant with PWG Human Resources Consultants where she specialized in recruitment, training methods and HR planning. She is also a director of the Bank of Canada, CSA Group and Nova Leap Health Inc. and a former director of the Business Development Bank of Canada and Newfoundland Power, a subsidiary of Fortis Inc. (Chair of its Governance and Human Resources

Committee). Ms. Whelan holds a Bachelor of Arts and a Master of Business Administration from Memorial University and is a holder of the ICD.D designation. She joined the Committee in February 2025.

## 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 reasonable 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 meaningful 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 service delivery, corporate cost management, performance management, and functional goals in the short-term plan, with complementary financial, safety and productivity goals in the long-term plan, as described below. The safety modifier in the long-term plan serves as a critical risk oversight mechanism, ensuring that overall long-term incentive outcomes remain balanced during periods of significant technological change by maintaining a consistent safety baseline and mitigating elevated operational risk.

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 engages the Southlea Group to evaluate the market competitiveness of its total executive compensation, including base salaries, annual incentives, long-term incentives, pensions, benefits and perquisites. The decisions of the Committee are its own and may reflect factors other than the information and recommendations provided by the Southlea Group.

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

The table below sets out the fees billed by the Southlea Group 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 | 2025        | 61,019                                   | 0                   |
|                | 2024        | 73,406                                   | 0                   |

## 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);
- 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.

### 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 2025 based on the market data from 2024 levels which did not consider expected 2025 market increases. The specific companies in the peer group were updated consistent with the overall selection criteria, reflecting changes in compensation survey participation.

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. These criteria are considered to reflect the scope and complexity of NAV CANADA within the market for executive talent. The Fiscal 2025 Peer Group included sixty 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 2025 peer group were used to review the competitiveness of the Company's executive compensation:

| Fiscal 2025 Peer Group      |                                                    |                      |
|-----------------------------|----------------------------------------------------|----------------------|
| Airbus Canada               | Federal Express Canada Corporation                 | Porter Airlines Inc. |
| All Nippon Airways Co. Ltd. | Fortis Inc.                                        | Purolator Inc.       |
| Alstom Transport Canada Inc | General Dynamics Land Systems - Canada Corporation | RTX Corporation      |
| ATB Financial               | General Electric Company                           | Samuel, Son & Co.    |

|                                            |                                        |                                   |
|--------------------------------------------|----------------------------------------|-----------------------------------|
| B2Gold Corp.                               | Graham Management Services LP          | Seaspan ULC                       |
| Bell Helicopter Textron Canada Limited     | Greater Toronto Airports Authority     | Secure Energy Services Inc.       |
| Bombardier Aerospace, Inc.                 | Husky Injection Molding Systems Ltd.   | Spin Master Corp.                 |
| British Columbia Hydro and Power Authority | Inter Pipeline Ltd. Private Company    | StandardAero, Inc.                |
| Bruce Power Inc.                           | Interfor Corporation                   | Stantec Inc.                      |
| Business Development Bank of Canada        | J.D. Irving, Limited                   | STELIA Aerospace S.A.S.           |
| CAE Inc.                                   | Kinross Gold Corporation               | STEP Energy Services Ltd.         |
| Capital Power Corporation                  | Ledcor IP Holdings Ltd                 | Textron Inc.                      |
| CEDA International Corporation             | Livingston International Inc.          | The Boeing Company                |
| CHC Helicopters Canada Inc.                | Lockheed Martin Corporation            | The Co-operators Group Limited    |
| Cineplex Inc.                              | Maple Leaf Foods Inc.                  | TMX Group                         |
| Coast Capital Savings                      | Maple Leaf Sports & Entertainment Ltd. | UAP inc.                          |
| Definity Financial Corporation             | Mcap Financial Corporation             | VIA Rail Canada Inc.              |
| Element Fleet Management Corp.             | Molson Coors Canada Inc.               | West Fraser Timber Co. Ltd.       |
| ENMAX Corporation                          | National Bank of Canada                | WestJet Airlines Ltd.             |
| EPCOR Utilities Inc.                       | NOVA Chemicals Corporation             | YYC Calgary International Airport |

### **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. When new Executive Officers are appointed, initial base salaries are often positioned below the market median to reflect their entry point into the larger role with expanded scope and responsibilities. As they demonstrate effectiveness, deliver results and grow into the full scope of their responsibilities, we plan for more rapid salary progression over the first few years after their appointment to ensure alignment with market and individual performance.

