



**ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025**

February 24, 2026

The Most Awarded Air Cargo Airline in Canada

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EXPLANATORY NOTES

Unless otherwise stated, the information in this annual information form (the “**Annual Information Form**”) is current as at December 31, 2025. Unless otherwise noted or the context otherwise indicates, “Cargojet”, the “Company” and “our” refers to Cargojet Inc. and its subsidiaries. All currency amounts in this Annual Information Form are stated in Canadian dollars, unless otherwise indicated.

FORWARD-LOOKING INFORMATION

Certain statements made in this Annual Information Form are “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Company’s current and future business strategies, plans, expectations, intentions, products and services, results, performance, planned 2026, 2027 and 2028 operating fleet, and relations with suppliers, customers and employees. In certain cases, forward-looking information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”, including references to assumptions.

Forward-looking information, by its nature, is based on current estimates and certain material expectations and assumptions made by Cargojet, including those described herein and is subject to important risks and uncertainties. Forward-looking information cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Forward-looking information in this Annual Information Form includes without limitation, anticipated financial performance, business prospects, operations plans including fleet optimization, strategies, regulatory developments, exchange rates, interest rates, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, the continued and timely investment in and development of infrastructure, the availability and cost of labour and services, the anticipated impact of competition, including new competitors, on Cargojet’s business, the ability to obtain financing on acceptable terms, and market conditions and potential timing delays, among other variables. Although Cargojet considers these estimates, expectations and assumptions to be reasonable based on current information and in light of its experience and perception of historical trends, current conditions and expected future development, there can be no assurance that such estimates, expectations and assumptions will prove to be correct.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, achievements, future events or developments to differ materially from those expressed or implied by such forward-looking information, including, without limitation, the following factors, which are discussed in greater detail in the “*Risk Factors*” section of this Annual Information Form: loss of key customer contracts, restrictions of existing indebtedness and finance lease obligations reducing flexibility, significant changes to the Canada – US “Open Skies” agreement, competition, ability to realize the anticipated financial and strategic benefits of the

agreements with Amazon and DHL (each as defined below), government regulations relating to aviation, transportation, environmental, labour, employment and other laws, treaties and regulations, risks related to climate-change, the Company's ability to implement, manage, measure or report on ESG (as defined below) initiatives in light of increasing requirements and stakeholder expectations regarding ESG matters, the Company's ability to comply with emerging regulatory and legislative requirements and scrutiny with respect to human rights, availability of adequate insurance and the associated cost, the Company's dependence on technology and threats to the Company's cyber security, maintaining leased and owned aircraft and availability of future aircraft (and financing therefor), fixed costs, fuel prices and availability, costs related to mechanical and maintenance problems and replacement of equipment and parts, foreign exchange fluctuations, the ability of the Company to maintain profitability and manage growth, industry risk and economic sensitivity, dependence on key personnel and skilled labour, labour relations, seasonal fluctuations, tariffs and trade restrictions, dependence of the Company on international trade, future sales of Voting Shares (as defined below) by directors and officers of the Company, income tax matters, increase in interest rates, potential future legal proceedings, the loss of interline partnerships and alliances, the Company's dependence on key supplies and suppliers, terrorist activity, general economic and geopolitical conditions, the ability to maintain dividends, and potential volatility of the price of our Voting Shares. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time. While these factors should be considered carefully, they are not intended to represent a complete list of the factors that could affect us and there may be other factors beyond the Company's control that cause actions, events or results not to be as anticipated, estimated or intended.

The purpose of the forward-looking information is to provide the reader with a description of management's current expectations regarding the Company's financial performance and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking information is provided as of the date of this Annual Information Form (or as of the date otherwise stated to be made) and are subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether to reflect new information, future events or otherwise, except as required under applicable securities laws. The forward-looking information contained in this Annual Information Form is expressly qualified by this cautionary statement.

PRESENTATION OF FINANCIAL INFORMATION

All references in this Annual Information Form to "**Fiscal 2025**", "**Fiscal 2024**" and "**Fiscal 2023**" are to the Company's fiscal years ended December 31, 2025, 2024 and 2023, respectively.

This Annual Information Form should be read in conjunction with the audited consolidated annual financial statements and notes thereto and related management's discussion and analysis of financial condition and results of operations for Fiscal 2025, Fiscal 2024 and Fiscal 2023. The audited consolidated annual financial statements have been prepared in accordance with generally accepted accounting

principles in Canada, as set out in the CPA Canada Handbook - Accounting, which incorporates International Financial Reporting Standards as issued by the International Accounting Standards Board, except for any financial information specifically denoted otherwise. The annual financial statements, quarterly financial statements, press releases and additional information relating to Cargojet filed with regulatory authorities are available under the Company’s profile on SEDAR+ at www.sedarplus.ca and at our corporate website at www.cargojet.com.

CORPORATE STRUCTURE

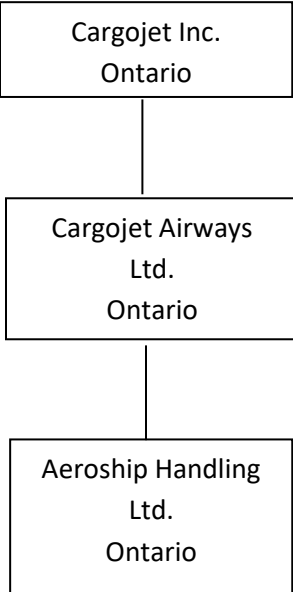
NAME, ADDRESS AND INCORPORATION

Cargojet was incorporated under the *Business Corporations Act* (Ontario) (the “**OBCA**”) on April 7, 2010 and is the successor to Cargojet Income Fund (the “**Fund**”), following the completion of the conversion of the Fund from an income trust to a public corporation by way of a court-approved statutory plan of arrangement under Section 182 of the OBCA. Such conversion was completed on January 1, 2011.

The head and registered office address of the Company is 2281 North Sheridan Way, Mississauga, Ontario L5K 2S3.

INTERCORPORATE RELATIONSHIPS

The following diagram illustrates the corporate structure of the Company, including jurisdiction of establishment or incorporation of the Company and its operating material subsidiaries (each of which is wholly-owned), as of December 31, 2025.



GENERAL DEVELOPMENT OF THE BUSINESS

THREE YEAR HISTORY AND RECENT DEVELOPMENTS

Cargojet is Canada's leading provider of time-sensitive premium overnight air cargo services and carries over 25,000,000 pounds of cargo weekly. Cargojet's business is comprised of the following:

1. Operating a domestic air cargo network between 16 major Canadian cities each business day;
2. Providing dedicated aircraft to customers on an Aircraft, Crew, Maintenance and Insurance ("ACMI") basis, operating between points in Canada, North America, South America and Europe;
3. Operating scheduled international routes for multiple cargo customers between the United States and Bermuda, between Canada and Europe, between Canada and Asia, and between Canada and Mexico; and
4. Providing dedicated aircraft to customers on an *ad hoc* charter basis operating between points in Canada, the United States and other international destinations.

Cargojet operates its business utilizing its fleet of all-cargo aircraft. Cargojet's domestic air cargo network consolidates cargo received from numerous customers and transports such cargo to the appropriate destination in a timely and safe manner. Cargojet continually monitors key performance indicators and uses this information to reduce costs and improve the efficiency of its services.

Cargojet's strategy is to create sustained value and profitability and is based on the following priorities:

- Business development in local and international markets;
- Growth in the revenue streams by increasing customer base;
- Revenue improvement and cost reductions;
- Excellence in corporate culture; and
- Strengthening management by hiring and training to enhance and improve company culture. New management personnel are provided with a comprehensive orientation and education program aimed at familiarizing themselves with the Company's industry, strategic plans, significant risk management issues and financial standing, and the nature and operation of the Company's business.

In 2026:

- Pauline Dhillon assumed the role of Chief Executive Officer, effective January 1, 2026.

In 2025:

- The Company renewed its normal course issuer bid, which commenced on November 12, 2025 and will end no later than November 11, 2026 (the "2026 NCIB"). The 2026 NCIB allows the Company to repurchase, at its discretion, up to 1,400,000 common voting shares (the "Common

Voting Shares") and variable voting shares (the "**Variable Voting Shares**" and together with the Common Voting Shares, the "**Voting Shares**") in the open market, subject to standard terms and limitations. Under the 2026 NCIB, other than purchases made under block purchase exemptions, Cargojet may purchase up to the daily limit, as approved by Toronto Stock Exchange ("**TSX**"), on the TSX during any trading day, which represents approximately 25% of the average daily trading volume, as calculated in accordance with TSX rules. During Fiscal 2025, Cargojet repurchased 893,266 Voting Shares for cancellation under the 2026 NCIB and the 2025 NCIB (as defined below) for a total cost of \$86.9 million, including \$1.7 million share buyback tax;

- On October 30, 2025, the Company announced a scheduled direct air cargo service connecting Canada and Europe as part of its long-term expansion strategy. The partnership involves a weekly service linking Liege Airport, Europe's leading cargo gateway, with Canada's major cargo hubs to significantly expand Cargojet's global network and provide customers with dependable, time-sensitive service and connectivity across continents;
- On August 27, 2025, the Company issued a redemption notice to redeem in full on October 9, 2025 of the \$115,000,000 aggregate principal amount outstanding on its 5.25% senior unsecured hybrid debentures due June 30, 2026. The Company paid the principal amount and all accrued and unpaid interest up to, but excluding, October 9, 2025, in cash. The Company used a portion of the proceeds of the offering of its 4.599% senior unsecured notes which closed on June 30, 2025, to redeem the debentures;
- On August 6, 2025, the Company renewed its long-term strategic partnership with DHL Network Operations (USA) Inc. ("**DHL**") by extending the term to March 31, 2033. In addition, to align interests and strengthen the relationship, the Company terminated the warrants granted to DHL to acquire 1,645,000 Variable Voting Shares issued to DHL in March 2022 and issued new warrants to DHL Aviation (Netherlands) B.V. (the "**DHL Warrantholder**") to acquire up to 1,000,000 Variable Voting Shares, representing up to 6.63% of the Company's shares (on a non-diluted basis as of August 6, 2025), at a price of \$93.61 per share over a period of eight years, with vesting tied to the delivery by DHL of up to US\$2.3 billion in business volume during the same term. See "*Financial Overview – DHL Warrants*" and "*Material Contracts – DHL Warrant Certificate*";
- On July 2, 2025, the Company extended the term of its air transportation services agreement with Amazon Canada Fulfillment Services, ULC ("**Amazon**") to March 31, 2029, with a further right for Amazon to extend to March 31, 2031;
- On June 30, 2025, the Company successfully completed a note offering of \$250 million aggregate principal amount of 4.599% senior unsecured notes due 2030 (the "**Notes Offering**"). The net proceeds from the Notes Offering were used to redeem in full the Company's 5.25% listed senior unsecured hybrid debentures due June 30, 2026, repay indebtedness under the Company's credit facilities and for general corporate purposes;
- On June 27, 2025, the Company entered into a fourth amended and restated credit agreement to enact certain amendments to its credit facilities. The amendments included, among other things, the release of liens previously granted to the lenders, such that the borrowings under the credit

facilities are now unsecured obligations of the Company, and modifications to certain covenants to reflect an investment grade credit rating structure; and

- On June 19, 2025, the Company was assigned an investment-grade issuer credit rating of BBB (low), with a stable trend by Morningstar DBRS (“**DBRS**”).

In 2024:

- Cargojet entered into a long-term agreement with China-based Great Vision HK Express to provide scheduled charter services between China and Canada using a Boeing 767-300 freighter for a minimum of three flights per week. The service started in May 2024. Total revenue is estimated at over \$160 million based on three flights per week over three years;
- On November 11, 2024, Cargojet commenced a normal course issuer bid (the “**2025 NCIB**”), which terminated on November 10, 2025. During Fiscal 2024, Cargojet repurchased a total of 1,079,059 Voting Shares for cancellation under the 2025 NCIB and the 2024 NCIB (as defined below); and
- On November 13, 2024, the Company issued a redemption notice to redeem in full on December 27, 2024 all of its outstanding 5.75% senior unsecured hybrid debentures due April 30, 2025 (the “**5.75% 2025 Debentures**”) in accordance with the provisions of the indenture dated November 6, 2018, as amended. The redemption price for the 5.75% 2025 Debentures was 100% of the aggregate outstanding principal amount, together with accrued and unpaid interest up to, but excluding, December 27, 2024. The Company paid the redemption price in cash using the Credit Facility (as defined below).

In 2023:

- The focus for Fiscal 2023 was managing costs to take into account reduced revenue volumes. Macro-economic conditions caused a reduction in consumer spending which led to a decrease in freight shipments. Cargojet managed both operating expenses and capital expenditures to the reduced revenue volumes. The reduction in operating expenses held Adjusted EBITDA margins⁽¹⁾ to historical levels. The reduction in capital expenditures resulted in cashflow that could be directed to support future dividend growth, a share repurchase program, and to reduce debt longer-term;
- On January 17, 2023, Cargojet announced that the Master Services Agreement (the “**MSA**”) with Canada Post Group of Companies including Purolator Inc. (collectively, the “**CPGOC**”) had been extended until September 30, 2029, with an additional option to renew the MSA until March 31, 2031 remaining available. See “*Strategic Partnerships – Canada Post Group of Companies*”;
- On November 9, 2023, Cargojet commenced a normal course issuer bid (the “**2024 NCIB**”), which terminated on November 8, 2024. During Fiscal 2023, Cargojet repurchased 366,408 Voting Shares for cancellation under the 2024 NCIB; and

¹ Non-GAAP measures. See “*Non-GAAP Financial Measures*” within Management’s Discussion and Analysis (“**MD&A**”) for the three months and year ended December 31, 2025.

- On November 14, 2023, the Company issued a redemption notice to redeem in full on December 29, 2023 all of its outstanding 5.75% senior unsecured hybrid debentures due April 30, 2024 (the “5.75% 2024 Debentures”) in accordance with the provisions of the indenture dated November 6, 2018. The redemption price for the 5.75% 2024 Debentures was 100% of the aggregate outstanding principal amount, together with accrued and unpaid interest up to, but excluding, December 29, 2023. The Company paid the redemption price in cash using its DDTL Facility (as defined below). See “Financial Overview – Borrowings”.

BUSINESS OF CARGOJET

Cargojet is Canada’s leading provider of time sensitive overnight premium air cargo services and carries over 25,000,000 pounds of cargo weekly. Cargojet operates its network across North America each business night, utilizing a fleet of Boeing 767 and Boeing 757 aircraft. Another key factor in the success of Cargojet lies in its long-standing customer relationships and long-term contracts (approximately 75% of domestic volumes are under long-term contract). Cargojet provides service to over 400 customers that are comprised of Canada’s major courier companies, retailers, freight forwarders, manufacturers, specialty shippers and international airlines. The Company has a successful track record of completing accretive acquisitions and strategic partnerships and the pursuit of such future opportunities continues to be a core component of Cargojet’s overall growth strategy. Cargojet continues to focus its strategies on developing opportunities in both the domestic and global markets, while improving margins through optimization of fleet, network and operational controls.

SERVICES

Overnight Network

Cargojet offers its overnight air cargo service between 16 major cities across Canada each business night. Customers pre-purchase a guaranteed space and weight allocation on Cargojet’s network and a corresponding guaranteed daily revenue amount is paid to Cargojet for this space and weight allocation. Remaining capacity is sold on an *ad hoc* basis to contract and non-contract customers. Overflow/oversell traffic is regularly sold to ensure maximum space and revenue capture.

Within its overnight network, Cargojet also provides domestic air cargo services for a number of international airlines between points in Canada that connect such airlines’ gateways to Canada. This revenue helps to support lower demand legs and provides a revenue opportunity with little incremental cost, as Cargojet provides domestic capacity to these international airlines through its existing, regularly scheduled flight network. See “Customers” below.

International Air Cargo Services

Cargojet operates an international route operating between Newark, New Jersey, United States and Hamilton, Bermuda. This provides a five-day per week air cargo service for multiple customers and is patterned after the domestic business that Cargojet has built in Canada. Customer contracts contain minimum daily revenue guarantees and the ability to pass through increases in fuel costs.

Dedicated Aircraft Charter

To further enhance its revenues, Cargojet offers a specialty charter service typically in the daytime and on weekends. The charter business targets livestock shipments, military equipment movements, emergency relief supplies and virtually any large shipments requiring immediate delivery across North America, South America, the Caribbean, Europe, Asia, Oceania, and Africa. During pre-Christmas peak volume seasons, Cargojet also offers dedicated aircraft to its major courier customers to handle increased United States-Canada premium overnight traffic. Aircraft charters are typically priced inclusive of all costs of operating the flight, including fuel, navigation fees, cargo handling and all other commercial activities.

Dedicated ACMI Contracts

Cargojet provides and operates dedicated aircraft on an ACMI basis. This service involves providing a dedicated aircraft on a dedicated route where the customer is responsible for all costs of the operation including fuel, navigation fees, landing fees, cargo handling and all other commercial activities. Minimum guaranteed revenues are part of the contract.

Cargojet Fleet

For information relating to Cargojet's operating fleet and fleet plans as at December 31, 2024 and 2025, as well as Cargojet's planned operating fleet for 2026, 2027 and 2028, see "*Fleet Overview*" in the Company's management's discussion and analysis for Fiscal 2025 (the "**2025 MD&A**"). The 2025 MD&A is available under the Company's profile on SEDAR+ at www.sedarplus.ca and at our corporate website at www.cargojet.com.

All aircraft meet Transport Canada and FAA Stage III noise abatement guidelines enabling unrestricted operation across North America.

