

CHARTER OF THE SAFETY, HEALTH, ENVIRONMENT AND SECURITY COMMITTEE

I. PURPOSE

The purpose of the Safety, Health, Environment and Security Committee (the Committee) of the Board of Directors (the Board) of Air Canada (the Corporation) is to assist the board of directors of the Corporation (the Board) in the discharge of its oversight responsibilities concerning safety, health, environment, and security matters including in relation to: (i) strategies, policies, systems, and processes of Air Canada and its subsidiaries (collectively, the Corporation); (ii) management of risks relating to safety, health, environment and security matters; and (iii) compliance with statutory and regulatory obligations.

II. RESPONSIBILITIES

To achieve its objectives, the Committee shall:

General oversight

- (a) review the strategies, policies, systems, standards, and processes established by management to protect the Corporation's objective and reputation as one of the world's safest and secure airlines, and to promote a culture of safety, health, security, and environmental protection;
- (b) review and recommend to the Board for approval major corporate policies related to safety, health, security, and environment (including the Corporation's Climate Action Plan);
- (c) review the effectiveness of the Corporation's risk management framework in relation to safety, health, environment (including sustainability matters such as climate change) and security matters;
- (d) through the receipt of periodic reports from management, review and oversee management's assessment of all key enterprise risk exposures and emerging risks related to safety, health, environment and security, and the steps management has taken to monitor or control and mitigate those exposures (including programs to obtain appropriate insurance to mitigate or transfer risks), it being understood that (i) the Chair of the Committee shall periodically report to the Board on all major issues arising with respect to the management of these risks, and (ii) the Committee may also request reports from legal, corporate audit and advisory, and any other department as it deems appropriate;
- (e) review the adequacy of safety, health, environment, and security systems for the reporting, prevention and mitigation of actual or potential accidents, breaches, and incidents, as well as investigations and remedial actions;
- (f) receive regular reports on safety performance at Air Canada that is measured in line with both lead and lag indicators, and review preventative and remedial actions if any;
- (g) receive regular reports on environmental performance at Air Canada including improvements in the environmental management system and an annual review thereof by management;

Climate, sustainability and other matters

- (h) perform its activities in accordance with the Corporation's environmental, social and governance (ESG) practices and strategies, including as to diversity, equity and inclusion, and oversee key areas of the Corporation's approach to climate change, such as climate strategy, climate mitigation and climate resilience;

- (i) monitor trends in respect of ESG matters and their integration into the Corporation's health, safety, and security policies, practices and performance;
- (j) as part of its oversight of climate related and sustainability matters, review and recommend to the Board Air Canada's five-year climate action or other sustainability plans, and monitor and evaluate progress on each of these plans in achieving its goals, objectives, and targets, through the receipt of regular reports and updates from management and subject matter experts on key projects, initiatives, and other developments;
- (k) review overall trends related to climate change adaptation and mitigation including extreme weather events, insurance coverage, operational risks related to increasing temperatures and other environmental matters, emerging regulatory risks and stakeholder disclosure expectations in corporate reporting, and review management's processes in response thereto;

Compliance, practices and other reports

- (l) review with management any reports received from regulators and other legal regulatory matters that raise material concerns or may have a material effect on the Corporation's safety, health, environmental and security practices;
- (m) review the Corporation's compliance with all relevant statutory and regulatory obligations and its adoption of policies, standards and processes in accordance with best practices of the airline industry, and review any significant non-compliance and remedial actions taken;
- (n) receive and review reports from management:
 - (i) on matters before the Corporate Safety Board and the Corporate Environment Board relating to safety, security, and environmental performance, audit findings, major incidents, remedial actions and notices, orders, complaints, investigations, proceedings, regulators' recommendations or directives and other assessments of compliance, and, where applicable, any remedial actions, plans and programs to be carried out;
 - (ii) on the Corporation's oversight of the safety and security programs and processes of Air Canada Express and any other regional carriers; and
 - (iii) on the Corporation's oversight of the safety and security processes maintained by codeshare and joint venture partners;
- (o) share with the Audit, Finance and Risk Committee any finding from the reports referred to in paragraph (n) above that may require that adequate reserves be in place and be accounted for properly;

General

- (p) monitor plans and progress for improvement initiatives and ongoing development of organizational capability;
- (q) review industry trends, practices, and risks, including potential liabilities and changes in legislation, community expectations, research findings and technological changes, and where appropriate, mitigation actions;
- (r) review this Charter on an annual basis and recommend to the Board any changes to it that the Committee considers advisable;

- (s) assess the performance of the Committee on an annual basis in accordance with performance assessment guidelines formulated by the Governance and Nominating Committee; and
- (t) perform such other functions as may be delegated from time to time by the Board.

III. 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