### **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. Participants are eligible to earn an award according to their position and performance levels, ranging from 0% to 150% of target based on performance against defined goals. If a participant's employment is terminated for cause or on a without cause basis, 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.

| Position              | Incentive Entitlements<br>(as a % of base salary) |               |
|-----------------------|---------------------------------------------------|---------------|
|                       | 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 - Performance Management:** completion of performance management reviews with Managers and ATS Supervisors with corresponding training offered and learning outcomes realized.
- (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 and performance objectives are assigned to each category of performance goal, as set out below with performance between the levels interpolated on a straight-line basis. Performance below threshold results in a 0% payout for that performance goal.

| Goal                                                                                                                                                                                                                                                                                                                                      | Weight     | Threshold<br>(50% Payout) | Target<br>(100% Payout) | Maximum<br>(150% Payout) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------------------|-------------------------|--------------------------|
| <b>Corporate</b>                                                                                                                                                                                                                                                                                                                          | <b>70%</b> |                           |                         |                          |
| <b>KPI 1: Service Delivery</b>                                                                                                                                                                                                                                                                                                            | <b>30%</b> |                           |                         |                          |
| % of total scheduled flights at the four major Canadian airports (Four Majors) directly impacted by GDPs, GSs and APREQs where NAV CANADA staffing and/or NAV CANADA equipment failure was a contributing factor, from May to August 2025 <sup>1</sup>                                                                                    | 22.5%      | < 3%                      | <1.5%                   | <0.8%                    |
| Increase in average delay (in minutes) for scheduled arrivals at the Four Majors directly impacted by GDPs, GSs and APREQs where NAV CANADA staffing and/or NAV CANADA equipment failure was a contributing factor, relative to the average delay of all other scheduled arrivals at the Four Majors from May to August 2025 <sup>1</sup> | 7.5%       | 28 min                    | 19 min                  | 14 min                   |
| <b>KPI 2: Net Cashflow<sup>2</sup></b>                                                                                                                                                                                                                                                                                                    | <b>35%</b> | Budget - \$7M             | Budget                  | Budget + \$14M           |
| <b>KPI 3: Performance Management</b>                                                                                                                                                                                                                                                                                                      | <b>5%</b>  |                           |                         |                          |
| Percentage completion of a mid-year performance review documented in Workday for all eligible Level 1 (L1) – Level 4 (L4) managers                                                                                                                                                                                                        | 1.3%       | 90%                       | 95%                     | 100%                     |
| Percentage completion of one performance review documented in Workday for all eligible ATS Team Supervisors                                                                                                                                                                                                                               | 1.3%       | 75%                       | 85%                     | 95%                      |
| Percentage attendance at performance and development conversation workshops for all eligible L1 – L4 managers and ATS Team Supervisors                                                                                                                                                                                                    | 1.3%       | 80%                       | 85%                     | 90%                      |
| Percentage agreement of survey respondents to the performance and development conversations workshop learning outcomes related questions posed through a survey of workshop participants                                                                                                                                                  | 1.3%       | 70%                       | 80%                     | 90%                      |
| <b>Functional</b>                                                                                                                                                                                                                                                                                                                         | <b>30%</b> | Goals vary by executive   |                         |                          |

1. GDPs - Ground Delay Programs; GS - Ground Stops; APREQs - Approval Requests

2. Means cashflow from operations and investing activities as per the Company's cashflow statement, excluding cashflows related to short term investments. Any cashflows in fiscal 2025 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.