All aircraft are maintained under Transport Canada and the manufacturers' approved maintenance programs incorporating periodic service checks. Cargojet's B757-200, B767-200 and B767-300 aircraft are also required to undergo comprehensive heavy maintenance checks every 24 months. Cargojet is recognized by Transport Canada as an "Approved Maintenance Organization" and all aircraft maintenance is performed in house except for the heavy maintenance checks.

Specialized Skill and Knowledge

Cargojet operates in an industry that requires specialized skills and knowledge. Cargojet employs individuals who possess specific technical knowledge and experience in the areas of aircraft operation, aircraft maintenance, flight planning, flight dispatch, crew planning, crew training, ground handling and commercial airline cargo management. Cargojet has not experienced material difficulty in recruiting and retaining appropriate staff to carry out its operations.

STRATEGIC PARTNERSHIPS

Strategic Agreement with DHL

On March 28, 2022, Cargojet entered into a strategic agreement with DHL and its affiliates as a key air cargo carrier for DHL's global expansion plans with dedicated air cargo freighters. The strategic agreement was made in connection with DHL's and Cargojet's existing commercial agreement for overnight air cargo services and charters and DHL's utilization of those services to support the transition from belly space in passenger aircraft to dedicated air cargo freighters. Under the strategic agreement, the Company issued warrants (the "**2022 DHL Warrants**") to the DHL Warrantholder to purchase Variable Voting Shares that vest, subject to certain conditions and terms, based on the achievement of certain commercial milestones related to DHL's business with the Company. In connection with the issuance of the 2022 DHL Warrants, DHL was granted certain rights, including customary anti-dilution protections, registration and information rights and was subject to customary voting and resale restrictions and standstill provisions.

In August 2025, Cargojet and DHL renewed their strategic agreement extending it until March 2033, with two consecutive two-year renewal options available to DHL. Pursuant to the terms of the renewed strategic agreement with DHL, the 2022 DHL Warrants were terminated and the Company issued new warrants to the DHL Warrantholder to acquire up to 1,000,000 Variable Voting Shares at a price of \$93.61 per share over a period of eight years (the "**2025 DHL Warrants**"). See "*Financial Overview – DHL Warrants*" and "*Material Contracts – DHL Warrant Certificate*".

Strategic Agreement with Amazon

On August 23, 2019, Cargojet entered into a strategic agreement with Amazon.com NV Investment Holdings LLC, an affiliate of Amazon.com.ca, Inc. ("**Amazon**"), as a key air cargo carrier for Amazon's middle mile transportation in Canada. The strategic agreement is in connection with Amazon's and Cargojet's existing commercial agreement for overnight air cargo services and charters and Amazon's utilization of those services to support fast delivery for Amazon customers in Canada. In April 2021, Cargojet entered into a new transportation agreement with Amazon Canada Fulfillment Services, ULC ("**Amazon Canada**") to expand its existing commercial relationship with Amazon by operating two B767-300 aircraft as part of the Amazon Air network on a CMI basis within Canada operating since July 2021 (the "**ATSA**"). In July 2025, Cargojet and Amazon Canada extended the ATSA for an additional four years, with an option for Amazon Canada to extend the term until March 2031.

Canada Post Group of Companies

The Company provides comprehensive Canada-wide air cargo services for the CPGOC national air cargo network. On February 19, 2014, Cargojet entered into an MSA with the CPGOC. Pursuant to the MSA, Cargojet provides CPGOC with domestic air cargo network services for an initial seven-year term with three 36-month renewal options held by CPGOC. The Company started providing preliminary services under the MSA in the middle of March 2015. The full services under the MSA began on April 1, 2015. Adjustments to planned and available capacity were subsequently undertaken in order to more closely align capacity to actual demand and reduce operating costs. Changes to the Company's route and cost

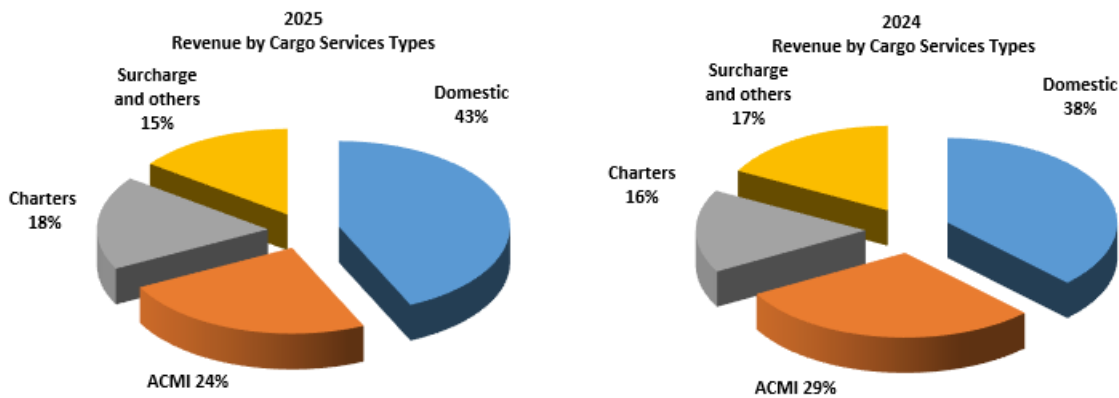
structures were successfully implemented in the fourth quarter of 2015. On October 23, 2017, Cargojet and CPGOC agreed to extend the term of the MSA until March 31, 2025. The Company announced on January 17, 2023 that the term of the MSA had been further extended until September 30, 2029, with an option to renew the MSA until March 31, 2031 remaining available to CPGOC.

CUSTOMERS

A key factor in the success of Cargojet lies in its long-standing customer relationships and long-term contracts with its customer base (approximately 75% of domestic volumes are under long-term contract). Cargojet provides service to over 400 customers that are comprised of Canada’s major courier companies, retailers, freight forwarders, manufacturers, specialty shippers and international airlines. Cargojet continues to focus its strategies on developing opportunities in both the domestic and global markets, while maintaining margins through optimization of fleet, network and operational controls. Cargojet also handles the time-sensitive shipment needs of customers including pharmaceutical, perishable, seafood, agriculture, hi-tech, garment, precious metals and chemical companies. Cargojet’s ten largest customers accounted for 73% of revenues in Fiscal 2025 and 75% of revenues in Fiscal 2024. Management believes that Cargojet is the exclusive overnight air cargo provider to most of its customers on Canadian routes.

During Fiscal 2025, the Company had sales to three customers that represented 54% of the total revenues (Fiscal 2024 – 56%). These sales are provided under service agreements that expire over various periods under long-term agreements. All of these customers had sales in excess of 10% of total revenues during Fiscal 2025 and Fiscal 2024. See “Risk Factors – Loss of Customer Contracts – The cancellation, termination or non-renewal of significant customer contracts could have a material adverse effect on the Company’s business, results of operations or financial condition”.

The following charts illustrate revenue by types of cargo services on Cargojet’s network for Fiscal 2025 and Fiscal 2024, and fuel surcharges and other revenue.



COMPETITION

Cargojet faces competition within its market from a mix of dedicated air cargo providers and motor carriers, express companies and passenger airlines offering air cargo services primarily using the cargo hold of their aircraft. Canadian domestic airlines have historically offered air cargo services on their

passenger flights by using excess belly cargo capacity of their aircraft. In recent years, there has been a strategic shift in demand for air cargo services from belly cargo space to dedicated freighters. Many airlines introduced dedicated freighters to their fleet, resulting in increased competition for ACMI and charter services in this growing market. However, Cargojet believes that passenger airlines' networks and service offerings do not provide a competitive alternative for customers in the time-sensitive overnight air cargo market. Cargojet's primary business model consists of a network that enables next day service for courier industry only, facilitated by long-term contracts with major customers in the domestic market. Management believes that Cargojet carries approximately 90% of Canada's overnight domestic air cargo volume (which is distinctive from other types of air cargo services such as ACMI and charters). Cargojet believes that it currently has only one other direct competitor in the Canadian air cargo services industry that operates (on behalf of an international carrier) scheduled all-cargo services coast-to-coast within Canada. See *"Risk Factors – Competition – The Company operates in a highly competitive environment and faces increasing competition in North America and internationally"*.

FACILITIES

As Cargojet provides air cargo services across Canada, offices and locations have been strategically located at airports in each of the 16 city centers listed below to meet customer's needs and requirements. All of Cargojet's facilities are leased, with the exception of its aircraft hangars in Hamilton, Ontario, which is owned. Eight of these facilities are bonded by Canada Customs, allowing international cargo to terminate or transit through the warehouse facility. Cargojet's facilities across Canada are equipped with cargo handling equipment in addition to aircraft handling equipment. Hamilton is the main hub of Cargojet's operations and is equipped to handle all types of cargo starting with truck offload to transfer and on-load onto aircraft.

The terms of Cargojet's main facilities leases are summarized below.

Facility	Expiration Date	Remaining Renewal Option
Mississauga, ON (Cargojet head office)	July 31, 2036	None
Hamilton Cross Dock and Land Lease, ON	March 30, 2036	None
Ottawa, ON	April 30, 2026	None
Montreal, QC	May 31, 2031	Two five-year renewal options
Mirabel, QC	December 31, 2031	None
Halifax, NS	June 30, 2046	None
Moncton, NB	November 30, 2026	None
Winnipeg, MB	Lease extension under negotiation	
Calgary, AB	December 31, 2026	None
Edmonton, AB	February 28, 2033	None
Hangar, Richmond, BC	March 31, 2031	None
Airport Property, Richmond, BC	November 30, 2028	None

Facility	Expiration Date	Remaining Renewal Option
Warehouse, Richmond, BC	June 30, 2026	None
Saskatoon, SK	Lease extension under negotiation	
St. John's, NL	January 5, 2037	Two five-year renewal options
Regina, SK	November 30, 2030	One two-year renewal option

The Company expects to invest in additional land-based facility infrastructure across Canada. The infrastructure investments will support additional e-commerce volumes that are expected to establish a new higher baseline going forward.

REGULATION

Domestic Services

Transport Canada and the Canadian Transportation Agency (the “CTA”) regulate the transportation industry in Canada. Cargojet holds Air Operator Certificates issued by Transport Canada for the operation of its aircraft. It is also licensed by the CTA to operate domestic, transborder and international all-cargo and passenger operations. Cargojet has successfully passed periodic audits by both Transport Canada and the CTA and maintains excellent relationships with both regulatory bodies.

Under the *Canada Transportation Act* (the “Act”), there is free market entry provided a carrier can show that: (i) it is “Canadian”, defined in the Act as being controlled in fact by “Canadians” (as discussed in greater detail below); (ii) it can operate safely; (iii) it is suitably insured; and (iv) it meets the minimum financial requirements set out in the *Air Transportation Regulations*.

On June 27, 2018, certain provisions of the *Transportation Modernization Act (Canada)* (the “TMA”) became effective and amended, among other things, the definition of “Canadian” under section 55(1) of the Act to increase foreign ownership limits in Canadian air carriers from 25% to 49%, provided that no single non-Canadian holds more than 25% of the voting interests and provided that non-Canadian air service providers do not, in the aggregate, hold more than 25% of the voting interests in a Canadian airline. Following court and shareholder approval for a plan of arrangement under section 182 of the OBCA, Cargojet amended its articles of incorporation to increase the foreign ownership limits on its Voting Shares in conformity with the definition of “Canadian” under the Act, as amended by the TMA. The amended articles became effective on April 2, 2020. For more information, see “*Description of Capital Structure – Variable Voting Shares – Exercise of Voting Rights*”.

In February 1995, the Canada – US “Open Skies” agreement, was implemented between Canada and the United States, replacing the previous bilateral agreement, which restricted market access. This new agreement gave Canadian air carriers unlimited route rights to provide “own aircraft” services between Canada and the United States. The carriage of local traffic between points within one country by carriers of the other country continues to be prohibited.

International Services

Scheduled international air services are regulated by the Canadian and foreign governments involved. The Minister of Transport has the authority to designate which Canadian air carriers may serve scheduled international routes. International route rights are obtained through bilateral negotiations between Canada and foreign countries. Bilateral agreements provide for the rights which may be exercised over agreed routings and the conditions under which the carriers may operate, including the number of carriers which may operate, the capacity and/or flight frequencies that may be provided and the controls over tariffs to be charged. Most bilateral agreements to which Canada is a party provide for the designation of more than one Canadian carrier, while a lesser number provide for the designation of only one Canadian air carrier. In general, bilateral agreements between Canada and European countries are more liberal in terms of controls on capacity and flight frequencies than those between Canada and Asian countries.

In February 2001, the Minister of Transport announced the launch of an international air services policy review to address competition in the international market with the release of a consultation document for stakeholder review and comment. The objective of this review was to liberalize Canada's policy for scheduled international air services, including how Canada approaches the negotiation and management of air traffic rights with other countries. In May 2002, the Minister of Transport introduced a liberalized multiple designation policy applicable to scheduled international air services by Canadian carriers (excluding services to the United States). Amendments negotiated between Canada and the United States reinforced the restriction of cabotage and does not allow United States carriers to establish domestic flight routes within Canada and Canadian carriers, including Cargojet, to establish domestic routes within the United States.

On November 27, 2006, Transport Canada's international air transportation policy called the Blue Sky Policy was announced by the Government of Canada to help further connect Canadians to each other and to the world. The Government of Canada's international air policy is encouraging the development of new markets, new services and greater competition. For travelers, this means more choices in terms of destinations, flights and routes. Canada's 2002 multiple designation policy will continue to apply. This policy facilitates both the designation of all Canadian carriers wishing to operate scheduled services in international markets and the allocation of rights in cases where designations are limited and/or unused under our bilateral agreements.

In addition to holding valid Canadian operating certificates, Cargojet also holds a valid Foreign Air Operator Certificate issued by the U.S. Federal Aviation Administration ("**FAA**") and is licensed by the U.S. Department of Transportation ("**DOT**") to operate all cargo and passenger operations in and out of the United States. The CTA licenses do not expire once issued, but are subject to revocation or suspension in certain circumstances in accordance with the provisions of the Act and regulations made thereunder. Each year, Cargojet is required to submit a declaration of continuance of qualifications to the CTA to maintain its license. The DOT license is renewed annually in April of each year. In addition, the Foreign Air Operator Certificate issued by the FAA does not expire but is subject to revocation or suspension in certain circumstances in accordance with FAA regulations.

Charter Services

Charter operations are generally not covered by bilateral agreements, although charter services are covered under the Canada – US “Open Skies” agreement. Canadian government policy permits any Canadian carrier to operate charter services between Canada and any point in the world subject to prior approval of the Canadian and other appropriate regulatory authorities.

SECURITY INITIATIVES

Cargojet is committed to safeguarding its operations, employees and assets. The Company works collaboratively with the aviation industry, stakeholders, regulators, airports, industry associations, service providers and other third parties, to ensure that the appropriate security measures are implemented in an efficient, effective and risk-based manner.

Cargojet maintains a comprehensive security program (the “**Security Program**”) that complies with the requirements of Transport Canada and other international regulatory authorities including the U.S. Transportation Security Administration (“**TSA**”). The Security Program is also aligned with standards established by the International Air Transport Association (the “**IATA**”) and incorporates applicable requirements of the IATA Operational Safety Audit (“**IOSA**”) program. Cargojet remains compliant with all applicable security standards and communication protocols in each jurisdiction in which it operates.

Cargojet continues to enhance and monitor its Security Program through active participation in industry and regulatory forums, including Transport Canada’s Air Cargo Security Technical Committee, Advisory Group on Aviation Security, the Air Carrier Security Measures (“**ACSM**”) Review Working Group and the All-Cargo and Mail Working Group. These engagements allow Cargojet to stay informed of emerging regulatory developments, contribute to policy discussions and share security best practices across the aviation industry.

Transport Canada’s Aviation Security

The Transport Canada Aviation Security Directorate has established a Working Group to support the review of the ACSM and the development of the Air Carrier Security Program for air carriers.

Cargojet is an active participant in the ACSM Review Working Group. The primary objective of this engagement is to obtain industry stakeholder input on how best to update and streamline the ACSM from an operational perspective. The comprehensive review is intended to ensure that the revised ACSM is current, risk-based, and clearly articulated, while reducing unnecessary regulatory burden associated with compliance.

Complementing the broader security program review, proposed ACSM amendments are intended to improve alignment with International Civil Aviation Organization (“**ICAO**”) standards by introducing enhanced aircraft check and search requirements.

Transport Canada is seeking to publish the revised ACSM in Spring 2026, with a delayed coming-into-force date to allow industry sufficient time to implement the new requirements.

Transport Canada Air Cargo Security Program – Screening Requirements

Phase 1 - International and Transborder All-Cargo Flights: Transport Canada implemented mandatory screening requirements for cargo transported on international and transborder all-cargo flights effective July 1, 2021. Under these requirements, cargo must be secured using an approved Transport Canada explosives screening method. Cargojet has implemented canine screening, as required, to ensure continued compliance with the Air Cargo Security Program.

Phase 2 - Domestic All-Cargo Flights: Screening requirements for domestic all-cargo flights, originally scheduled to take effect in February 2023, have been delayed by Transport Canada. Transport Canada has advised industry stakeholders that there is currently no established timeline for expanding the Air Cargo Security Program to include enhanced domestic all-cargo screening requirements.

Cargojet is expected to participate in future working group initiatives related to the development of the proposed domestic all-cargo regulatory requirements, and will continue to engage with Transport Canada throughout the process.

At this time no implementation date has been set, however Transport Canada has indicated that, once established, industry stakeholders will be provided with sufficient notice and transition time to adopt and implement any new requirements.

U.S. TSA All-Cargo International Security Program (“ACISP”)

The TSA identifies Cargojet as a non-U.S. all cargo air carrier. As such, Cargojet is regulated under the ACISP for flights operating into and out of the United States. The TSA conducts annual compliance audits at Cargojet’s non-U.S. locations serving the United States, as well as locations in the United States where Cargojet operates, to verify its ongoing compliance with ACISP requirements.

