

CHARTER OF THE GOVERNANCE AND NOMINATING COMMITTEE

I. PURPOSE

The purpose of the Governance and Nominating Committee (the Committee) of the Board of Directors (the Board) of Air Canada (the Corporation) is to assist the Board in its oversight responsibilities by, among other things:

- (a) satisfying itself that corporate governance guidelines and practices are adopted, and disclosed, including with respect to director qualification standards, director responsibilities, director access to management and independent advisors, director compensation, director orientation and continuing education, and annual performance evaluation of the Board;
- (b) identifying individuals qualified to become new directors and recommending to the Board the nominees for each annual meeting of shareholders, including having regard to the Board's diversity policy;
- (c) overseeing progress on the Corporation's overall efforts with respect to sustainability issues including environmental, social and governance matters, and provide guidance to the Board about the general strategy and direction with respect to such matters; and
- (d) overseeing such other matters as may be delegated to the Committee by the Board.

(a) RESPONSIBILITIES

To achieve its objectives, the Committee shall:

Related to Corporate Governance

- (e) review criteria:
 - (i) regarding the composition of the Board and committees of the Board, such as diversity and gender balance, size, proportion of inside to outside directors and their qualifications including relatedness and independence and make recommendations to the Board;
 - (ii) relating to tenure as a director, such as retirement age, limitations on the number of times a director may stand for re-election, and the continuation of directors in an honorary or similar capacity; and
 - (iii) for retention of directors unrelated to age or tenure, such as attendance at Board and committee meetings, health or the assumption of responsibilities which are incompatible with effective Board membership;
- (f) assess the effectiveness of the Board as a whole, the committees of the Board, the contribution of individual directors, and assessment of directors on an ongoing basis;
- (g) review on a regular basis, with the assistance of the Human Resources, Compensation and Pension Committee when deemed necessary by the Committee, the adequacy and form of compensation of directors in the context of the responsibilities and risks involved in being an effective director, including making recommendations to the Board with respect to the actual remuneration (fees, retainers, and currency) and benefits provided to directors;
- (h) review and develop position descriptions for the Chair of the Board, the Chairs of Board committees, and the Chief Executive Officer;

- (i) satisfy itself that appropriate structures and procedures are in place so that the Board can function independently of management, including adequate information flows and by arranging through the Chair, at scheduled meetings of the Board, for the independent directors to meet without management present;
- (j) put in place an orientation program for new directors and a continuing education program for the Board;
- (k) satisfy itself that the Corporation and its directors and officers comply with applicable legislation regarding governance matters;
- (l) review and recommend to the Board any amendments to the Corporation's articles and by-laws;
- (m) make recommendations to the Board as deemed appropriate with respect to the monitoring and disclosure of corporate governance guidelines in effect from time to time and review those guidelines once a year;
- (n) develop and recommend to the Board standards and practices to be applied in making determinations as to the presence or absence of material relationships between the Corporation and a director;
- (o) review and approve proposed outside directorships for officers of the Corporation, with the exception of those related to educational, philanthropic, professional, social, and recreational activities;

Related to Board Committees

- (p) review and recommend to the Board: (i) the types, charters, and composition of the Board committees; (ii) the nominees to act as Chair and membership of the Board committees including periodic rotation of assignments and memberships; and (iii) as deemed appropriate, the time of service of members on committees, meetings procedures, quorum and notice requirements, records and minutes, and the replacement of directors resulting from any resignation or vacancy on committees;

Related to Director Nominations

- (q) assist the Board in determining: (i) what competencies, skills, and qualities the Board, as a whole, should possess and which among those each existing director possesses; and (ii) the appropriate size of the Board, with a view to facilitating effective decision-making;
- (r) develop and review criteria regarding personal qualifications for Board membership, such as background, experience, technical skill, affiliations, personal qualities, and other attributes and develop a process for identifying candidates;
- (s) review the Board diversity policy annually and make recommendations to the Board;
- (t) identify individuals qualified to become new Board members and recommend them to the Board and in making its recommendations, the Committee shall consider: (i) the competencies, skills, and other qualities that the Board considers to be necessary or best suited for the Board, as a whole, and each director, to possess, and that each new nominee will bring to the Board, to complement the then Board's composition; and (ii) whether or not each new nominee can devote sufficient time and resources to their duties as a Board member;
- (u) recommend the slate of nominees for each annual meeting of shareholders;

- (v) recommend candidates to fill vacancies on the Board occurring between annual meetings of shareholders;
- (w) review and make recommendations relative to non-executive nominees of the Corporation to the boards of subsidiaries of the Corporation or of companies in which the Corporation has an interest;

Related to Sustainability and Business Conduct

- (x) perform its activities having regard for the Corporation's environmental, social and governance (ESG) practices and strategies, including as to diversity, equity and inclusion, climate change, and sustainability;
- (y) review, monitor and evaluate trends and the Corporation's progress in its overall efforts with respect to ESG matters, and their integration in the Corporation's governance practices, including through quarterly updates on ESG performance targets, issues, opportunities, and key developments;
- (z) facilitate information sharing among Board committees in respect of ESG matters;
- (aa) review and recommend to the Board:
 - (i) the internal corporate sustainability or ESG reporting,
 - (ii) the annual modern slavery and human trafficking statement, and
 - (iii) the corporate policy and guidelines on Business Conduct (the Code of Conduct) and any updates thereto;
- (bb) perform functions with respect to such other material reports, policies, statements, and other guidelines as may be delegated by the Board from time to time;
- (cc) receive and review periodic reports on the Corporation's sustainable procurement practices, and the implementation of its supplier code of conduct;
- (dd) review the key measurable objectives of the Corporation's linguistic action plan and monitor progress on the achievement of such objectives;

Report to Board, annual reviews, and other functions

- (ee) report regularly to the Board on the activities, findings, and conclusions of the Committee, including on policies, practices, and progress on key ESG matters, and provide guidance to the Board about the general strategy and direction with respect to such matters;
 - (ff) review this Charter on an annual basis and recommend to the Board any changes to it that the Committee considers advisable;
 - (gg) complete a self-assessment annually to determine how effectively the Committee is meeting its responsibilities; and
 - (hh) perform other such functions as may be delegated from time to time by the Board.
- (b) **GENERAL**

This Charter is supplemented, and the organization and operations of the Committee are governed, by the Governance Code and Organizational Guidelines of the Board.

Effective as of February 16, 2024