## Annual Incentive Plan – Corporate Performance Overview

As we reflect on fiscal 2025, NAV CANADA navigated a dynamic operating environment with resilience and focus. The year was marked by continued recovery in air traffic volumes and progress on modernization initiatives that enhance operational efficiency and service reliability. Combined with disciplined financial

management, these actions supported strong performance outcomes.

The Plan is designed to align compensation for Executive Officers with corporate performance. For fiscal 2025, the Plan measured results across three key areas: Service Delivery, Net Cash Flow and Performance Management. The aggregate performance outcome for the year across Corporate KPAs was 122.9% of target.

#### *Service Delivery*

The Committee agreed to award the KPA 1 – Service Delivery metric as calculated based on performance goals that were tougher than fiscal 2024. The Committee recognizes the impact service delivery had on some customers during the summer travel period and acknowledges that this was effectively addressed through Management’s actions and customer collaboration. This response is reflected in the significant improvement in service delivery results after May 2025.

#### *Net Cash Flow*

For the second consecutive year, maximum performance was achieved on KPI 2 – Net Cash Flow, reflecting strong cash flow results relative to budget. The Committee reviewed the factors that contributed to these strong results and were satisfied that they reflected effective decision making in the right interests of the organization. This year, the Committee also undertook a detailed review of the financial measure included within the Plan and introduced refinements to the definition of financial performance in the Plan for the upcoming year to better align the metric with areas under Management’s direct control and with the organization’s strategic priorities.

#### *Performance Management*

For fiscal 2025, maximum performance was achieved on KPA 3 – Performance Management. All expected deliverables were completed, and each of the four KPIs exceeded targets. These results reflect a strong commitment to performance management and employee development across the organization.

After reviewing the fiscal 2025 results, the Committee has approved the Plan payouts as calculated. The calculated outcome reflects both the achievements and challenges of the year, recognizing Management’s role in delivering strong financial outcomes while sustaining service delivery and advancing people priorities.

#### **Functional Goals**

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.

*President & CEO* - The President & CEO is responsible for managing the affairs of the Company. Mr. Bohn ceased being the President & CEO effective December 1, 2024 and was succeeded by Mr. Cooper effective December 2, 2024. During the period in fiscal 2025 in which Mr. Cooper was President & CEO, 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 and stakeholders to create the right conditions for strategy alignment 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.

Prior to Mr. Cooper's appointment as President & CEO, he held the position of Vice President & Chief Technology and Information Officer up until December 1, 2024. In this position, Mr. Cooper's had the 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 2025, Mr. Cooper's objectives included progressing the technology enabled future airspace concepts, including 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.

During the period in fiscal 2025 in which Mr. Bohn was President & CEO prior to his retirement, his functional objectives were largely centered on succession transition.

*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 2025, her functional objectives included, among other things, continuing to drive improvements to financial planning and stakeholder engagement processes, overseeing the development and implementation of the Company's medium-term debt and rate strategy in support of the Company's continued post pandemic financial recovery and the funding of key ongoing investments and strengthening succession plans within the Finance team.

*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 2025, Ms. Berman's objectives included advancing airspace modernization through the rollout of Digital Twin – Sector Performance Optimizer in the high-level specialties nationally, automated FAA handoffs, and the deployment of the Radar Pinging Tool (RPT) and the Airport Capacity Evaluation and Prediction Tool (ACEPT) in Toronto while progressing the Canadian Network Management Unit (CNMU) Phase 1 roadmap. Ms. Berman oversaw and supported with the Operations, Safety and ATS Learning departments, the development of a comprehensive management training program, incorporating operational knowledge, safety, and technical modules to strengthen leadership capability across the organization. These efforts, combined with proactive stakeholder engagement and preparation for and dealing with peak operational period challenges, work to build enhanced resilience, efficiency, and alignment with long-term strategic priorities.

*Vice President, Chief Technology & Information Officer* - Mr. Sheppard was appointed to this position effective January 9, 2025. He 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 2025, Mr. Sheppard's objectives included progressing the technology enabled future airspace concepts called Trajectory Based Operations

(TBO), Digital Towers and Canadian Network Management Unit, maturing key capabilities in capital planning and asset management, advancing quality and the cyber security of operational systems.