Cargojet’s current non-U.S. locations serving the United States include Mirabel International Airport (YMX), Calgary International Airport (YYC), John C. Munro Hamilton International Airport (YHM), Vancouver International Airport (YVR), Winnipeg James Armstrong Richardson International Airport (YWG), Guadalajara International Airport (GDL), Felipe Ángeles International Airport (NLU), Monterrey International Airport (MTY), Querétaro International Airport (QRO), Ramón Villeda Morales International Airport (SAP), Mariscal Sucre International Airport (UIO), La Aurora International Airport (GUA), Juan Santamaría International Airport (SJO), Jorge Chávez International Airport (LIM), Las Américas International Airport (SDQ) and Sangster International Airport (MBJ).

Cargojet’s U.S. destinations include Cincinnati/Northern Kentucky International Airport (CVG), Louisville Muhammad Ali International Airport (SDF), Miami International Airport (MIA) and Newark (EWR).

Supplementary Station Procedures

For certain operations, Cargojet is required to develop supplementary station procedures (“SSP”) to address host-state aviation security requirements not fully covered by the Company’s primary Aircraft Operator Security Program (the “AOSP”). An SSP functions as a localized security addendum to ensure

compliance with the host country's National Civil Aviation Security Program ("**NCASP**") and to address security requirements specific to individual airports or operating environments.

SSPs are currently applicable to the following locations: Chile and Guatemala. In these jurisdictions, the Civil Aviation Authority (DGAC – General Directorate of Civil Aeronautics) requires national and international air carriers to operate under a Civil Aviation Security Program (the "**PNSAC**") in accordance with standards established by ICAO, including Annex 17 (Security) and Annex 19 (Safety Management).

As part of SSP and PNSAC requirements, Cargojet is required to appoint locally approved aviation security personnel to fulfill designated Security Chief and Alternate Security Chief roles at applicable stations. These positions must be staffed through an authorized aviation security entity (e.g., AVSEC-approved security service providers) and are responsible for the local oversight, coordination and implementation of aviation security measures in accordance with national regulations, SSP provisions, and Cargojet's AOSP.

The SSP review and approval process involves the National Department of Security of Civil Aviation Operations (the "**DNOSAC**"), which is responsible for reviewing submitted security documentation and assessing compliance with PNSAC requirements, and the National Administration of Aviation Security (the "**ANSAC**"), which is responsible for the formal approval of SSPs in accordance with PNSAC guidelines.

An SSP is an extension of Cargojet's AOSP implemented at the station level. As such, Cargojet retains full responsibility for oversight, assurance and compliance.

Cargojet must audit the implementation of each SSP. These audits are conducted on a periodic and risk-based basis and are intended to verify compliance with SSP requirements, national aviation security programs and ICAO standards. Audit and oversight activities include, as applicable:

- a) Review of contracted local security service providers;
- b) Oversight of the appointed Security Chief and Alternate; and
- c) Verification of screening, access control, training, incident reporting, and corrective action processes.

Oversight may be conducted through scheduled or risk-based audits, desk reviews of records and training, on-site inspections or acceptance of qualified third-party audit reports where permitted by the host authority.

Regulatory inspections conducted by DNOSAC, ANSAC or other host-state authorities supplement, but do not replace, Cargojet's obligation to audit and monitor SSP implementation.

Cargojet continues to work closely with local authorities and contracted aviation security providers to ensure SSPs, including audit results, corrective actions and the appointment and maintenance of qualified local security chiefs and alternates, remain approved, current and effectively implemented in alignment with applicable national and international aviation security standards.

TSA Requirement – DHL Subcontractors

Cargojet is the responsible party for implementing, maintaining and overseeing all TSA-mandated security measures at all assigned DHL stations in accordance with the ACISP.

In addition to DHL being designated as an authorized representative on behalf of Cargojet (a “**Cargojet Authorized Representative**”), all DHL subcontractors are required to be formally designated as Cargojet Authorized Representatives. These designations do not transfer regulatory responsibility from Cargojet to DHL or its subcontractors.

Cargojet issues Authorized Representative letters to each DHL subcontractor, specifying assigned security responsibilities and applicable training and qualification requirements for screeners and Air Carrier Management Representatives, ensuring alignment with ACISP requirements.

Cargojet remains fully accountable for the actions, omissions and compliance of its Authorized Representatives, including DHL and all designated subcontractors. Any violation of ACISP requirements identified by the TSA, whether operational, procedural or training-related, is attributed to Cargojet as the regulated air carrier, and not to DHL or its subcontractors. Accordingly, any enforcement action, including letters of investigation, findings or civil penalties, are directed to Cargojet.

Cargojet maintains oversight mechanisms to monitor Authorized Representative compliance and to address any identified deficiencies in a timely and corrective manner, in order to ensure continued compliance with TSA regulatory requirements.

Pre-Load Air Cargo Targeting

Pre-Load Advance Air Cargo Targeting (“**PACT**”) information programs are being implemented internationally to enhance supply chain security and improve pre-departure risk assessment and screening capabilities. The following PACT-type programs are currently in effect or are being phased in by various authorities:

- **ICS2** – Import Control System 2 (European Union - EU)
- **PREDICT** – Pre-Departure Information for Cargo Targeting (United Kingdom - UK)
- **ACAS** - Air Cargo Advance Screening (United States)
- **PACT** (Canada)
- **PRECISE** (EU)
- **NAI Center** – National Advance Information Center (United Arab Emirates - UAE)

Additionally, other governments are expected to implement similar advance cargo targeting initiatives.

Cargojet activates and maintains the required licensing, system connectivity and data submission processes for the applicable PACT information programs as they become mandatory in the jurisdictions in which the Company operates.

In Canada, Transport Canada’s PACT Program regulatory requirements are in force, and Cargojet remains compliant with these requirements. Under the Canadian PACT framework, all air carriers transporting

cargo to Canada are required to submit pre-load advance cargo information to Transport Canada, enabling the authority to conduct risk assessments prior to cargo being loaded onto an aircraft. Transport Canada's risk assessment processes incorporate advanced analytics and artificial intelligence to identify and target potential threats to aviation security before departure.

Customs Trade Partnership Against Terrorism ("C-TPAT") and Partners in Protection ("PIP")

Cargojet is a certified participant in the C-TPAT program, a supply chain security initiative administered by U.S. Customs and Border Protection ("CBP") under the Department of Homeland Security. The program is designed to secure international supply chain, both domestic and foreign, for goods imported into the United States against potential compromise and to enhance Canada/U.S. border security. Participants are required to meet minimum security requirements and designated best practices, with compliance verified by CBP supply chain security specialists both in the United States and internationally.

PIP is a cooperative supply chain security program between private industry and the Canada Border Services Agency ("CBSA") aimed at strengthening border and trade chain security.

The CBSA has entered into mutual recognition agreements recognizing the compatibility of its PIP program with various foreign Authorized Economic Operator programs, including C-TPAT.

Participation in the PIP program was requested by DHL in support of the Customs Low Value Shipment Program. Accordingly, Cargojet applied to become a PIP participant through completion of a Security Profile using the CBSA Trusted Trader Portal web application. The PIP program is voluntary and does not involve participation fees.

Cargojet was subject to a six-month waiting period as a result of administrative monetary penalties ("AMPs") previously issued to Cargojet. Such AMPs are not, individually or in the aggregate, material to Cargojet's consolidated financial condition or results of operations. To remain eligible to resubmit its PIP application, Cargojet must not incur any additional AMPs during the waiting period. Provided no further AMPs are issued, Cargojet's eligibility to resubmit its PIP re-opened January 15, 2026.

Cybersecurity and Critical Infrastructure

The cybersecurity threat environment continues to escalate, driven by state-sponsored actors, organized cybercrime, hacktivism and increasing exploitation of supply-chain vulnerabilities. These threats present growing risks to the reliability, safety and continuity of critical transportation infrastructure.

The aviation sector is particularly exposed due to its reliance on interconnected digital systems and third-party service providers. Cyber incidents affecting vendors, airports, ground handlers and operational technology systems have the potential to create cascading operational disruptions and regulatory consequences.

Forthcoming federal legislation under the Critical Cyber Systems Protection Act (Bill C-8) will introduce mandatory cybersecurity obligations for federally regulated transportation entities. These are expected to include formal cybersecurity programs, supply-chain risk management controls, and mandatory cyber incident reporting to federal authorities, increasing both compliance and oversight expectations at the executive level. At this time, no implementation date has been set.

To support sector-wide resilience, Cyber Readiness Goals are being advanced as a baseline framework to strengthen preparedness, improve cyber risk governance and enhance coordination between industry and government in response to evolving cyber threats.

Threat, Risk and Conflict Zones

Transport Canada continues to issue airspace advisories for Canadian air operators flying near or over foreign conflict zones, using Notices to Airmen and Aeronautical Information Circulars to convey informational, recommended, or prohibitive guidance where risks are identified.

These advisories apply to various high-risk regions, including Afghanistan, Belarus, Ukraine and other areas where local conditions pose a threat to civilian aviation, and are used to support operational planning and risk mitigation.

Transport Canada's inventory of conflict-zone notifications is published publicly and updated as conditions evolve, aiding carriers in their flight routing decisions and safety assessments. Emphasis remains on timely information sharing and collaborative risk assessment between regulators and operators, particularly as geopolitical tensions and dynamic threat environments continue to influence airspace risk profiles.

Transport Canada Forward Regulatory Plan - Current Aviation Initiatives

Transport Canada, through the Canadian Aviation Regulation Advisory Council (the "**CARAC**") continues to progress the Forward Regulatory Plan initiatives.

The following updates apply to Cargojet:

1. Security Management System ("SeMS")

Transport Canada's security regulatory modernization is not explicitly issuing a standalone SeMS mandate for all aviation stakeholders, but it is moving toward a performance-based, risk-informed security regulatory framework in which SeMS concepts are embedded. This is tied directly to the Security Program for Air Carriers proposal and broader oversight modernization initiatives.

2. Security Program for Air Carriers ("SPAC")

Transport Canada is advancing a new regulatory proposal to establish a SPAC, intended to align Canadian aviation security program requirements with ICAO Annex 17 standards. The proposal includes provisions for supplementary station procedures for foreign air carriers where existing security requirements may not fully address host-state obligations.

Proposed regulations are anticipated to be published in the Canada Gazette, Part I in 2026, with an extended public comment period of approximately 60 days.

3. Canadian Aviation Regulations – ICAO-Related Amendments

Amendments are planned to align the Canadian Aviation Regulations (the "**CARs**") with ICAO Standards and Recommended Practices, including administrative corrections, improved alignment between regulatory provisions and the incorporation of ICAO terminology. These

changes are intended to support Canada's obligations under the Chicago Convention and to enhance international recognition and consistency of Canada's aviation regulatory framework.

Proposed amendments are expected to be published in the Canada Gazette, Part I, with an opportunity for public comment anticipated in 2026.

4. Regulations for Approved Training Organizations ("ATOs")

Transport Canada is developing a regulatory framework for the certification of Canadian ATOs that provide pilot licensing and rating training, with the objective of aligning Canadian requirements with ICAO standards for approved training programs.

The proposed framework is anticipated to be published in the Canada Gazette, Part I in 2026, with a 30-day public comment period.

Once implemented, the regulation will affect organizations seeking to offer approved pilot training by formalizing certification, oversight and compliance requirements, and will be administered by Transport Canada Civil Aviation Safety Regulatory Affairs.

5. Aircraft Registration Regulations (CARs Part II & Fees)

Transport Canada is proposing administrative amendments to Part II of the CARs (Aircraft Identification and Registration) to address identified regulatory irritants and modernize fee structures under CAR 104, Schedule II. These amendments form part of Transport Canada's Transportation Sector Regulatory Review Roadmap and broader Fee Modernization initiative.

The proposed changes are anticipated to be published in the Canada Gazette, Part I in 2026, with an accompanying public comment period, and will be overseen by Civil Aviation Regulatory Affairs.

6. Non-Passenger Screening ("NPS")

NPS regulatory enhancements are underway. Phase 1 came into effect on May 31, 2025, introducing randomized screening of non-passengers at all international airports. Phase 2 is currently under development, with no coming-into-force date announced at this time.

In 2026, Transport Canada will continue to review and modernize the CARs in response to evolving industry needs and operating conditions, as outlined in the Department's Forward Regulatory Plan.

Cargojet's security department will continue to monitor forthcoming regulatory developments and will implement any necessary updates to policies, procedures and controls to ensure ongoing compliance with applicable aviation security requirements.

SEASONALITY

Traditionally, Cargojet has experienced its best operating results in the third and fourth quarters of each year. Shipping activity is usually highest in the fourth quarter due to the holiday season, and is usually lowest in the first quarter. Accordingly, the seasonal nature of the business of Cargojet will affect the reported quarterly financial results of Cargojet's operations.

EMPLOYEES

As at December 31, 2025, Cargojet employed approximately 2,030 employees: 258 in administration; 478 in airline operations; 268 in maintenance; and 1,026 in cargo operations. This number is not indicative of the total number of employees at any time throughout the year as the business of Cargojet is affected by seasonal peak experienced in the fourth quarter or in any future period when the hourly employees may be at maximum due to recruitment on a needs basis. Cargojet has implemented a succession plan requirement across the Company to ensure that there is a ready and capable pool of employees to perform in the event of turnover, retirements or other employee attrition.

On September 16, 2021, the Canadian Industrial Relations Board (“**CIRB**”) certified the Air Line Pilots Association as the representative of Company’s pilots replacing UNIFOR. On May 21, 2019, the Company and UNIFOR agreed to bring in changes in the terms of the agreement to meet the requirements of the Transportation Canada fatigue regulations. The changes included the extension of the contract until June 30, 2026, workload scheduling and introduction of a new incentive program. Previously, in July 2018, the Company renewed its five-year collective agreement with the pilots. The contract was ratified on July 28, 2018 and became effective as of July 1, 2018 and contains no-strike/no-lockout provision covering re-negotiation at the end of the term. The terms and conditions of the contract remain in place and in effect, and the parties are currently negotiating the renewal of the collective agreement. See “*Risk Factors – Labour Relations*”.

None of Cargojet’s other employees are unionized and Cargojet has never experienced a work stoppage. Management believes that it maintains a strong and positive relationship with its employees.

INDUSTRY RECOGNITION

Cargojet is a member in good standing of the IATA (and is currently the only Canadian air cargo carrier that is a full member of IATA), the Canadian International Freight Forwarders Association, the International Air Cargo Association and the Canadian Courier & Logistics Association.

In October 2025, Cargojet announced the renewal of its IOSA registration. IOSA is an internationally recognized and accepted evaluation system designed to assess the operational management and control systems of an airline. IOSA uses internationally recognized quality audit principles to conduct audits in a standardized and consistent manner. IATA conducted a Risk-Based IOSA (“**RBI**”) audit from May 5-8, 2025 to recertify Cargojet as an IATA member. The IOSA registration was renewed with a new expiry date of the registration of October 19, 2027. As part of the RBI, IATA also conducted a “Maturity Assessment” of Cargojet’s Safety Management Systems. From the three levels of Safety Management Systems Maturity Assessment being considered (Established, Mature and Leading), Cargojet has received the highest, being assessed as “LEADING”. The score for a Leading Maturity Index ranges from 4.01 to 5.00, with Cargojet obtaining a Safety Maturity Index overall score of 4.16, with some partial scores as high as 4.51 and 4.47. This is a significant achievement and a strong validation of Cargojet’s commitment to safety and operational excellence.

Cargojet continues to receive industry recognition for performance. In Fiscal 2025, Cargojet once again exceeded the Benchmark of Excellence in Air Freight in the Shipper's Choice Awards by Inside Logistics. Cargojet is the only Canadian air cargo carrier to receive this honour. Cargojet was also awarded The Air Charter Association Cargo Charter Operator of the Year at the 2024 Air Charter Excellence Awards held in London, England in November 2024.

In August 2025, Cargojet announced the successful recertification of its ISO 9001 Quality Standard Accreditation, for the twenty-second consecutive year. Cargojet is the only air cargo carrier in Canada to consistently hold this accreditation. This accreditation reinforces the continuity of the value added, safe, on time and reliable service Cargojet provides to its customers on a daily basis.

FINANCIAL OVERVIEW

BORROWINGS

On June 27, 2025, the Company entered into a fourth amended and restated credit agreement with Royal Bank of Canada as administrative agent and a syndicate of financial institutions, which extended the maturity date of the \$600.0 million revolving operating credit facility (the "**Credit Facility**") to June 27, 2030 and replaced the delayed draw term loan facility (the "**DDTL Facility**") with a new term loan facility (the "**Term Loan Facility**" and, together with the Credit Facility, the "**Facilities**"). The Term Loan Facility constitutes an advance of \$303.6 million, which represents the outstanding balance under the DDTL facility as of June 27, 2025. The Term Loan Facility is a non-revolving facility and any repayments under the Term Loan Facility cannot be reborrowed.

The amendments transitioned the Facilities from secured to unsecured and, subject to the Company maintaining an investment grade rating from a major rating agency, resulted in the release of security previously granted by Cargojet and certain of its subsidiaries in favour of the lenders.

The credit agreement contains a springing lien provision that is triggered upon a downgrade of all then-applicable ratings to a non-investment grade rating or the withdrawal of all then-applicable ratings by each major credit agency. Upon the occurrence of such an event the Company and certain of its subsidiaries are obligated to provide security in favour of the lenders substantially similar to that which was in effect prior to the date of the release. Once secured the Credit Facility will rank *pari passu* with any other secured obligations of the Company.

The Facilities bear interest payable monthly, at the lead lender's prime lending rate / U.S. base rate plus 20-250 basis points, depending on the currency of the advance and certain financial ratios of the Company. No scheduled repayments of the principal are required under the Facilities prior to maturity. Amounts drawn on the Facilities may be advanced to the Company and its subsidiaries by way of intercompany loans, and the Facilities are primarily used to finance working capital requirements and capital expenditure of the Company and its subsidiaries.

The Facilities are available at the Company's option by way of advances in the form of prime rate loans, Canadian Overnight Repo Rate Average ("**CORRA**") loans, Secured Overnight Financial Rate ("**SOFR**") loans

and U.S. base rate loans in U.S. dollars, as well as letters of credit in Canadian or U.S. dollars. Advances under the Facilities are repayable without any prepayment penalties and bear interest based on the prevailing prime rate, U.S. base rate or at CORRA, as applicable, plus an applicable margin to the applicable rate. The Facilities are subject to customary terms and conditions for borrowers of this nature, including limits on the incurrence of certain additional indebtedness, granting liens or selling assets without the consent of the lenders and restrictions on the Company's ability to pay dividends in certain circumstances. The Facilities are also subject to the maintenance of a minimum interest coverage ratio, unencumbered asset coverage ratio and a total adjusted leverage ratio. These ratios are to be maintained at all times and to be tested at the end of each quarter. The Facilities are not subject to any future covenant.

DHL WARRANTS

As part of the strategic agreement with DHL, the Company issued the 2025 DHL Warrants entitling the DHL Warrantholder to acquire up to 1,000,000 Variable Voting Shares at a price of \$93.61 per share over a period of eight years, which represented up to 6.63% of the Voting Shares on a non-diluted basis as of August 6, 2025. See "*Material Contracts – DHL Warrant Certificate*" and "*Strategic Partnerships – Strategic Agreement with DHL*".

4.599% SENIOR UNSECURED NOTES DUE JUNE 30, 2030

On June 30, 2025, the Company completed an offering of \$250 million aggregate principal amount of 4.599% senior unsecured notes due June 30, 2030 (the "**2030 Notes**"). The 2030 Notes represent the Company's inaugural investment-grade offering, with DBRS assigning the 2030 Notes a final rating of BBB (low) with a stable trend. See "*Description of Capital Structure – Credit Rating*".

The 2030 Notes are senior unsecured obligations of Cargojet, ranking *pari passu* with all other present and future unsecured and unsubordinated indebtedness and guaranteed on a senior unsecured basis by certain of the Company's subsidiaries, and bearing interest at a rate of 4.599% per annum, payable semi-annually in arrears on June 30 and December 31 of each year. The 2030 Notes are issuable pursuant to the terms set forth in an Indenture dated as of June 30, 2025 between the Company, as issuer, and Odyssey, as trustee (the "**Base Indenture**"), as supplemented and amended by a supplemental indenture dated as of June 30, 2025 between the Company and Odyssey (the "**Supplemental Indenture**" and, together with the Base Indenture, the "**Indenture**").

See "*Material Contracts – Senior Note Indenture*" for more information on the 2030 Notes.

AIRCRAFT FINANCE LEASES

The Company currently has two finance lease arrangements for two B767-300 aircraft that include a bargain purchase option. The leases are deemed to be maturing on the exercise date of the bargain purchase options in October 2027 and June 2030, respectively.

AIRCRAFT SALE LEASEBACK

In 2025, the Company sold two of its recently acquired B767-300 aircraft to a financial institution and simultaneously leased them back. Each aircraft is leased for a period of five years from the delivery date. At the end of the respective leases, the Company has an option to buy back the aircraft at an agreed price in Canadian dollars.

AIRCRAFT SALES

In 2025, the Company completed the sale of two Boeing 767-300 aircraft to a third party.

DIVIDENDS

The Company declared aggregate cash dividends of \$1.4000 per Voting Share for Fiscal 2025, \$1.3292 per Voting Share for Fiscal 2024 and \$1.1726 per Voting Share for Fiscal 2023. Cash dividends declared by the Company were based on all amounts received by the Company, including interest, dividends, redemption proceeds, and purchase for cancellation proceeds, returns of capital and repayments of indebtedness net of reasonable expenses, as determined by the board of directors of the Company (the “**Board**”).

The declaration and payment of future dividends will be at the discretion of the Board, are subject to restrictions under our Facilities and may be affected by various other factors, including our earnings, levels of indebtedness, financial condition and legal or contractual restrictions. Subject to financial results, capital requirements, available cash flow and any other factors that the Board may consider relevant, it is the intention of the Board to declare a quarterly dividend on an ongoing basis. The amount and timing of the payment of any dividends are not guaranteed and are subject to the discretion of the Board. See “*Risk Factors — Financial Risks — Declaration of Dividends – There can be no assurance that dividends will be distributed on a regular basis or at all*”. Cargojet has no immediate plan to change its dividend policy.

The Company’s Credit Facility restricts its ability to declare dividends in certain circumstances. For instance, the Company may not declare or pay dividends or other distributions if a default exists under the Credit Facility.

DESCRIPTION OF CAPITAL STRUCTURE

Cargojet is authorized to issue an unlimited number of no par value Common Voting Shares and an unlimited number of no par value Variable Voting Shares. The Common Voting Shares and Variable Voting Shares are traded on the TSX under the single ticker “CJT”. The following table sets out the shares of the Company outstanding as of December 31, 2025:

Capital	Authorized/ Principal	Outstanding number of shares
Common Voting Shares	Unlimited	13,974,965
Variable Voting Shares	Unlimited	924,073
Total Common and Variable Voting Shares		14,899,038

The summary below describes the rights, privileges, restrictions and conditions attached to the Common Voting Shares and Variable Voting Shares. This summary does not purport to be complete and is subject to, and is qualified in its entirety by, the Articles of Incorporation and Arrangement of Cargojet (the “Articles”), a copy of which is available under the Company’s profile on SEDAR+ at www.sedarplus.ca and on the Company’s corporate website at www.cargojet.com.

The amendments to the Articles of the Company, as described under “*Foreign Ownership Limits*” below, were approved by shareholders at the annual and special meeting of the Company held on March 30, 2020 and became effective on April 2, 2020. Among other things, the amendments removed preferred shares from the authorized capital of the Company. There are no preferred shares of the Company issued and outstanding.

EXEMPTIVE RELIEF FROM TAKE-OVER BID AND EARLY WARNING RULES

On May 1, 2019, the Company received an exemption to treat its Variable Voting Shares and Common Voting Shares as a single class for the purposes of applicable take-over bid requirements and early warning reporting requirements contained under Canadian securities laws. The securities regulatory authorities in each of the provinces of Canada granted exemptive relief (the “Decision”) from: (i) applicable formal takeover bid requirements, as contained under Canadian securities laws, such that those requirements would only apply to an offer to acquire 20 per cent or more of the outstanding Variable Voting Shares and Common Voting Shares on a combined basis; (ii) applicable early warning reporting requirements, as contained under Canadian securities laws, such that those requirements would only apply to an acquirer who acquires or holds beneficial ownership of, or control or direction over, 10 per cent or more of the outstanding Variable Voting Shares and Common Voting Shares on a combined basis (or five per cent in the case of acquisitions during a take-over bid or an issuer bid); and (iii) applicable alternative monthly reporting requirements, as contained under Canadian securities laws, such that eligible institutional investors may meet the eligibility criteria for alternative monthly reporting by calculating its security holdings using (A) a denominator comprised of all outstanding Common Voting Shares and Variable Voting Shares on a combined basis, and (B) a numerator including all of the Common Voting Shares and Variable Voting Shares owned or controlled by the eligible institutional investor. A copy of the Decision is available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

The Decision takes into account that the Company’s dual class shareholding structure was implemented solely to ensure compliance with the foreign ownership requirements of the Act. An investor does not control or choose which class of shares it acquires and holds. The class of shares ultimately available to an investor is solely a function of the investor’s status as a Canadian or non-Canadian (as defined in the

Act). Due to the relatively small number of outstanding Variable Voting Shares, absent the Decision, it may have been more difficult for non-Canadian investors to acquire Variable Voting Shares in the ordinary course without the apprehension of inadvertently triggering the takeover bid rules or early warning requirements. The Decision considered the fact that the Variable Voting Shares and Common Voting Shares have identical terms except for the foreign ownership voting limitations applicable in the case of the Variable Voting Shares.

FOREIGN OWNERSHIP LIMITS

The Act requires that national holders of a domestic air service license and, with certain exceptions, scheduled international and non-scheduled international air service licenses, such as Cargojet, be “Canadian”. In 2018, certain provisions of the TMA became effective and amended, among other things, the definition of “Canadian” under section 55(1) of the Act to increase foreign ownership limits in Canadian air carriers from 25% to 49%, provided that no single non-Canadian holds more than 25% of the voting interests and provided that non-Canadian air service providers do not, in the aggregate, hold more than 25% of the voting interests in a Canadian airline (the “CTA Amendments”).

The CTA Amendments increased the overall maximum level of non-Canadian ownership and control of voting interests in an air carrier to 49%, while also introducing and prescribing maximum ownership levels of 25% respectively for:

- Any single non-Canadian holder, either individually or in affiliation with any other person; and
- Any one or more non-Canadian holders authorized to provide an air service in any jurisdiction (in the aggregate), either individually or in affiliation with any other person.

In response to these new legislative thresholds, the Company received court and shareholder approval in 2020 for a plan of arrangement under section 182 of the OBCA to effect the CTA Amendments to the Company’s Articles to align the restrictions on the level of non-Canadian ownership and voting control with those prescribed by the definition of “Canadian” in the recently amended Act. In particular, the Company amended its Articles to:

- increase the current single 25% proportional voting limitation with respect to the Variable Voting Shares as a class to 49%;
- Add a 25% voting limitation to any single non-Canadian holder, either individually or in affiliation with any other person; and
- Add a 25% aggregate voting limitation to all non-Canadian holders authorized to provide an air service, either individually or in affiliation with any other person.

COMMON VOTING SHARES

Exercise of Voting Rights

The holders of Common Voting Shares will be entitled to receive notice of, and to attend and vote at all meetings of shareholders, except those at which holders of a specific class are entitled to vote separately as a class under the OBCA. Each Common Voting Share shall confer the right to one vote at all meetings of shareholders.

Dividends

Subject to the rights, privileges, restrictions and conditions attached to any class of the Company's shares ranking prior to the Common Voting Shares, holders of Common Voting Shares are entitled to receive any dividends that are declared by the Board at the times and for the amounts that the Board may, from time to time, determine. The Common Voting Shares and Variable Voting Shares shall rank equally as to dividends on a share-for-share basis. All dividends declared shall be declared in equal or equivalent amounts per share on all Voting Shares then outstanding, without preference or distinction.

Subdivision or Consolidation

No subdivision or consolidation of the Common Voting Shares shall occur unless simultaneously, the Variable Voting Shares are subdivided or consolidated in the same manner so as to maintain and preserve the respective rights of the holders of each of these classes of shares.

Rights in the Case of Liquidation, Winding-Up or Dissolution

Subject to the rights, privileges, restrictions and conditions attached to any class of Cargojet shares ranking prior to the Common Voting Shares, in the case of liquidation, dissolution or winding-up of Cargojet, the holders of Voting Shares are entitled to receive the Company's remaining property and are entitled to share equally, share-for-share, in all distributions of such assets.

Constraints on Share Ownership and Conversion of Common Voting Shares to Variable Voting Shares

Each Common Voting Share may only be held, beneficially owned and controlled, directly or indirectly, by Canadians. An issued and outstanding Common Voting Share shall be converted into one Variable Voting Share, automatically and without any further act of the Company or the holder, if such Common Voting Share becomes held, beneficially owned or controlled, directly or indirectly, other than by way of security only, by a person who is not a Canadian.

VARIABLE VOTING SHARES

Exercise of Voting Rights

The holders of Variable Voting Shares will be entitled to receive notice of, to attend and vote at all meetings of shareholders, except those at which the holders of a specific class are entitled to vote separately as a class under the OBCA.

Each Variable Voting Share confers the right to one vote unless:

- (i) the number of Variable Voting Shares held by any single non-Canadian, either individually or in affiliation with any other person, as a percentage of the total number of issued and outstanding Voting Shares of Cargojet, or the total number of votes that would be cast by or on behalf of any single non-Canadian holder of Variable Voting Shares, either individually or in affiliation with any other person, at any meeting in relation to the total number of votes cast at such meeting, exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet);

- (ii) the number of Variable Voting Shares held collectively by one or more non-Canadians authorized to provide air service in any jurisdiction ("**Non-Canadian Air Carrier**"), either individually or in affiliation with any other person, as a percentage of the total number of issued and outstanding Voting Shares of Cargojet, or the total number of votes that would be cast by or on behalf of one or more Non-Canadian Air Carrier holders of Variable Voting Shares, either individually or in affiliation with any other person, at any meeting in relation to the total number of votes cast at such meeting and after the application of the voting restriction in (i) above if required, exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet); or
- (iii) the number of Variable Voting Shares, as a percentage of the total number of issued and outstanding Voting Shares of Cargojet, or the total number of votes that would be cast by or on behalf of holders of Variable Voting Shares at any meeting in relation to the total number of votes cast at such meeting and after the application of the voting restrictions in (i) and (ii) above if required, exceeds 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet).

If either of the thresholds in (i) or (ii) above would otherwise be exceeded at any time, the vote attached to each of their Variable Voting Shares will decrease proportionately and automatically without further act or formality such that the Variable Voting Shares held, as applicable, by any single non-Canadian or by all Non-Canadian Air Carriers, either individually or in affiliation with any other person, do not carry more than 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet) of the aggregate votes attached to all issued and outstanding Voting Shares of Cargojet and the total number of votes cast, as applicable, by or on behalf of any single non-Canadian or by all Non-Canadian Air Carriers, either individually or in affiliation with any other person, at any meeting do not exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet) of the total number of votes cast at such meeting. For greater certainty, a single Non-Canadian Air Carrier would also constitute a single non-Canadian holder for purposes of the voting restriction in (i) above.

If the threshold in (iii) above would otherwise be exceeded at any time, the vote attached to each Variable Voting Share will decrease proportionately and automatically without further act or formality such that the Variable Voting Shares do not carry more than 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet) of the aggregate votes attached to all issued and outstanding Voting Shares of Cargojet and the total number of votes cast by or on behalf of holders of Variable Voting Shares at any meeting do not exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet) of the total number of votes cast at such meeting.

Dividends

Subject to the rights, privileges, restrictions and conditions attached to any other class of the Company's shares ranking prior to the Variable Voting Shares, the holders of Variable Voting Shares are entitled to

receive any dividends that are declared by the Board at the times and for the amounts that the Board may, from time to time, determine. The Variable Voting Shares shall rank equally with the Common Voting Shares as to dividends on a share-for-share basis. All dividends shall be declared in equal or equivalent amounts per share on all Voting Shares then outstanding, without preference or distinction.

Subdivision or Consolidation

No subdivision or consolidation of the Variable Voting Shares shall occur unless simultaneously, the Common Voting Shares are subdivided or consolidated in the same manner so as to maintain and preserve the relative rights of the holders of each of these classes of shares.

Rights in the Case of Liquidation, Winding-Up or Dissolution

Subject to the rights, privileges, restrictions and conditions attached to the other classes of Cargojet's shares ranking prior to the Variable Voting Shares, in the case of liquidation, dissolution or winding-up of the Company, the holders of Voting Shares are entitled to receive Cargojet's remaining property and are entitled to share equally, share-for-share, in all distributions of such assets.

Constraints on Share Ownership and Conversion of Variable Voting Shares to Common Voting Shares

Each Variable Voting Share may only be held, beneficially owned or controlled, directly or indirectly, by non-Canadians. An issued and outstanding Variable Voting Share shall be converted into one Common Voting Share, automatically and without any further act of the Company or the holder if such Variable Voting Share becomes held, beneficially owned and controlled, directly or indirectly, other than by way of security only, by a Canadian.

CREDIT RATING

In connection with the offering of the 2030 Notes, on June 19, 2025, DBRS assigned Cargojet an investment-grade issuer rating of BBB (low) with a stable trend.

DBRS's credit ratings are on a long-term debt rating scale that ranges from "AAA" to "D", which represents the range from highest to lowest quality of such securities rated. A designation of "(high)" or "(low)" is used in all categories other than AAA and D to show the relative standing of a rating within a category, and the absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category. The BBB (low) issuer rating assigned to Cargojet by DBRS indicates that the Company ranks in the fourth highest of DBRS's 10 rating categories. Issuers which are rated in the BBB category by DBRS are considered to be of adequate credit quality and the capacity for the payment of their financial obligations is considered acceptable. However, issuers in the BBB rating category may be vulnerable to future events. Issuer ratings assigned by DBRS address the overall credit strength of the issuer, are based on the entity itself and do not include consideration for security or ranking.

Each DBRS rating is appended with one of three rating trends – "Positive", "Stable", or "Negative". The rating trend indicates the direction in which DBRS considers the rating may move if present circumstances continue, or in some cases, unless challenges are addressed.

In general, the DBRS view is based primarily on an evaluation of the issuing entity or debt instruments, as applicable, but may also include consideration of the outlook for the industry or industries in which the issuing entity operates. A “Positive” or “Negative” rating trend is not an indication that a rating change is imminent. Rather, a “Positive” or “Negative” rating trend represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a “Stable” rating trend was assigned to the issuing entity or debt instruments, as applicable.

The credit ratings assigned by DBRS are not a recommendation to purchase, hold or sell the Company’s securities and may be subject to revision or withdrawal at any time by DBRS. Such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that the ratings will remain in effect for any given period of time or that the ratings will not be revised or withdrawn entirely in the future by DBRS if in its judgment circumstances so warrant.

MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

Effective May 8, 2019, Cargojet’s Common Voting Shares and Variable Voting Shares began trading on the TSX under a single ticker designated “CJT” and were designated for purposes of trading on the TSX and reporting in brokerage accounts under the single designation of “Common and Variable Voting Shares” of Cargojet. As of December 31, 2025, the Voting Shares were listed on the TSX under the symbols “CJT”.

The following table sets forth the monthly ranges of high and low closing prices on the TSX, as well as total monthly volumes on the TSX, of the Voting Shares for the periods indicated:

2025	Voting Shares		
	High (\$)	Low (\$)	Volume
January	120.48	117.11	1,865,929
February	109.98	105.64	2,251,849
March	90.07	86.68	2,120,368
April	80.75	76.75	1,976,994
May	92.35	89.83	1,769,922
June	95.76	93.42	1,598,481
July	105.14	101.76	1,574,720
August	102.33	100.05	1,092,291
September	99.63	97.49	1,674,069
October	86.66	84.56	2,512,672
November	75.74	72.93	4,378,444
December	81.57	79.63	2,482,543

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following tables set out, for each of the current directors and executive officers of Cargojet: (i) the individual’s name, province and country of residence; and (ii) positions with Cargojet as of the date hereof

and principal occupation(s) during the five preceding years. The term of office for each of the directors of Cargojet will expire at the next annual meeting of shareholders of Cargojet to be held on March 31, 2026. As at the date hereof, the directors and executive officers of Cargojet as a group beneficially own, or control or direct, directly or indirectly, 362,396 Voting Shares, representing approximately 2.4% of the Company's issued and outstanding Voting Shares on a non-diluted basis. The information as to Voting Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers individually.

DIRECTORS

Name and Province or State and Country of Residence	Position(s) with the Company	Position with the Company Since	Principal Occupation for Past Five Years ⁽¹⁾	Voting Shares Beneficially Owned, Controlled or Directed ⁽²⁾
Dr. Ajay Virmani Ontario, Canada	Executive Chairman and Director	2005	Executive Chairman since January 1, 2024; Former President and Chief Executive Officer of Cargojet	341,795 / 2.29%
Arlene Dickinson ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Ontario, Canada	Director	2018	Founder and Managing General Partner of District Ventures Former Executive Chair of Believeco: Partners Former Chief Executive Officer of Venture Communications Ltd.	8,904/ 0.06%
Mary Traversy ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Ontario, Canada	Director	2023	Former Chief Operating Officer at Canada Post Board of Governors at York University and The Ottawa Hospital Board of Directors at FleetOptics	345/0.00%
Amos Kazzaz ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Colorado, United States	Director	2025	Former Executive Vice President and Chief Financial Officer at Air Canada; Former Vice President, Cost Management and Vice President, Financial Planning and Analysis at United Airlines	-
Brian Levitt ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Ontario, Canada	Lead Director, Director	2024	Former Chair of the Board, The Toronto-Dominion Bank; Former Director, The Charles Schwab Corporation	3,000/ 0.02%

			Former Director, Xebec Adsorption Inc. Former Director, Domtar Corporation Former Director, TD Ameritrade Holding Corporation	
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Notes:

- (1) For additional information about each of the directors, see biographical information below.
- (2) Number of shares and percentage of total issued and outstanding Voting Shares on a non-diluted basis.
- (3) Member of the Compensation and Nominating Committee. Ms. Dickinson is Chair of the Compensation and Nominating Committee.
- (4) Member of the Corporate Governance Committee. Mr. Levitt is Chair of the Corporate Governance Committee.
- (5) Member of the Audit Committee. Mr. Kazzaz is Chair of the Audit Committee.
- (6) Member of the Risk and Safety Committee. Ms. Traversy is Chair of the Risk and Safety Committee.

Dr. Ajay Virmani: Dr. Virmani has over 45 years’ experience in the transportation industry. Dr. Virmani served as Senior Vice President of Cottrell Transport Inc. (“**Cottrell**”) from 1977 to 1990 when he left Cottrell to form Commercial Transport International (Canada) Ltd. (“**CTI**”). In 1992, CTI acquired Fastair Cargo Systems Ltd. (“**Fastair**”) where Dr. Virmani was President and Chief Executive Officer from 1990 to 2000. CTI/Fastair acquired Cottrell in 1995 and the air cargo division of TNT Worldwide in 1996. By 1999, CTI and Fastair had grown to one of the largest freight forwarders in Canada, with both companies employing over 400 team members, combined revenues of approximately \$100 million. CTI/Fastair were acquired in January of 2000 by Eagle Global Logistics where Dr. Virmani continued to serve as President from 2000 to 2001. In August 2001, Dr. Virmani, formed Canada 3000 Cargo Inc., a joint venture with Canada 3000 Airlines. In 2002, Dr. Virmani acquired 100 % of Canada 3000 Cargo Inc. and rebranded the new company as Cargojet Canada Ltd. In 2005, Cargojet was converted to a public company. After 22 years serving as the President and Chief Executive Officer of Cargojet since its inception, Dr. Virmani stepped into the role of Executive Chairman effective January 1, 2024. Dr. Virmani was appointed to the board of The Toronto-Dominion Bank on August 24, 2022. Dr. Virmani earned a Masters of Business Administration from City University of New York in 1985 and was honoured with a Doctor of Laws degree by Assumption University in Windsor Ontario. In December 2024, Dr. Virmani was appointed to the Order of Canada for his contributions as a leader in the air cargo industry, philanthropy and community building advocacy.

Arlene Dickinson: Ms. Dickinson is the Founder and Managing General Partner of District Ventures Capital, a Venture Capital firm investing in the food/beverage and health/wellness sectors. She is the founder of District Ventures Accelerator, a national accelerator program supporting entrepreneurs in the Consumer Goods sector. Ms. Dickinson was also the founder and CEO Believeco Partners, created through an amalgamation of various agencies, including her firm Venture Communications Ltd., a national full service marketing agencies, and has worked with some of Canada’s largest brands. Ms. Dickinson is an Honorary Captain of the Royal Canadian Navy and is the recipient of Honorary Doctorate Degrees from Mount Saint Vincent University, Saint Mary’s University, Concordia University as well as Honorary Degrees from Northern Alberta Institute of Technology and Olds College. She is the recipient of The Queen Elizabeth II

Diamond Jubilee Medal. Ms. Dickinson has served on numerous public and private boards. In January 2025, Ms. Dickinson was appointed by the Prime Minister of Canada to the Council on Canada-U.S. Relations.

Mary Traversy: After 35 years at Canada Post, Ms. Traversy retired in 2019, having spent her last years as the Chief Operating Officer. As the COO, Mary was responsible for the 50,000 employees involved in the collection, processing and delivery of mail and parcels. Ms. Traversy managed a \$5 billion operating and capital budget and oversaw Engineering and Real Estate. During her tenure at Canada Post, Ms. Traversy held positions in Operations, Human Resources, Labour Relations, led transformational projects and sat on the boards of subsidiaries, Purolator and Innovapost. Since retiring, Ms. Traversy has joined the Board of Governors at York University and The Ottawa Hospital. Ms. Traversy holds a Bachelor of Public Administration from Carleton University and completed the ICD-Rotman Director Education Program.

Amos Kazzaz: Mr. Kazzaz retired on July 1, 2023 as the Executive Vice President and Chief Financial Officer at Air Canada. In this role, he oversaw Air Canada's overall financial strategic direction, comprising all aspects of financial reporting and planning, investor relations, treasury and controller's operations, taxation, pension administration, internal audit, fleet, procurement and corporate real estate. Mr. Kazzaz was previously Senior Vice President, Finance at Air Canada, with responsibility for strategic procurement, strategic initiatives, fleet, corporate real estate, financial planning and analysis, cost reduction initiatives and financial support for all Air Canada branches. He joined the airline in May 2020 as Vice President, Financial Planning and Analysis. Prior to joining Air Canada, Mr. Kazzaz held extensive senior executive roles within the airline and transportation sector. Mr. Kazzaz also had a 24-year career at United Airlines, where he had held a number of executive positions including that of Vice President, Cost Management and Vice President, Financial Planning and Analysis, as well as leading a number of United's divisions. Mr. Kazzaz holds an MBA in Finance from The University of Denver and a B.A. in International Affairs from the University of Colorado at Boulder.

Brian Levitt: Mr. Levitt is a corporate director and advisor. He is a former director of The Toronto-Dominion Bank, where he served as board chair from January 2011 until January 2024, and a former director of the Charles Schwab Corporation. He is the former President and Chief Executive Officer of Imasco Limited, a Canadian consumer goods and services company. Mr. Levitt also previously served in various executive and non-executive leadership positions at the law firm of Osler, Hoskin & Harcourt, LLP. Mr. Levitt holds degrees in Law and Civil Engineering from the University of Toronto.

EXECUTIVE OFFICERS WHO DO NOT SERVE AS DIRECTORS

Name and Province or State and Country of Residence	Current Position/Office with the Company	Principal Occupation During Past Five Years	Position with the Company Since	Voting Shares Beneficially Owned, Controlled or Directed ⁽¹⁾
Pauline Dhillon Ontario, Canada	Chief Executive Officer	Co-Chief Executive Officer since January 1, 2024; previously Chief Corporate Officer, Executive Vice President, Marketing, Public and Government Relations	2005	7,710 / 0.05%
Aaron McKay ⁽²⁾ Ontario, Canada	Chief Financial Officer	-	2025	642 / less than 0.01%
Gordon Johnston Ontario, Canada	Chief Commercial Officer	Executive Vice President, Strategic Partnerships	2005	-
Leo Cordeiro Ontario, Canada	Senior Vice-President, Maintenance and Engineering	Senior Vice-President, Engineering and Maintenance; previously Vice-President, Line Maintenance	2019	321 / less than 0.01%
Steven Cantwell Ontario, Canada	Senior Vice-President, Flight Operations	Captain, Pilot	2002	-

Notes:

(1) Number of shares and percentage of total issued and outstanding Voting Shares on a non-diluted basis.

(2) As announced by the Company on June 16, 2025, Mr. McKay was appointed to Chief Financial Officer effective August 1, 2025.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the best of the Company's knowledge, no director or executive officer of the Company is, as at the date of this Annual Information Form, or was within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that, (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "order") that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued, 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.

Other than Mr. Levitt, who is a former director of Xebec Adsorption Inc., which filed for protection under the *Companies Creditors Arrangement Act* on September 29, 2022, to the best of the Company's knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, (i) is, at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, 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 (ii) has, within 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 the director, executive officer or shareholder of Cargojet.

To the best of the Company's knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Other than as described elsewhere in this Annual Information Form, to the best of the Company's knowledge, there are no other known existing or potential material conflicts of interest between Cargojet, or a subsidiary of the Company, and any director or officer of the Company or of a subsidiary of the Company, except that certain of such directors and officers serve as directors and officers of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other companies. See "*Directors and Officers*" and "*Interest of Management and Others in Material Transactions*".

AUDIT COMMITTEE

AUDIT COMMITTEE CHARTER

The mandate of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to, among other things, (i) financial reporting and related financial disclosure; (ii) the implementation of risk management and internal control over financial reporting and disclosure controls and procedures; and (iii) external and internal audit processes.

The Audit Committee is also responsible for the effectiveness of the Company's whistleblower procedures and for any follow-up regarding instances of non-compliance. The Company's whistleblower policy provides that employees, directors and officers are required to anonymously report certain prohibited conduct regarding accounting, internal controls, disclosure controls or auditing matters to a designated third-party service provider or the audit committee.

The Chair of the Audit Committee reports to the Board at each Board meeting on the Audit Committee's activities since the last such meeting. The Audit Committee has unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by members of the committee. The Audit Committee has the authority to retain, at the Company's expense, independent legal, financial and other advisors, consultants and experts, to assist the Audit Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Audit Committee also has the authority to communicate directly with internal and external auditors.

The Board has adopted a written charter for the Audit Committee, which sets out the Audit Committee's duties and responsibilities. A copy of the Audit Committee Charter is attached hereto as Schedule "A".

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee of the Company is comprised of four directors, all of whom are independent and financially literate as defined under National Instrument 52-110 – *Audit Committees*. As of the date hereof, the members of the Audit Committee are Amos Kazzaz (Chair), Arlene Dickinson, Mary Traversy and Brian Levitt. For additional information about each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member, see the relevant director's biography above under "Directors".

PRE-APPROVAL POLICIES AND PROCEDURES

Pursuant to the terms of its charter, the Audit Committee oversees the work of the external auditor and, amongst other things, must pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its external auditor (or the external auditor of the Company's subsidiary entities). The Audit Committee pre-approved all the services performed by the Company's independent auditors for audit-related and non-audit related services for Fiscal 2025 and Fiscal 2024.

EXTERNAL AUDITOR SERVICE FEES

PricewaterhouseCoopers LLP has served as Cargojet's auditing firm since August 2016. Fees payable for Fiscal 2025 and Fiscal 2024 to PricewaterhouseCoopers LLP are detailed in the following table. The nature of each category of fees is described in the notes to the table.

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
Audit Fees ⁽¹⁾	\$521,500	\$511,000
Audit Related Fees ⁽²⁾	\$167,510	\$17,000
All Other Fees ⁽³⁾	\$16,480	\$20,000
Total Fees Paid	\$705,490	\$548,000

Notes:

- (1) Audit Fees consist of fees incurred for professional services rendered in connection with audit services of the Company's annual consolidated financial statements and for services that are normally provided in connection with statutory and regulatory filings related to the annual consolidated financial statements, including review engagements performed on the interim condensed consolidated financial statements of Cargojet.
- (2) Audit Related Fees consist of fees incurred that are reasonably related to the performance of the audit or review of the financial statements. Such services included fees related to assurances, prospectus procedures and services related to filing documents.
- (3) All Other Fees consist of an accounting support fee paid to the Canadian Public Accountability Board and tie up of documents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

CARGOJET'S APPROACH TO ESG

Cargojet's approach to Environmental, Social and Governance ("ESG") matters is rooted in a focus on understanding the environmental, economic, and social impacts of its business, and in engaging with relevant partners, regulators, industry agencies and other stakeholders to ensure that its approach to ESG, including the applicable policies, programs and targets continue to evolve and reflect high standards of corporate social responsibility. Our approach to ESG can be summarized by the objectives in the following areas:

- *Environment* – Cargojet is open to exploring cost-effective initiatives and new technologies that reduce our impact on the environment, mitigate our carbon footprint and minimize energy use across our fleet.
- *Social Responsibility* – Cargojet is committed to our customers, employees and the community at large, through, among other initiatives, creating working conditions that are safe, fair, and rewarding, adopting a comprehensive framework for a safe and supportive environment that fosters employee commitment and advancement and investing in the infrastructure and people across Canada.
- *Corporate Governance* – Cargojet recognizes the importance of sound corporate governance practices to the proper and effective management of the Company and the successful operation of our business. The Company has adopted various corporate governance best practices, including those recommended under National Policy 58-201 – *Corporate Governance Guidelines*, a written Code of Ethics and a written Diversity Policy. For a discussion of Cargojet's governance framework, please see the other information set forth under "*Social Responsibilities and Corporate Governance*" below.

The Corporate Governance Committee is responsible for the oversight of ESG matters including in relation to (i) strategies, policies, systems and processes of the Company; (ii) management of risks relating to ESG matters, and (iii) compliance with statutory and regulatory obligations.

SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

Approach to Diversity, Equity and Inclusion

Cargojet is committed to promoting a culture of integrity and respect and is dedicated to providing an atmosphere free from barriers in order to promote equity and diversity. We celebrate and welcome diversity among employees, stakeholders and external personnel. To that end, the Company has adopted a written code of ethics (the “Code”) that applies to all officers, directors, employees, contractors and agents acting on behalf of the Company. The objective of the Code is to provide guidelines for maintaining our and our subsidiaries’ integrity, trust and respect. The Code addresses, among other things, communications, fair dealing, fair competition, equal employment opportunities and harassment, political and charitable activities. Our Board has ultimate responsibility for monitoring compliance with the Code of Ethics. The Code of Ethics is filed with the Canadian securities regulatory authorities on the SEDAR+ website under the Company’s profile at www.sedarplus.ca and is available on our website at www.cargojet.com.

The Company has adopted a written diversity policy and recognizes the importance and benefit of having a workforce, including members of the Board and executive officers, comprised of highly talented and experienced individuals: (i) who reflect the diversity of the Company’s stakeholders, including its customers and employees, and the changing demographics of the communities in which the Company operates, and (ii) having regard to the need to foster and promote diversity among Board members, executive officers and others with respect to attributes such as gender, ethnicity, age, sexual orientation, national origin, disability and other characteristic that may otherwise be underrepresented. The Company is committed to an inclusive Board composition: As of December 31, 2025, Cargojet has one director who identifies as a member of visible minority, representing 20% of the current five-person Board and two female directors, representing 40% of the current five-person Board and 50% of the Company’s independent directors.

Among Cargojet’s employees, women, visible minorities, Indigenous Peoples and persons with disabilities represent approximately 15%, 29%, 1.2% and 1.6% of Cargojet employees in the workforce, respectively.

Safety Risk and Crisis Management

The Company has a risk management program that is documented in the Safety Management System (“SMS”) Program Manual, which allows for: the identification, assessment and mitigation of safety risks that threaten the Company and its personnel prior to an incident; the mitigation of the effects of incidents that have already occurred; and the reduction of the recurrence of such incidents. Cargojet’s SMS program complies with the requirements of Transport Canada Aviation Regulations, International Civil Aviation Organization (“ICAO”), and IATA, and is approved by Transport Canada. The Company’s safety risk profile identifies the five to ten highest safety risks, which allows the Company to effectively allocate its resources

to mitigate safety risks. The Company's safety risk profile is updated annually, however, when the program identifies a risk as critical, Cargojet promptly reviews and adjusts its safety risk profile as required. The safety risk profile is reviewed at both semi-annual meetings of the Management Safety Review Committee chaired by the Accountable Executive.