*Vice President & Chief Human Resources Officer* – Ms. Kelly has responsibility for leading human resource, labour relations, total rewards, workforce planning, and ATS learning areas for the organization. In this capacity, she is expected to ensure alignment with NAV CANADA's strategic direction. In fiscal 2025, Ms. Kelly's functional objectives included attracting talent to the organization, overseeing the delivery of operational training, planning and building a robust, diverse and inclusive workforce, and measuring organizational culture.

### **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 final award can range from 0% to 150% of the target award based on performance.

In the absence of the availability of equity-related compensation plans, the LTIP is 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.

Effective September 1, 2023, 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 payable following the end of the three-year performance cycle ending August 31, 2026.

The current LTIP performance cycle is from September 1, 2023 to August 31, 2026. It provides 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 Committee may, 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 payments, unless otherwise determined by the Company.

Starting December 2, 2024, the LTIP no longer had a Supplementary LTIP (S-LTIP) component. Prior thereto, the Company provided a S-LTIP for certain officers, as determined by the Committee from time to time, which was awarded in addition to and on the same basis as the LTIP. No portion of any supplementary

payout was included in the determination of pensionable earnings.

The below target and maximum awards represents a combined total where applicable.

| Position                     | Incentive Entitlements<br>(as a % of base salary) |               |
|------------------------------|---------------------------------------------------|---------------|
|                              | Target Award                                      | Maximum Award |
| President & CEO <sup>1</sup> | 120.0%                                            | 180.0%        |
| Vice Presidents – VP3        | 60.0%                                             | 90.0%         |
| Vice Presidents – VP2        | 45.0%                                             | 67.5%         |
| Vice Presidents – VP1        | 35.0%                                             | 52.5%         |

<sup>(1)</sup> LTIP Target for the new President & CEO is 120% and is expected to progress over a three-year period to its target position of 160% at the Board's discretion, considering performance and impact. The LTIP for the portion of the time Mark Cooper was Vice President & Chief Technology and Information Officer will be administered according to the Targets for that position i.e., LTIP: 45% and S-LTIP: 25%. The increased Target on his appointment as President & CEO will be prorated as of the effective date of the appointment (December 2, 2024).

Payments under the LTIP are based on meeting specified performance goals in critical areas, including:

- i. **KPA 1 - Financial Risk:** 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.
- ii. **KPA 2 - Capital Debt:** 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.
- iii. **KPA 3 - ATS Qualifications and Certifications:** Training and the success of ATS students is paramount to the delivery of service and achieving milestones in the Company's strategic direction.
- iv. **KPA 4 - Strategy:** 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.
- v. **KPI 5 - Safety:** 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.

Weightings and performance objectives are assigned to each category of performance goal, as set out below with performance between the levels interpolated on a straight-line basis:

| Goal                                                                                                                                                                                                                                                                                                                                        | Weight | Threshold      | Target          | Maximum                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------------|-----------------|-------------------------------|
| Payout Range                                                                                                                                                                                                                                                                                                                                |        | 50% Payout     | 100% Payout     | 150% Payout                   |
| <b>KPI 1: Financial Risk</b><br>Total cash liquidity and debt reduction achieved by end of fiscal 2026                                                                                                                                                                                                                                      | 25%    | \$600M+        | \$660M+         | \$720M+                       |
| <b>KPI 2: Capital Debt<sup>1</sup></b>                                                                                                                                                                                                                                                                                                      | 25%    |                |                 |                               |
| Capital spend against FY24 budget that includes spending between FY24 - FY26 for projects associated with Capital Debt (Projects) that were in motion as of September 1, 2023. Measurement is on the aggregate spend across the related list of projects associated with Capital Debt maintained by Management (Project List)               | 10%    | \$155M         | \$175M          | \$194M                        |
| Capital spend against the approved original BID 3 <sup>2</sup> spend for FY24 - FY26 for Projects that were approved between September 1, 2023 and November 30, 2024. Measurement is on the aggregate spend across the Project List                                                                                                         | 5%     | \$90M          | \$101M          | \$112M                        |
| Completion percentage of Capital Debt associated Projects that were in motion on September 1, 2023 and are set to be completed by August 31, 2026. Completion is measured by the approval of a BID 5 by September 23, 2026 with scope for capital debt reduction intact as defined by the original BID 3 or any approved BID 4 <sup>3</sup> | 5%     | 50%            | 60%             | 70%                           |
| Completion percentage of Projects that were approved between September 1, 2023 and November 30, 2024, and are set to be completed by August 31, 2026. Completion is measured by the approval of a BID 5 by September 23, 2026 with scope for capital debt reduction intact as defined by the original BID 3 or any approved BID 4           | 5%     | 50%            | 60%             | 70%                           |
| <b>KPI 3: ATS Qualifications and Certifications</b><br>Increase qualifications and certifications of new operational Air Traffic Controller and Flight Service Specialists as compared to the baseline of FY17 – FY19 training success                                                                                                      | 25%    | 25% increase   | 40% increase    | 50% increase                  |
| <b>KPI 4: Strategy</b><br>Percentage completion of the goals defined within this KPI (details below)                                                                                                                                                                                                                                        | 25%    | 80% completion | 100% completion | Based on Committee discretion |

| LTIP Modifier Range (for KPI 5 Only)                                                                             |                             | -25%          | 0%            | N/A |
|------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------|---------------|-----|
| <b>KPI 5: Safety</b><br>Rate of losses of IFR-to-IFR separation per 100,000 movements over the Performance Cycle | <b>Modifier<sup>4</sup></b> | 0.85 or above | 0.70 or below | N/A |

1. Capital Debt means the sum of the estimated replacement cost of assets that, as assessed by the appropriate technical authority, are past their useful life.
2. BID 3 – Business Investment Decision – Project Charter.
3. BID 4 – Business Investment Decision – Amendment; BID 5 – Business Investment Decision – Post Project Report.
4. The Safety modifier can adjust the overall payout of the LTIP down by as much as 25% of the total potential payout across the other four KPIs. LTIP awards will be reduced by 0% if IFR-to-IFR losses of separation per 100,000 movements is 0.70 or below over the Performance Cycle and by 25% if IFR-to IFR losses of separation per 100,000 movements is 0.85 or above over the Performance Cycle, with straight line interpolation for results between threshold and target performance.

KPI 4: Strategy, based on percentage completion of the goals defined below:

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) Construction of the Kingston Digital Facility is completed in 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.

### ***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 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 (Clawback) payable or paid within one year under the Plan or the LTIP to a current or former participant if the award was calculated based on incorrect data or if the participant engaged in misconduct, including but not limited to fraud, willful misconduct, unethical conduct, abuse of privilege under the designated financial authority, breach of trust, breach of or failure to follow any Company direction, policy, process, or practice, and/or breach of governance obligations.

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, 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.

### ***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;
- participation in a defined benefit pension plan; and
- benefits and perquisites.

In the event that the employment of a Named Executive Officer is terminated by the Company without cause, the Company will provide such Named Executive Officer with either working notice or pay in lieu of such notice equal to 18 months.

## 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, 2025, 2024 and 2023.

| Name and principal position                                                             | Fiscal year ending August 31 | Salary(\$) | Annual Incentive Plan <sup>(1)</sup> (\$) | Long-Term Incentive Plan (\$) <sup>(2)</sup> | Pension Value <sup>(3)</sup> (\$) | All other compensation (\$) | Total compensation (\$) |
|-----------------------------------------------------------------------------------------|------------------------------|------------|-------------------------------------------|----------------------------------------------|-----------------------------------|-----------------------------|-------------------------|
| Mark Cooper<br>President & CEO <sup>(4)</sup>                                           | 2025                         | 590,767    | 637,529                                   | 744,226                                      | 479,000                           | 0                           | 2,451,522               |
|                                                                                         | 2024                         | 395,000    | 270,773                                   | 305,533                                      | 56,000                            | 0                           | 1,027,306               |
|                                                                                         | 2023                         | 380,000    | 260,300                                   | 212,800                                      | 61,000                            | 0                           | 914,100                 |
| Raymond G. Bohn<br>Former President & CEO <sup>(5)</sup>                                | 2025                         | 242,333    | 207,195                                   | 348,960                                      | 52,000                            | 0                           | 850,488                 |
|                                                                                         | 2024                         | 700,000    | 891,310                                   | 1,237,600                                    | 880,000                           | 0                           | 3,708,910               |
|                                                                                         | 2023                         | 625,000    | 823,563                                   | 800,000                                      | 1,453,000                         | 0                           | 3,701,563               |
| Donna Mathieu<br>Vice President & CFO <sup>(6)</sup>                                    | 2025                         | 428,000    | 267,051                                   | 293,892                                      | 108,000                           | 0                           | 1,096,943               |
|                                                                                         | 2024                         | 416,000    | 274,976                                   | 275,808                                      | 156,000                           | 0                           | 1,122,784               |
|                                                                                         | 2023                         | 390,000    | 265,005                                   | 187,200                                      | 224,000                           | 0                           | 1,066,205               |
| Marie-Pier Berman<br>Vice President & Chief Operating Officer <sup>(7)</sup>            | 2025                         | 303,000    | 188,012                                   | 208,005                                      | 80,000                            | 0                           | 779,017                 |
|                                                                                         | 2024                         | 290,000    | 190,675                                   | 192,270                                      | 175,000                           | 73,053 <sup>(8)</sup>       | 920,998                 |
|                                                                                         | 2023                         | 258,088    | 158,015                                   | 104,000                                      | 486,000                           | 51,212 <sup>(8)</sup>       | 1,057,315               |
| Diana Kelly<br>Vice President & Chief Human Resources Officer                           | 2025                         | 323,000    | 200,422                                   | 221,793                                      | 41,000                            | 0                           | 786,215                 |
|                                                                                         | 2024                         | 314,000    | 211,008                                   | 208,182                                      | 106,000                           | 0                           | 839,190                 |
|                                                                                         | 2023                         | 295,000    | 199,125                                   | 141,600                                      | 390,000                           | 0                           | 1,025,725               |
| David Sheppard<br>Vice President, Chief Technology & Information Officer <sup>(9)</sup> | 2025                         | 313,589    | 174,179                                   | 193,521                                      | 228,000                           | 0                           | 909,289                 |
|                                                                                         | 2024                         | 290,121    | 108,391                                   | 0                                            | 31,000                            | 0                           | 429,512                 |
|                                                                                         | 2023                         | 281,671    | 98,762                                    | 0                                            | 39,000                            | 0                           | 419,433                 |

<sup>(1)</sup> 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 (except for the former President & CEO who was paid this amount on a prorated basis upon retirement as approved by the Committee).

<sup>(2)</sup> Represents amount earned in each of the reported fiscal years for LTIP Performance Cycles PC23 (2021 – 2023) and the amounts for PC26 (2024 – 2026) on accrual basis. This includes amounts earned under the S-LTIP, as applicable. The amounts for PC26 are based on Management's best estimate and will be finalized at the end of the three-year period when the performance cycle has matured, subject to the approval of the Committee. 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. Mathieu for whom December 31, 2024 and February 6, 2026 are assumed respectively.
- (4) Mr. Cooper was appointed President & CEO effective December 2, 2024. Prior to this appointment, Mr. Cooper was Vice President, Chief Technology & Information Officer from September 1, 2020 to December 1, 2024.
- (5) Mr. Bohn ceased being the President & CEO effective December 1, 2024 and retired from the Company effective December 31, 2024.
- (6) Ms. Mathieu will cease being the Vice President & CFO effective January 8, 2026 and will retire from the Company effective February 6, 2026.
- (7) Ms. Berman 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.
- (8) This amount represents a travel allowance in lieu of relocation.
- (9) Mr. Sheppard qualified as a NEO during fiscal 2025. He was appointed Vice President, Chief Technology & Information Officer effective January 9, 2025. From May 13, 2024 to January 8, 2025, Mr. Sheppard was Acting Vice President & Chief Strategy Officer and prior thereto he was Assistant Vice President, ANS Technology Services from June 2020 to May 12, 2024.