Cargojet is dedicated to strong and effective crisis risk management and emergency preparedness to manage unforeseeable incidents. The Company has an Emergency Response Plan ("ERP") in place that is documented in its Emergency Response Manual. If an accident or incident occurs, the ERP is intended to render aid to injured parties and to prevent or minimize further personal injury or property damage.

Employee Health and Safety

As an airline, the health and safety of Cargojet's team members is critical to successful operations. Cargojet has an established occupational health and safety program that is documented in the Company's health and safety program manual ("HSPM"). The HSPM outlines the elements, organization, processes and procedures of Cargojet's health and safety program, as well as the Company's Occupational Health and Safety Policy and its Safety Policy. Our HSPM is based on standard health and safety practices, including those outlined in Part II of the Canada Labour Code and the Canada Occupational Health and Safety Regulations. Cargojet has implemented the following policies and practices in furtherance of its health and safety initiatives:

- All employees receive mandatory SMS training as part of their initial training upon hiring and every three years thereafter;
- Hazard prevention program training for all employees occurs every three years;
- Mandatory Workplace Hazardous Materials Information System and fire safety training is regularly provided for all employees; and
- Access to whistleblower call lines for employees and employee assistance programs to ensure their well-being and safety.

In addition, the Company conducts annual safety surveys as a performance measurement tool to improve the effectiveness of its SMS program and monitor the effectiveness of SMS training and communication channels. The surveys consist of questions that address areas such as safety information and communication, hazards, reporting, feedback, training, safety culture, management, and include open questions where participants are requested to provide any additional feedback, comments or suggestions. An analysis of the responses received is conducted following the completion of each survey cycle. The survey conducted in January 2025 resulted in 95% positive responses.

REGULATORY COMPLIANCE

Cargojet is not only committed to maintaining, promoting and enforcing a high standard of compliance with applicable regulatory requirements, but also to adopting certain best practices that go beyond the requirements mandated by law. Cargojet is the only Canadian air cargo carrier that is a full member of IATA with IOSA registration and ISO 9001 Quality Standard Accreditation.

The Company's Regulatory Review Sub-Committee ("RRSC") is a standing adjunct to its Safety Action Committee, with a mandate to meet on a quarterly basis. The RRSC is comprised of designated representatives from Flight Operations, Maintenance & Engineering, Cargo Operations, the Manager Regulatory Security, the Manager SMS, and the Vice President SMS and Security. With input from each member who monitors regulations and standards in their respective functional areas, the RRSC acts upon changes in regulations, standards, exemptions under industry best practices and of third-party agencies, including procedures and legislation with respect to emergency response, to maintain regulatory compliance.

The Company's Safety Policy Committee is mandated to uphold regulatory compliance with applicable to health and safety legislation. To that end, it receives quarterly reports from the Human Resources Department regarding changes in applicable occupational health and safety standards and other government health and safety programs, including those under the *Canada Labour Code* and the *Personal Information Protection and Electronic Documents Act*.

Supplier and Customer Engagement

ESG is of critical importance to our customers and stakeholders. As a result, Cargojet is making an active effort to, where possible, work with our customers and suppliers to improve our ESG impacts.

ENVIRONMENTAL SUSTAINABILITY

Fleet Modernization and Optimization

Jet fuel consumption is the main source of our direct GHG emissions and one of our largest expenses. As a result, where it is cost-effective for the Company, maximizing the fuel efficiency of our aircraft is both a core focus of our climate change strategy and a key business objective. In partnership with our customers, Cargojet has implemented a Fuel Optimization Program to increase fuel efficiency and reduce power settings on takeoffs. Implemented in 2020, the program tracks six key metrics for fuel efficiency through the Flight Data Monitoring Program and is used to improve fuel consumption through improvements in flight planning and flight operations by the dispatchers and flight crews. Cargojet operates the SABLE Program, which calculates the most fuel-efficient load distribution for each flight to reduce fuel burn and GHG emissions. Our initiatives implemented under the Fleet Efficiency Optimization Program include:

1. Aircraft engine wash programs;
2. Reduction in the use of aircraft Auxiliary Power Units ("APUs");
3. Replacement of heavier fiberglass Unit Load Device containers with Lexan containers;
4. Reducing aircraft empty weight;
5. Ensuring optimum climb, cruise altitude, aircraft speeds and direct routings to reduce fuel consumption and burn; and
6. Reverse idle during landing where runway length and condition do not require high thrust settings.

Future initiatives planned include the use of biofuels and switching to electric ground handling equipment.

In 2025, Cargojet achieved improvements in excess of 5% in Emissions per Tonne Payload and in Fuel per hour per Tonne Payload, with an overall reduction of over 10% in emissions. This achievement demonstrated the success of our ongoing efforts to improve efficiency through optimizing loads and reconfiguring our network to reduce flying hours while maintaining service to our business and consumer customers.

Broader Industry Programs

Along with others in our industry, Cargojet is subject to the Carbon Offsetting and Reduction Scheme for International Aviation (“**CORSIA**”), which aims to achieve carbon-neutral growth in CO₂ emissions from international aviation after 2020.

CORSIA was adopted by the ICAO in 2016 and is currently being implemented by Canada in association with Transport Canada. CORSIA applies to 13 Canadian operators, including Cargojet. As part of our support for CORSIA, we endorsed the industry goal to achieve carbon-neutral growth in CO₂ emissions from international aviation after 2020, relative to a baseline year. The baseline year was initially meant to be based on 2019 and 2020 emissions but was changed to 2019 given the drop in air traffic in 2020 caused by the COVID-19 pandemic.

Less waste, Less pollution

Cargojet is a founding member of the Canadian Council for Sustainable Aviation Fuel, whose mission is to accelerate the deployment of sustainable aviation fuels (“**SAF**”) in Canada to ensure that the Canadian aviation sector remains competitive as it transitions to a net-zero future. SAF is jet fuel that is produced from renewable hydrocarbon resources and can reduce lifecycle GHG emissions by up to 80% compared to conventional jet fuel if sustainability produced. SAF can be produced from a range of feedstocks, including municipal solid waste, used cooking oil, plant oils, waste gases and agricultural residues.

Cargojet’s noise abatement profiles use reduced power settings and increased climb profiles. The Aircraft Performance program calculates the optimum power setting for each take off and allows the flight crew to use lower power settings to reduce noise levels, fuel burn and engine wear.

Cargojet has a waste diversion initiative across its operations with a focus to reduce garbage and provide recycling options. We encourage all bases to, where possible and eligible, optimize the amount of waste that is placed in the recycling bins and reused/recycled.

RISK FACTORS

You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form, and all other information contained in this Annual Information Form. The risks and uncertainties described below are those we currently believe to be material, but they are not the only risks that we face. If any of the following risks actually occur or any other risks and uncertainties that we have

not yet identified or that we currently consider not to be material become material risks, they may have a material adverse effect on our business and results of operations and consequently the price of the Voting Shares.

RISKS RELATED TO THE BUSINESS

Loss of Customer Contracts – The cancellation, termination or non-renewal of significant customer contracts could have a material adverse effect on the Company’s business, results of operations or financial condition

Cargojet’s ten largest customers accounted for approximately 73% of Fiscal 2025 revenues of Cargojet and Cargojet’s top three customers represented 54% of Cargojet’s Fiscal 2025 revenues. The loss of any one of these contracts would cause immediate disruption and could have a material adverse effect on Cargojet’s business, results of operations or financial condition.

Most of Cargojet’s contracts with its customers are for a term of three to ten years with the ability to terminate generally upon six to eighteen months’ notice or if Cargojet is not meeting specified performance targets. When these contracts expire, there is no assurance that the contracts will be renewed for an additional term or that the commercial terms of any such renewal would be as favorable to Cargojet as existing contracts. The inability of Cargojet to renew these contracts could have a material adverse effect on Cargojet’s business, results of operations or financial condition.

In 2014, Cargojet was awarded the domestic air cargo network services contract and signed the MSA with CPGOC. The terms of the MSA require Cargojet to maintain specific on time performance metrics and provide minimum levels of dedicated cargo space. To fulfill its requirements under the contract, Cargojet has made material investments in its fleet, equipment and the hiring of new personnel. In January 2023, Cargojet announced an extension to the existing MSA with CPGOC, including Purolator Inc., until September 30, 2029, with an additional option to renew the MSA until March 31, 2031 remaining available, further strengthening its existing customer base. The cancellation of the MSA without penalty could have a material adverse effect on Cargojet’s business, results of operations or financial condition.

Credit Facilities, Finance Lease and Loan Agreement and their Restrictive Covenants – Covenants contained in agreements to which the Company is a party may affect and, in some cases, significantly limit or prohibit the manner in which the Company operates its business

The ability of Cargojet to make distributions, pay dividends, or make other payments or advances will be subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness and finance lease obligations. The degree to which Cargojet is leveraged could have important consequences to the shareholders, including: (i) a portion of Cargojet’s cash flow from operations will be dedicated to the payment of the principal of and interest on the indebtedness and amounts payable under the finance leases, thereby reducing funds available for future operations and distribution to Cargojet; (ii) certain of Cargojet’s borrowings and finance lease obligations will be at variable rates of interest, which exposes Cargojet to the risk of increased interest rates; and (iii) Cargojet’s ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future

may be limited. Cargojet's ability to make scheduled payments of principal and interest and other amounts on, or to refinance, its indebtedness and finance lease obligations will depend on its future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control. These factors might inhibit Cargojet from refinancing the indebtedness and finance lease obligations at all or on favorable terms.

The instruments governing Cargojet's indebtedness and finance lease obligations contain restrictive covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of Cargojet to incur additional indebtedness, to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge, amalgamate, or consolidate with another entity. In addition, such instruments contain financial covenants that require Cargojet to meet certain financial ratios and financial conditions tests. A failure to comply with these obligations could result in an event of default which, if not cured or waived, could permit acceleration of the relevant indebtedness. If the obligations under these instruments were to be accelerated, there can be no assurance that Cargojet's assets would be sufficient to satisfy such obligations in full. In addition, there can be no assurance that future borrowing or equity financing will be available to Cargojet or available on acceptable terms, in an amount sufficient to fund Cargojet's refinancing needs and other obligations arising on the maturity of such instruments, including the obligations to purchase the aircraft subject to the finance leases.

Canada — US Open Skies – Significant changes to the “Open Skies” agreement could impact the competitive environment, which in turn could have a material adverse effect on the Company's business, results of operations or financial condition

The current Canada — US “Open Skies” agreement provides regulation of the airline industry, including the air cargo industry, within Canada and currently provides protection of domestic national carriers in each country. The agreement allows cross-border flights between Canada and the United States but provides major restrictions on carriers from operating flight routes between two points within the other's country. The most recent amendments negotiated between the two countries reinforced the restriction of cabotage and does not allow United States carriers to establish domestic flight routes within Canada and Canadian carriers including Cargojet to establish domestic routes within the United States. There is no assurance that this “Open Skies” agreement will continue in its present form in the future. Increased competition resulting from the liberalization or revocation of this agreement could affect Cargojet's ability to compete for a market share, which in turn could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Competition – The Company operates in a highly competitive environment and faces increasing competition in North America and internationally

Cargojet competes within the industry of air cargo courier services with other dedicated air cargo carriers. In addition, Cargojet competes for market share with motor carriers, express companies and other air

couriers and airlines who have historically offered cargo services on their regularly scheduled passenger flights. Competition within the air cargo courier services industry has generally increased from such passenger airlines due to increased passenger air travel after the COVID-19 pandemic and the loosening of travel restrictions. The increase of passenger air travel has allowed passenger airlines to flex the use of lower deck cargo space and certain commercial airlines have operated all-cargo flights in response to elevated demand for cargo services. In addition to competition from existing competitors, new companies including those entering into expanded joint ventures and other arrangements, may enter the domestic air cargo industry and may be able to offer services at discounted rates. Concentrating only on the air cargo industry does not allow Cargojet to compete in different modes of freight transportation which may provide a cheaper alternative to air cargo. Cargojet's inability to compete for a market share of the air cargo industry under these circumstances could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Agreements with Amazon and DHL – There can be no assurance that the Company will realize the anticipated revenue growth and expected benefits from the strategic agreements with Amazon and DHL

While Cargojet believes that the strategic agreements with Amazon and DHL will deliver important financial and strategic benefits, including anticipated revenue growth from Amazon and DHL's respective business and the associated margins and that such revenue growth will be meaningfully accretive to Cargojet's earnings and cash flows over time as well as create other benefits and opportunities, including to Cargojet's existing network, there is a risk that some or all of the anticipated benefits associated with the Amazon and DHL strategic agreements may fail to materialize, or may not occur within the time periods currently anticipated by Cargojet. As part of the strategic agreement with DHL, Cargojet issued the 2025 DHL Warrants to the DHL Warrantholder, with vesting tied to the delivery by DHL of up to US\$2.3 billion in business volumes over eight years.

If, as a result of DHL meeting its business volume requirements and pursuant to the 2025 DHL Warrants, as applicable, DHL exercises its right to acquire Variable Voting Shares, it will dilute the ownership interests of Cargojet's then-existing shareholders and reduce Cargojet's earnings per share. In addition, any sales in the public market of any Variable Voting Shares issuable upon the exercise of the 2025 DHL Warrants could adversely affect prevailing market prices of the Voting Shares. The realization of the expected benefits from the Amazon and DHL strategic agreements may be affected by a number of factors, including credit, market, currency, operational, capital expenditures, liquidity and funding risks generally, including changes in economic conditions, interest rates, exchange rates or tax rates, risks and uncertainties relating to retail, e-commerce growth, labour, technology, changes in law or regulation, competition, and business generally and other risks inherent to Cargojet's business and/or factors beyond its control which could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Government Regulations – The Company is subject to extensive and evolving domestic and foreign regulation in a wide range of matters

Cargojet's operations are subject to complex aviation, transportation, environmental, labour, employment and other laws, treaties and regulations. These laws and regulations generally require Cargojet to maintain and comply with a wide variety of certificates, permits, licenses and other approvals.

Cargojet's inability to maintain required certificates, permits or licenses, or to comply with applicable laws, ordinances or regulations, could result in substantial fines or possible revocation of its authority to conduct operations.

Cargojet is routinely audited by various regulatory bodies including Transport Canada and the Canadian Transportation Agency to ensure compliance with all flight operation and aircraft maintenance requirements. Cargojet has a strong track record of compliance, however, there can be no assurance that Cargojet will pass all audits in the future. Failure to pass such audits could result in fines or grounding of the aircraft which could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Cargojet is subject to certain federal, provincial and local laws and regulations relating to environmental protection, including those governing past or present releases of hazardous materials. Certain of these laws and regulations may impose liability on certain classes of persons for the costs of investigation or remediation of such contamination, regardless of fault or the legality of the original disposal. These persons include the present or former owner or a person in care or control of a contaminated property and companies that generated, disposed of or arranged for the disposal of hazardous substances found at the property. As a result, Cargojet may incur costs to clean up contamination present on, at or under its facilities, even if such contamination was present prior to the commencement of Cargojet's operations at the facility and was not caused by its activities which could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Cargojet cannot provide any assurance that existing laws, agreements, treaties or regulations will not be revised or that new laws, agreements, treaties or regulations, which could have an adverse impact on Cargojet's operations, will not be adopted or become applicable to Cargojet. For example, Cargojet's aircraft currently meet Transport Canada and FAA Stage III noise abatement guidelines. Any future implementation of new noise abatement guidelines that are applicable to Cargojet's aircraft would require Cargojet to incur expenses to ensure its aircraft meet such guidelines which expenses could negatively impact Cargojet's earnings. Cargojet also cannot provide any assurance that it will be able to recover any or all increased costs of compliance from its customers or that the business and financial condition of Cargojet will not be adversely affected by future changes in applicable laws and regulations.

Climate Change – Risks related to climate change could have a material adverse effect on the Company's business, results of operations or financial condition

Climate change may increase the frequency and intensity of severe weather events which could impact and ultimately have an adverse effect on many aspects of Cargojet's business by increasing costs or

preventing business operations as a result of severe weather conditions. In the event that Cargojet is still able to provide services to its customers during a period of severe weather, particularly during any protracted period of time, there may be forced flight cancellations or Cargojet may not be able to deliver shipments in a timely manner. Any extended delay in meeting time sensitive shipping deadlines could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Further, widespread attention on climate change has led to recent efforts by the Canadian government to reduce greenhouse gas emissions. In short, the federal Greenhouse Gas Pollution Pricing Act requires that provinces that lack their own form of pricing for greenhouse gas emissions, including Manitoba, New Brunswick, Saskatchewan and Ontario, impose a carbon tax on airlines operating flights within provinces that fall under the federal system as well as intra-provincial flights. Outside of Canada, the international audience is paying close attention to climate change with governments and agencies founding initiatives to help reduce the carbon footprint worldwide. For instance, in October 2013, the ICAO reached a nonbinding agreement to address climate change by developing global market-based measures to assist in achieving carbon neutral growth. In October 2016, the ICAO approved and subsequently amended a resolution to adopt a global market-based measure known as the Carbon Offsetting and Reduction Scheme for International Aviation, which is designed to offset any annual increases in total carbon emissions from international civil aviation above a baseline level determined by Fiscal 2019 emissions.

As a result of existing and new measures to respond to climate change and greenhouse gas emissions, Cargojet may also be subject to environment-related requirements imposed or proposed by foreign governments. These may be duplicative of, or incompatible with Canadian government requirements, resulting in increased compliance efforts and expense.

Cargojet cannot predict whether, or the manner in which, these or other requirements and initiatives will ultimately be implemented or their impact on Cargojet; however, future developments in Canada and abroad could adversely impact Cargojet, including by increasing its costs. While Cargojet is continually focused on efficiency improvements, including carbon footprint reduction initiatives, the impact to Cargojet of climate and other environmental initiatives may, in part, depend upon the extent to which the increased costs relating to such initiatives, if any, could be recovered, including in the form of higher cargo rates.

ESG Matters – Failure to implement, manage, measure or report on ESG initiatives could have a material adverse effect on the Company's business, results of operations or financial condition in light of increasing requirements and stakeholder expectations regarding ESG matters

Cargojet faces certain ESG risk management and reporting expectations driven by stakeholders including customers, investors, employees and communities as well as by an increasing number of regulatory requirements globally. These expectations and obligations are expected to continue to evolve in the near future.

Evolving stakeholder expectations with respect to ESG matters may pose risks to Cargojet's reputation, business, results of operations or financial condition, which may impact Cargojet's ability to achieve its business objectives. In particular, public concern about climate change-related risk and the impetus for a

global transition to a low carbon economy could result in a broad range of impacts, including potential strategic, reputational, and structural risks for Cargojet. Changing regulatory expectations as well as continuing reforms pertaining to mandatory ESG-related disclosure may also create a new and evolving set of compliance risks. Cargojet is subject to reporting expectations which also add pressure to secure reliable and precise ESG data and to deploy robust data collection processes with effective controls that will allow for external verification. If Cargojet fails to implement its stated ESG initiatives, or fails to manage, measure or report on its progress in relation to such ESG initiatives in a balanced manner, this could hinder Cargojet's credibility and reputation, which could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Human Rights – Costs related to a failure to comply with emerging regulatory and legislative requirements and scrutiny with respect to Human Rights could have a material adverse effect on the Company's business, results of operations or financial condition

Cargojet and its operations may be subject to emerging regulations and legislation globally with respect to human rights issues, including forced labour, child labour and other slavery-like practices. An example of such legislation is the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Anti-Forced Labour Act**") that came into force in Canada on January 1, 2024. The purpose of the Anti-Forced Labour Act is to implement Canada's international commitment to combat forced labour and child labour by imposing reporting obligations on: (i) government institutions producing, purchasing, or distributing goods in Canada or elsewhere; and (ii) certain business entities producing goods in Canada or elsewhere or importing goods produced outside Canada. Under these new regulations, Cargojet may face heightened scrutiny from investors, shareholders and other stakeholders regarding such matters.

Compliance with emerging modern slavery, human trafficking and forced labour reporting, training and due diligence regulations and laws could increase Cargojet's operating costs. Further, if Cargojet fails to appropriately identify and respond to human rights abuses or allegations thereof, either internally or externally or through third party business relationships, it could face costly and disruptive enforcement actions, potential litigation, investor and stakeholder dissatisfaction and reputational damage.

Insurance Coverage and Cost – Increases in insurance costs or reduction in insurance coverage could have a material adverse effect on the Company's business, results of operations or financial condition

Cargojet's operations are subject to risks normally inherent in the air cargo industry, including potential liability which could result from, among other circumstances, personal injury or property damage arising from disasters, accidents or incidents involving aircraft operated by Cargojet or its agents. The availability of, and ability to collect on, insurance coverage is subject to factors beyond the control of Cargojet. There can be no assurance that insurance coverage will be sufficient to cover one or more large claims, or that the applicable insurer will be solvent at the time of any covered loss. There can be no assurance that Cargojet will be able to obtain insurance at acceptable levels and costs in the future. Further, there has been an increasing trend in the aviation insurance industry for providers to reduce, either in full or in part, the terrorism risks (including war risk insurance) that it covers. To the extent that the Canadian government is unwilling to fill this gap and provide the required coverage, Cargojet's insurance costs may

increase and Cargojet may run the risk of being in breach of regulatory requirements or contractual agreements requiring specific insurance coverage be maintained. Cargojet may become subject to liability for hazards which it cannot or may not elect to insure because of high premium costs or other reasons or for occurrences which exceed maximum coverage under its policies. The occurrence of an aircraft-related accident or mishap involving Cargojet could have a material adverse effect on Cargojet's business, results of operations or financial condition. Cargojet maintains business interruption insurance in case of a disruption in its operations that results in a loss of revenue and/or increased expenses, but there can be no assurance that such insurance will be sufficient to cover the financial losses Cargojet may sustain while its operations are disrupted.

Dependence on Technology and Cyber Security – The Company relies heavily on technology to operate its business and any technology systems failure or security breach could have a material adverse effect on the Company's business, results of operations or financial condition

In today's connected business environment, substantially all aspects of Cargojet's business activities are carried out using computers. While operating in cyberspace offers advantages; it also makes us vulnerable to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. Cargojet is highly dependent on its information technology to securely process, transmit and store electronic information. Certain sensitive and/or confidential information resides on the third-party hosted data center servers and is transmitted over Cargojet's network. Cargojet also uses computers for its core management information systems to manage its financial, operational, and corporate operations. Cargojet continues to develop and enhance its cyber security in response to cyberspace risks to protect computer systems and data from threats originating in cyberspace. A security breach can cause significant implications that may include disruption in operations, significant financial losses, legal obligations, litigation, regulatory penalties, and negative effects on Cargojet's reputation any and all of which could have a material adverse effect on Cargojet's business, results of operations or financial condition. Cargojet has engaged security experts to enhance its cyber security strategy and has secured insurance coverage to offset potential losses on operation due to a security breach. However, there can be no assurance that the measures will be adequate to protect against all cyber risks or that insurance can cover all losses as a result of any breach. Attacks into information technology systems are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. As of the date hereof, there have been no incidents of security breach noted by Cargojet or its security advisors, but any such breach could have a material adverse effect on Cargojet's business, results of operations or financial condition.

In addition, the technology Cargojet relies on, including third party technology, may be vulnerable to a variety of sources of failure, interruption or misuse, including by reason of human error, third party suppliers' acts or omissions, natural disasters, terrorist attacks, telecommunications failures, power failures, unauthorized or fraudulent users (including cyber-attacks, malware, ransomware, computer viruses and the like), software failures and other operational and security issues. The costs of remedying any failed system could be expensive and any such failure could result in business delays and service

disruptions, which could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Availability of Future Aircraft – The Company may not be able to replace owned aircraft or maintain favorable leases or financing for future aircraft, which could have a material adverse effect on the Company's business, results of operations or financial condition

Cargojet currently owns and operates sixteen B757-200, sixteen B767-300 and two B767-200 aircraft. In addition, the Company leases and operates six B767-300 and one B767-200 aircraft. It also owns one B767-300 aircraft currently under conversion, with an expected delivery date in 2026. Two B767-200 and one B757-200 aircraft are held as feedstock for potential future conversion. Cargojet also owns one Cessna 750, one B767-200 and one B757-200 passenger aircraft, each of which are operating under charter agreements with a third party.

The success of Cargojet will depend, in part, on its ability to replace owned aircraft, when necessary, dispose of its surplus aircraft on favourable terms, and maintain favorable leases for its leased aircraft. There can be no assurance that Cargojet will be able to lease or purchase aircraft in the future on acceptable terms, dispose of its surplus aircraft and realize the proceeds of such sales, maintain favorable leases for its aircraft or be able to arrange financing for its current commitment of aircraft purchases or future replacements and expansions. Such risk could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Fixed Costs – Due to the nature of the Company's business, the inflexibility of high fixed costs could have a material adverse impact on the Company's earnings

Cargojet is subject to a high degree of operating leverage. Since fixed costs comprise a proportion of the operating costs of each flight route, the expenses of each flight route do not vary proportionately with the amount of shipments that Cargojet carries. Accordingly, a decrease in Cargojet's revenues could result in a disproportionately higher decrease in Cargojet's earnings as some expenses would remain unchanged.

Fuel Prices and Availability – Decreases in the availability of fuel and increases in fuel prices could have a material adverse effect on the Company's business, results of operations or financial condition

Cargojet requires significant quantities of fuel for its aircraft. Historically, fuel costs represented 20% to 30% of Cargojet's direct operating cost. Cargojet is therefore exposed to commodity price risk associated with variations in the market price for petroleum products. The price of fuel is sensitive to, among other things, the price of crude oil, which has increased dramatically over the past few years, refining costs, delivery costs, carbon pricing or other climate change related regulations, taxes, levies or other measures, and foreign exchange rates. Although Cargojet historically has implemented fuel surcharges to mitigate the earnings impact of unusually high fuel prices, competitive and other pressures may prevent Cargojet from passing these costs on to its customers in the future. Cargojet cannot provide any assurance that its supply of fuel will continue uninterrupted, that rationing will not be imposed or that the prices of, or taxes on, fuel will not increase significantly in the future. An extremely high fuel cost could adversely affect customer volumes as other cheaper modes of transportation are sought. Increases in prices that Cargojet

is unable to pass on to its customers could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Costs Related to Mechanical and Maintenance Problems and Replacement of Equipment and Parts – Increasing maintenance costs, both expected and unexpected, associated with an aging aircraft fleet are outside of the Company's control and could have a material adverse effect on the Company's business, results of operations or financial condition

Maintenance costs will increase as our fleet ages, which include overhaul of engines, landing gears, APUs and airframes in addition to ongoing maintenance requirements. Cargojet has a maintenance program schedule and monitors the maintenance of aircraft for owned and leased aircraft. Although costs related to mechanical problems and to maintenance for Cargojet's aircraft have been forecasted and funded pursuant to its leasing arrangements and maintenance agreements, the actual costs may be higher than those anticipated. Unexpected repairs relating to mechanical problems and to maintenance are beyond the control of Cargojet and may have a material adverse effect on Cargojet's business, results of operations or financial condition. In addition, the ability of Cargojet to obtain equipment and replacement parts on satisfactory terms when required is not always certain. Any inability to obtain equipment or parts, or to obtain the required equipment or parts on satisfactory terms and on a timely basis could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Foreign Exchange Fluctuations – A significant decrease in the Canadian dollar relative to U.S. and foreign currency could have a material adverse effect on the Company's business, results of operations or financial condition

Cargojet undertakes sales and purchase transactions including aircraft maintenance costs, lease payments, loan payments, crew training and certain operating costs in foreign currencies, and therefore is subject to gains and losses due to fluctuations in the foreign currencies. Changes in the value of the Canadian dollar relative to the United States dollar or other foreign currencies could increase the costs of Cargojet relative to its United States or other foreign competitors and could have a negative effect on the profitability of Cargojet. For Fiscal 2025, Cargojet had a net cash flow exposure to the United States dollar of approximately USD \$4.2 million and to the Euro of approximately €1.5 million. As of the date of this Annual Information Form, Cargojet is exposed to fluctuations in the US-dollar exchange rate relating to two B767-300 and one B767-200 lease agreements. To the extent that Cargojet does not adequately hedge its foreign exchange risk, changes in the exchange rate between the Canadian dollar and the United States dollar may have a material adverse effect on Cargojet's business, results of operations or financial condition.

Ability to Maintain Profitability and Manage Growth – The Company may sustain significant losses and be unable to successfully achieve and/or sustain positive net profitability or realize the objectives of any or all of its initiatives

There can be no assurance that Cargojet's business and growth strategy will enable Cargojet to sustain positive net profitability in future periods. Cargojet's future operating results will depend on a number of

factors, including general economic conditions and consumer confidence and demand for air cargo courier services.

Despite the pursuit of strategic and business initiatives, there can be no assurance that Cargojet will be successful in achieving its business initiatives or strategic plan or that this strategic plan will enable Cargojet to grow at historical rates or to sustain profitability. Failure to successfully execute any material part of Cargojet's strategic plan including those which seek to increase revenues, decrease costs, generate sufficient returns on capital expenditures or offset or mitigate risks facing Cargojet including those described in this "Risk Factors" section, could have a material adverse effect on Cargojet's business, results of operations or financial condition.

There can be no assurance that Cargojet will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Industry Risk and Economic Sensitivity – A downturn in any economy in which the Company serves could result in decreased demand for the Company's services and have a material adverse effect on the Company's business, results of operations or financial condition

Cargojet serves numerous industries and customers that experience significant fluctuations in demand based on economic conditions and other factors beyond the control of Cargojet. Demand for Cargojet's services could be materially adversely affected by downturns in the businesses of its customers. Cargojet's revenues are impacted by the health of the economy in the regional markets in which Cargojet operates. Although Cargojet cannot specifically correlate the impact of macro-economic conditions on its business activities, Cargojet believes that a decline in economic conditions in Canada may result in decreased demand for the services Cargojet provides and, to the extent that this decline continues or increases in severity, Cargojet's business, results of operations or financial condition could be materially adversely affected. In addition, given the nature of Cargojet's business and its fixed cost structure, any prolonged impact arising from economic and geopolitical conditions, including a breakdown of political or economic relationships within or between jurisdictions where Cargojet does business or a deterioration of the Canadian, U.S. or international economies, could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Dependence on Key Personnel and Skilled Labour – The Company is dependent on key employees and a loss or substantial turnover of such employees could have a material adverse effect on the Company

Cargojet's success will be substantially dependent on the continued services of senior management of Cargojet. The loss of the services of one or more key members of senior management of Cargojet could have a material adverse effect on Cargojet's business, results of operations or financial condition. In addition, Cargojet operates in an industry that requires specialized skills and knowledge. Cargojet employs individuals who possess specific technical knowledge and experience in the areas of aircraft operation, aircraft maintenance, flight planning, flight dispatch, crew planning, crew training, ground handling and commercial airline cargo management. While Cargojet has not experienced material difficulty in recruiting and retaining appropriate staff to carry out its operations, Cargojet's continued growth depends on the

ability of Cargojet to attract and retain skilled managers and employees and the ability of its personnel to manage Cargojet's growth. The inability to attract and retain key personnel could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Labour Relations – Collective bargaining activities by Company employees increases the risk of labour conflicts and disruptions and could have a material adverse effect on the Company's business, results of operations or financial condition

On October 19, 2012, the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW – Canada) became certified by Cargojet's pilots as their bargaining union by the CIRB.

On May 21, 2019, Cargojet and UNIFOR agreed to bring in changes in the terms of the agreement to meet the requirements of the Transportation Canada fatigue regulations. The changes include the extension of the contract until June 30, 2026, workload scheduling and introduction of a new incentive program.

On September 17, 2021, the CIRB certified the Air Line Pilots Association ("ALPA") as the representative of Company's pilots replacing UNIFOR. The terms and conditions of the contract remain in place and in effect until June 30, 2026; accordingly, contract renegotiations with ALPA began in 2025.

The commercial aviation industry continues to see upward pressure on wages from pilot unions seeking increased compensation in collective bargaining negotiations. Recent agreements concluded in both the United States and Canada have resulted in certain precedents that may or may not be relevant to the ongoing collective bargaining process at Cargojet and could contribute to upward pressure on labour costs. There can be no assurance that Cargojet will be able to maintain labour costs under a renegotiated contract at levels that do not adversely affect Cargojet's business, operating results and financial position.

None of Cargojet's other employees are unionized. The maintenance of a productive and efficient labour environment and the successful negotiation of collective bargaining agreements cannot be assured. Protracted and extensive work stoppages or labour disruptions such as strikes or lockouts, and any resulting collective bargaining agreement may increase labour costs or impose terms and conditions that restrict or reduce Cargojet's ability to sustain its business objectives or pursue its strategic initiatives, all of which could have a material adverse effect on Cargojet's business, results of operations or financial condition.

In addition to labour relations at Cargojet, there can be no assurance that there will not otherwise be any labour conflict or action that could also lead to an interruption or stoppage by key suppliers or other parties with whom Cargojet conducts business or relies on, such as interline partners, which could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Seasonal Fluctuations – Canadian and global trade flows are typically seasonal and the Company, including the businesses of the Company's customers, experiences seasonal variations

Traditionally, Cargojet has experienced its best operating results in the third and fourth quarters of each year. Shipping activity is usually the best in the fourth quarter as a result of the holiday season and is

usually the lowest in the first quarter. Accordingly, the seasonal nature of the business of Cargojet will affect the quarterly financial results of operation of Cargojet that will be reported.

Dependence on International Trade – Any change to the health of international trade conditions and law on which the Company relies could have a material adverse effect on the Company’s business, results of operations or financial condition

The principal businesses of Cargojet are indirectly related to, and future performance of Cargojet is dependent upon, the volume of international trade, including cross-border trade between Canada and the U.S. Such trade is influenced by many factors, including North American and overseas economic and political conditions, major work stoppages, wars, terrorist acts or security operations, exchange controls, currency fluctuations and Canadian, U.S. and foreign laws relating to duties, tariffs, trade restrictions, foreign investment and taxation. Uncertainty around international trade conditions is expected to continue in the coming years, including the imposition of (or threats to impose) tariffs, and other meaningful changes to Canadian and U.S. trade policies. For example, renegotiation of the U.S.-Mexico-Canada Agreement (“**USMCA**”) and tariffs imposed before its renewal could result in negative impacts such as increased inflation and borrowing costs, reduced economic growth, a decline in the volume of domestic and/or international trade, a decline in stock market prices, reduced investor and consumer confidence, and disruption to global supply chains.

There can be no assurance that trade-related events beyond the control of Cargojet, such as the failure to reach or adopt trade agreements, the imposition of tariffs, an increase in trade restrictions or the outcome of the ongoing discussions related to USMCA, will not have a material adverse effect on Cargojet’s business, results of operations or financial condition.