## 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 former 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 former 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 \$44,201,998 face amount of the letter of credit, \$8,687,575 is in respect of Executive Officers at the January 1, 2025 valuation to determine the letter of credit and \$9,996,646 in respect of the former President and CEO. 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, 2025. The table details the years of credited service, estimated pension benefits as at August 31, 2025, 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 <sup>(1)</sup> | Annual Benefits Payable (\$)   |                          | Present Value of Defined Benefit Obligation at August 31, 2024 (\$) | Compensatory Change <sup>(4)</sup> (\$) | Non-Compensatory Change <sup>(5)</sup> (\$) | Present Value of Defined Benefit Obligation at August 31, 2025 (\$) |
|--------------------------------------------------------------------------|-------------------------------------------------|--------------------------------|--------------------------|---------------------------------------------------------------------|-----------------------------------------|---------------------------------------------|---------------------------------------------------------------------|
|                                                                          |                                                 | At Aug.31, 2025 <sup>(2)</sup> | At Age 65 <sup>(3)</sup> |                                                                     |                                         |                                             |                                                                     |
| Mark Cooper<br>President & CEO <sup>(6)</sup>                            | 5.998                                           | 41,127                         | 260,650                  | 313,000                                                             | 479,000                                 | (4,000)                                     | 788,000                                                             |
| Raymond G. Bohn<br>Former President & CEO <sup>(7)</sup>                 | 30.624                                          | 591,052                        | 591,052                  | 10,734,000                                                          | 52,000                                  | 170,000                                     | 10,956,000                                                          |
| Donna Mathieu<br>Vice President & CFO <sup>(8)</sup>                     | 21.981                                          | 227,319                        | 235,984                  | 3,204,000                                                           | 108,000                                 | 890,000                                     | 4,202,000                                                           |
| Marie-Pier Berman<br>Vice President & Chief Operating Officer            | 21.837                                          | 140,274                        | 235,984                  | 2,340,000                                                           | 80,000                                  | 104,000                                     | 2,524,000                                                           |
| Diana Kelly<br>Vice President & Chief Human Resources Officer            | 24.471                                          | 180,194                        | 262,862                  | 3,115,000                                                           | 41,000                                  | 113,000                                     | 3,269,000                                                           |
| David Sheppard<br>Vice President, Chief Technology & Information Officer | 16.541                                          | 61,646                         | 149,001                  | 636,000                                                             | 228,000                                 | 6,000                                       | 870,000                                                             |

<sup>(1)</sup> 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 former 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 \$71,300. For Mr. Bohn and Ms. Mathieu, the amount shown is as at December 31, 2024 and February 6, 2026 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. Mathieu for whom December 31, 2024 and February 6, 2026 are assumed.
- (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. Cooper was appointed President & CEO effective December 2, 2024. Prior to this appointment, Mr. Cooper was Vice President, Chief Technology & Information Officer from September 1, 2020 to December 1, 2024.
- (7) Mr. Bohn ceased being the President & CEO effective December 1, 2024 and retired from the Company effective December 31, 2024. He started accruing pension benefits under NCPP - Part B provisions for future service commencing on February 1, 2021.
- (8) Ms. Mathieu will cease being the Vice President & CFO effective January 8, 2026 and will retire from the Company effective February 6, 2026.

### ***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 former President & CEO, the applicable date is February 1, 2021.

Lifetime benefit amounts payable up to \$3,756.67 per year of service are paid from the federally registered pension plan. Lifetime benefit amounts in excess of this amount 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 30<sup>th</sup> 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.

Southlea Group was retained at the end of fiscal 2024 to conduct a fulsome director compensation review that was completed in the first quarter of fiscal 2025. Based on this review, the Corporate Governance Committee recommended and the Board unanimously approved that aggregate Board compensation be increased by 3.5% to position the Board compensation closer to its desired compensation philosophy at the 50<sup>th</sup> percentile of market. In addition, the annual retainer of the Chair of the Board was increased by 3.5% and the annual retainers of the Chairs of the Board's committees, other than the Committee and the Audit & Finance Committee, were increased from \$15,000 to \$17,500. These changes came into effect as of September 1, 2024.

| <b>Board of Directors Fees – Fiscal 2025(\$)</b>                                                                                                                |                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Annual Retainer                                                                                                                                                 | 114,109                     |
| Board Meeting Attendance Fee                                                                                                                                    | included in annual retainer |
| Board Teleconference Meeting Fee <ul style="list-style-type: none"> <li>for meetings more than one hour</li> <li>for meetings less than one hour</li> </ul>     | 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 <sup>(1)</sup> <ul style="list-style-type: none"> <li>full day</li> <li>half day</li> </ul>                                                            | 1,250<br>750                |
| <b>Committee Fees</b>                                                                                                                                           |                             |
| 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                                                                                                                      | 17,500                      |
| Committee Meeting Attendance Fee                                                                                                                                | included in annual retainer |
| Committee Teleconference Meeting Fee <ul style="list-style-type: none"> <li>for meetings more than one hour</li> <li>for meetings less than one hour</li> </ul> | included in annual retainer |
| <b>Other</b>                                                                                                                                                    |                             |
| Chair of the Board Annual Fee <sup>(2)</sup>                                                                                                                    | 208,534                     |

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 2025 |                  |                                            |           |
|-------------------------------------|------------------|--------------------------------------------|-----------|
| Name                                | Fees Earned (\$) | All Other Compensation <sup>(7)</sup> (\$) | Total(\$) |
| Kathy Baig                          | 122,859          | 0                                          | 122,859   |
| Edward Barrett <sup>(1)</sup>       | 65,804           | 3,000                                      | 68,804    |
| Raymond G. Bohn <sup>(2)</sup>      | -                | -                                          | -         |
| Mark Cooper <sup>(3)</sup>          | -                | -                                          | -         |
| Michael DiLollo <sup>(1)</sup>      | 65,804           | 0                                          | 65,804    |
| Peter Duffey                        | 122,859          | 1,500                                      | 124,359   |
| Bonnie DuPont <sup>(1)</sup>        | 68,304           | 3,000                                      | 71,304    |
| Marc Grégoire                       | 114,109          | 0                                          | 114,109   |
| Lucie Guillemette                   | 114,109          | 0                                          | 114,109   |
| Kevin Howlett                       | 131,609          | 7,500                                      | 139,109   |
| Jean-François Lemay <sup>(4)</sup>  | 73,537           | 0                                          | 73,537    |
| Davey Lewis                         | 114,109          | 7,500                                      | 121,609   |
| Candice Li                          | 136,609          | 7,500                                      | 144,109   |
| Sarah Morgan-Silvester              | 134,109          | 8,750                                      | 142,859   |
| Michelle Savoy <sup>(5)</sup>       | 224,534          | 1,500                                      | 226,034   |
| Chantal Sorel <sup>(4)</sup>        | 73,537           | 0                                          | 73,537    |
| Iain Stewart                        | 114,109          | 1,500                                      | 115,609   |
| David Weger                         | 122,859          | 8,750                                      | 131,609   |
| Anne Whelan <sup>(6)</sup>          | 64,028           | 1,500                                      | 65,528    |

<sup>(1)</sup> Messrs. Barrett and DiLollo and Ms. DuPont retired from the Board effective January 8, 2025.

<sup>(2)</sup> As former President & CEO, Mr. Bohn did not receive any directors' fees. Mr. Bohn retired from the Board effective December 1, 2024.

<sup>(3)</sup> As President & CEO, Mr. Cooper does not receive directors' fees.

<sup>(4)</sup> Mr. Lemay and Ms. Sorel joined the Board on January 8, 2025.

<sup>(5)</sup> 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) Ms. Whelan joined the Board on February 7, 2025.
- (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.