Future Sales of Voting Shares by the Directors and Officers of Cargojet –Sales of Voting Shares by the directors and officers of the Company could adversely affect the market price of the Voting Shares

The directors and officers of Cargojet directly or indirectly hold in aggregate 362,396 Voting Shares, or approximately 2.4% of the outstanding Voting Shares on a non-diluted basis. If the directors and officers of Cargojet sell Voting Shares in the public market, the market price of the Voting Shares could decrease. The perception among the public that these sales will occur could also produce such an effect.

Income Tax Matters – The Company is subject to audits by tax authorities and there can be no assurance that tax authorities will agree with the Company’s tax filing positions

Cargojet is subject to federal and provincial income taxes. Although Cargojet is of the view that all expenses to be claimed by Cargojet and its subsidiaries in the determination of their respective incomes under the Income Tax Act (Canada) (the “**Tax Act**”) will be reasonable and deductible by the appropriate entity in accordance with the applicable provisions of the Tax Act, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that the Canada Revenue Agency (“**CRA**”) or the provincial taxing authority will agree. Cargojet can provide no opinion with respect to the reasonableness of any expense or of the allocation of income by a partnership. If the CRA or any provincial

tax authority successfully challenges the deductibility of expenses or the allocation of income, Cargojet's liability to income tax may increase.

Increase in Interest Rates – An increase in market interest rates may have an adverse effect on the market price of the Company's Voting Shares

One of the factors that may influence the price of the Voting Shares in public trading markets will be the annual cash-on-cash return from dividends by Cargojet on the Voting Shares compared to cash-on-cash returns on other financial instruments. Thus, an increase in market interest rates will result in higher cash-on-cash returns on other financial instruments, which could adversely affect the market price of the Voting Shares.

Future Legal Proceedings – The Company may become subject to future legal proceedings which may result in unanticipated costs and could have a material adverse effect on the Company's business, results of operations or financial condition

In the course of operating its business, Cargojet may become subject to various claims and litigation including with respect to its contractual arrangements and current or new laws and regulations. As a result of potential future legal proceedings, Cargojet may be required to pay significant sums of money in the form of legal fees, judgments or settlements. Any future claims or litigation and any resulting monies owed could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Interline Partnerships and Alliances – Departure of a key interline partner or its failure to meet its obligations could have a material adverse effect on the Company's business, results of operations or financial condition

Cargojet has entered into several strategic interline partnerships/alliances thus providing customers with seamless air cargo courier services around the world to all destinations to and from Canada. The loss of a significant interline partner or its failure to meet its obligations towards Cargojet could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Key Supplies and Suppliers – The Company's failure or inability to obtain certain goods and services from key suppliers on favorable terms could have a material adverse effect on the Company's business, results of operations or financial condition

Cargojet is dependent upon its ability to source, on favorable terms and costs, sufficient quantities of goods and services of desirable quality, in a timely manner, including those required for Cargojet's business or operations, such as fuel, aircraft and related parts, aircraft maintenance services, and information technology systems and services. If for any reason Cargojet is required to find new suppliers, including by reason of suppliers increasing their rates, the transition to new or alternative suppliers may not be possible or may take a significant amount of time or require significant resources. A failure, refusal or inability of a supplier may arise as a result of a wide range of causes, many of which are beyond Cargojet's control. Any failure or inability of Cargojet to successfully source goods and services, or to

source goods and services of desirable quality on terms and pricing and within the timeframes acceptable to Cargojet, could have a material adverse effect on Cargojet's business, results of operations or financial condition.

Terrorist Activity – Terrorist activity and associated security measures could have a material adverse effect on the Company's business, results of operations or financial condition

The terrorist attacks of September 11, 2001 and their aftermath negatively impacted the air cargo courier industry. Following the events of September 11, 2001, a host of countries including Canada introduced new cargo security programs or strengthened existing programs, with the objective to prevent cross-border shipment of illicit goods. The impact on the industry was increased cargo scrutiny and border delays, which translates into higher indirect costs for businesses engaged in cross-border trade. Additional terrorist attacks (whether international or domestic and whether involving Cargojet, another air cargo company or no air cargo company at all), the fear of such attacks or increased hostilities could further negatively impact the air cargo industry. The perceived threat of terrorist activity could lead to a decrease in customer demand for air cargo courier services, with customers choosing other methods of cargo transport, as well as the potential need for a substantial increase in insurance. Cargojet could experience a decrease in the use of its air cargo network as a means of transporting goods domestically and internationally and an increase in costs. Any resulting reduction in the use of Cargojet's cargo network and/or increase in costs could have a material adverse effect on Cargojet's business, results of operations or financial condition.

General Economic and Geopolitical Conditions – General economic and geopolitical conditions could have an adverse effect on the Company's growth, future profitability, ability to finance and operations

Cargojet's growth, future profitability, ability to finance and operations, like those of other dedicated air cargo carriers, are sensitive to and may be significantly impacted by economic and geopolitical conditions. Global financial conditions continue to be characterized as volatile. In recent years, global markets have been adversely impacted by various credit crises and significant fluctuations in key commodity prices and costs. Many industries have been impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to future events. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, tax rates and foreign exchange rates, may adversely affect Cargojet's growth and profitability. Future crises may be precipitated by any number of causes, including natural disasters, infectious diseases, geopolitical instability, changes to energy prices or sovereign defaults.

Our ability to maintain certain routes depends on the stability of the regions in which we operate and the availability of international flight corridors. Armed conflicts, including the resulting closure of airspace by regulatory or governmental authorities, may significantly impair our route connectivity. The necessity of

circumventing high-risk areas can result in increased fuel consumption, longer flight times, and higher crew costs, all of which may have a material impact on our business operations.

Any prolonged or significant impact arising from economic and geopolitical conditions, including in relation to ongoing military and geopolitical conflicts, including those conflicts in the Middle East, or involving Russia and Ukraine, international trade policies, civil unrest, and the related response and restrictions imposed by various governments and authorities (or lack thereof) may also result in a material adverse effect on consumer spending patterns, investor confidence and general financial market liquidity, all of which may adversely affect Cargojet's business and the market price of its Voting Shares.

FINANCIAL RISKS

Declaration of Dividends – There can be no assurance that dividends will be distributed on a regular basis or at all

Dividends are dependent on cash flows of Cargojet. The declaration and payment of future dividends will be at the discretion of the Board, are subject to restrictions under our Credit Facility and may be affected by various other factors, including earnings, levels of indebtedness, financial condition and legal or contractual restrictions. While it is the intention of the Board, subject to financial results, capital requirements, available cash flow and any other factors that the Board may consider relevant, to declare a quarterly dividend on an ongoing basis, there can be no assurance that Cargojet will have the financial flexibility to pay dividends at the same rate (or at all) in the future.

Potential Volatility of Voting Share Price – There are a variety of factors that may cause the market price of the Company's Voting Shares to significantly fluctuate

The market price of Cargojet's Voting Shares could be subject to significant fluctuations. Some of the factors that may cause the market price of Cargojet's Voting Shares to fluctuate include:

- volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes or fluctuations in Cargojet's operating results or in the expectations of market analysts;
- adverse market reaction to any indebtedness Cargojet may incur or securities Cargojet may issue in the future;
- short sales, hedging and other derivative transactions in Cargojet's Voting Shares;
- litigation or regulatory action against Cargojet;
- investors' general perception of Cargojet and the public's reaction to Cargojet's press releases, other public announcements and filings with Canadian securities regulators, including financial statements;
- publication of research reports or news stories about Cargojet, our competitors or the industry;
- positive or negative recommendations or withdrawal of research coverage by securities analysts;

- changes in general political, economic, industry and market conditions and trends;
- sales of Cargojet's Voting Shares by existing shareholders;
- recruitment or departure of key personnel;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Cargojet or competitors; and
- the other risk factors described in this section of this Annual Information Form.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of Cargojet's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in our Voting Shares by those institutions, which could materially adversely affect the trading price of Cargojet's Voting Shares. There can be no assurance that fluctuations in price and volume in our Voting Shares will not occur. In recent periods, the stock market has experienced extreme declines and volatility. This volatility, from time to time, has had a significant negative impact on the market price of securities issued by many companies, including Cargojet and other companies in its industry. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, Cargojet's operations and the trading price of our Voting Shares may be materially adversely affected.

In addition, broad market and industry factors may harm the market price of Cargojet's Voting Shares. Hence, the price of Cargojet's Voting Shares could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our Voting Shares regardless of our operating performance. In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation having been instituted against that company.

LEGAL PROCEEDINGS

The Company is from time to time involved in legal proceedings of a nature considered normal to its business. We believe that none of the litigation in which we are currently involved, have been involved in since the beginning of the most recently completed financial year or know to be contemplated, individually or in the aggregate, is material to our consolidated financial condition or results of operations.

REGULATORY ACTIONS

During Fiscal 2025, the Company has not been subject to any penalties or sanctions imposed against it by a court relating to securities legislation or by a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision, and has not entered into any settlement agreements before a court relating to securities legislation with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below or elsewhere in this Annual Information Form, no (i) director or executive officer of the Company, (ii) shareholders of Cargojet that, to the knowledge of the Company, beneficially own, or control, directly or indirectly, more than 10% of any class of shares of Cargojet, or (iii) any associate or affiliate of the persons referred to in (i) or (ii), has or had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Voting Shares is Odyssey Trust Company (“**Odyssey**”) at its principal transfer office in Toronto. The indenture trustee for the 2030 Notes is Odyssey at its principal office in Toronto.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which the Company has entered into during Fiscal 2025, or entered into before such year but which are still in effect. Each of the summaries below describes certain material provisions of the relevant material contract and is subject to, and qualified in its entirety by reference to, the relevant material contract, a copy of which is available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

DHL WARRANT CERTIFICATE

In connection with the renewal of the Company’s strategic partnership with DHL, on August 6, 2025 the Company issued the 2025 DHL Warrants to the DHL Warrantholder on the terms and conditions described in a warrant certificate representing such 2025 DHL Warrants (the “**2025 DHL Warrant Certificate**”). The 2025 DHL Warrants entitle the DHL Warrantholder to acquire up to 1,000,000 Variable Voting Shares of the Company, which represented 6.63% of the Company’s Voting Shares on a non-diluted basis as of August 6, 2025, subject to satisfaction of vesting conditions and certain anti-dilution adjustments. Upon issuance of the 2025 DHL Warrants, the 2022 DHL Warrants were terminated in their entirety.

The exercise price of the 2025 DHL Warrants is \$93.61, being the 5-day VWAP of the Voting Shares as at June 26, 2025. 250,000 2025 DHL Warrants vested immediately upon issuance with the balance to vest in specified increments over a period of eight years, with vesting tied to the payment by DHL of up to US\$2.3 billion in business volumes during the same term. The 2025 DHL Warrants will expire on July 31, 2033.

In accordance with the terms of the 2025 DHL Warrants, certain customary adjustments shall be made to the 2025 DHL Warrants and/or the exercise price thereof, as applicable, to account for, among other things: (i) changes in share capital of the Company; (ii) certain issuances of Voting Shares in respect of the principal amount outstanding or interest payable on securities convertible, exercisable or exchangeable

for Voting Shares; or (iii) certain distributions of extraordinary dividends (excluding any ordinary course cash dividends). The DHL Warrantholder is not entitled to dividend equivalents on any vested 2025 DHL Warrants.

Upon an event constituting a “Change of Control Transaction” (as defined in the 2025 DHL Warrant Certificate), all unvested 2025 DHL Warrants will fully vest and become immediately exercisable. In the event the Company completes a business combination whereby the Voting Shares are exchanged solely for cash consideration, the Company has a right to cause the DHL Warrantholder to exercise the 2025 DHL Warrant Certificate in full in respect of the 2025 DHL Warrants, including those that vest in connection with such business combination. The DHL Warrantholder is also entitled to a right of first notice with respect to a proposal that could lead to a change of control of the Company.

Voting

During the DHL Standstill Period (as defined below), the DHL Warrantholder has agreed that it and its affiliates shall cause all of the Voting Shares beneficially owned by them by way of exercise of any or all 2025 DHL Warrants to be present and/or represented for quorum purposes at each and every meeting of shareholders of the Company, and either vote “for” or abstain from voting on (but not withholding) on each business matter recommended for shareholder approval by the Board related to fixing the number of directors, electing directors or appointing the Company’s auditors and authority to fix its remuneration.

Transfers

The DHL Warrantholder has agreed to not transfer any 2025 DHL Warrants held by it, except to a permitted transferee in accordance with the terms of the 2025 DHL Warrant Certificate. Subject to certain exceptions, without the prior written consent of the Company, the DHL Warrantholder shall not transfer in a private sale any Voting Shares it acquires pursuant to an exercise of any or all 2025 DHL Warrants, to a person or group of persons who beneficially own, or who would, after giving effect to such transfer, more than 10% of the then issued and outstanding Voting Shares.

Standstill

Until the earlier of the expiry of the 2025 DHL Warrants and such time as the DHL Warrantholder beneficially owns less than 5% of the then issued and outstanding Voting Shares on a fully-diluted basis (the “**DHL Standstill Period**”), except as otherwise set forth in the 2025 DHL Warrant Certificate, the DHL Warrantholder has agreed to not, without the prior written consent of the Company, among other things: acquire any equity interests of the Company; solicit any proxies; requisition meetings of shareholders; nominate persons to the Board; subject any equity interests of the Company to any voting agreement; propose or enter into a transaction involving the Company; take any action with respect to the preceding actions that would reasonably be expected to require the Company to make a public announcement; and advise other persons to undertake any of the foregoing. In addition, if, prior to the expiration of the 2025 DHL Warrants but subsequent to the termination of the DHL Standstill Period, the DHL Warrantholder acquires beneficial ownership of 5% or more of the then issued and outstanding Voting Shares on a fully-diluted basis, the DHL Standstill Period and the related standstill provisions will again apply.

Notwithstanding the standstill provisions, the DHL Warrantholder and its affiliates shall not be prohibited from making and submitting to the Company or the Board any confidential proposal, inquiry or indication of interest with respect to any transaction involving the Company or the equity interests of the Company, and the standstill provisions shall become void upon public announcement by the Company that it has entered into a definitive agreement with respect to a Change of Control Transaction with a person other than the DHL Warrantholder or any of its affiliates.

Registration Rights

The DHL Warrantholder has the right to require the Company to use commercially reasonable efforts to file a prospectus, with applicable Canadian securities regulatory authorities, qualifying the Voting Shares held by the DHL Warrantholder and its permitted transferees. The DHL Warrantholder is entitled to request not more than two demand distributions in any 12-month period, subject to certain conditions, as well as to be included as a “piggy back” holder in any distribution of Voting Shares by the Company. The 2025 DHL Warrant Certificate also contains customary expense reimbursement and indemnification provisions in the case of a demand or piggy-back distribution.

For more information, see the Company’s material change report, dated August 8, 2025, which is available on SEDAR+ under the Company’s corporate profile at www.sedarplus.ca.

SENIOR NOTE INDENTURE

On June 30, 2025, the Company completed the offering of the 2030 Notes in the aggregate principal amount of \$250 million. The terms of the 2030 Notes are set out in the Indenture entered into on June 30, 2025 between the Company, as issuer, and Odyssey, as trustee.

The 2030 Notes are senior unsecured obligations of Cargojet, ranking *pari passu* with all other present and future unsecured and unsubordinated indebtedness and guaranteed on a senior unsecured basis by certain of the Company’s subsidiaries, and bearing interest at a rate of 4.599% per annum, payable semiannually in arrears on June 30 and December 31 of each year.

This summary of the offering of the 2030 Notes is qualified by the full text of the Indenture, which is available on SEDAR+ under the Company’s corporate profile at www.sedarplus.ca.

INTERESTS OF EXPERTS

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Professional Accountants, Chartered Accountants, Toronto, Ontario. Cargojet’s audited consolidated annual financial statements for Fiscal 2025 were filed under National Instrument 51-102 – *Continuous Disclosure Obligations* in reliance on the report of PricewaterhouseCoopers LLP, Chartered Professional Accountants, Chartered Accountants, given on their authority as experts in auditing and accounting. PricewaterhouseCoopers LLP has confirmed to the Company that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.

Shareholders may obtain a copy of the notice filed with the TSX in relation to the 2026 NCIB, free of charge, by contacting the Corporate Secretary of the Company at 2281 North Sheridan Way, Mississauga, Ontario L5K 2S3 or at the following e-mail address: rtremblay@cargojet.com.

Additional information, including, without limitation, directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans will be contained in the Company's management information circular to be mailed and filed in connection with its annual meeting of shareholders scheduled to be held on March 26, 2026.

Additional financial information is provided in the audited consolidated annual financial statements and related management's discussion and analysis of Cargojet for Fiscal 2025.

SCHEDULE A - CHARTER OF THE AUDIT COMMITTEE

I. Purpose

The Audit Committee's mandate is to provide assistance to the Board of Directors of Cargojet Inc. (the "**Corporation**") in fulfilling its financial reporting and control responsibility to the shareholders and the investment community.

II. Composition

The Audit Committee will be comprised of at least three directors of the Corporation, all of whom, subject to any exemptions set out in National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), will be independent and financially literate. An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship that could, in the view of the Board of Directors of the Corporation, be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to NI 52-110. A "financially literate" director is a director who has the ability to read and understand a set of financial instruments that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Corporation.

III. Responsibilities

Responsibilities of the Audit Committee generally include, but are not limited to, the undertaking of the following tasks:

- I. Making recommendations to the Board of Directors of the Corporation regarding the selection, evaluation and compensation of the external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation. In making such recommendations, the Audit Committee will:
 - (a) confirm the independence of the auditors and report to the Board of Directors of the Corporation its conclusions on the independence of the auditors and the basis for these conclusions; and
 - (b) meet with the auditors and financial management to review the scope of the proposed audit for the current year, and the audit procedures to be used.
- II. Overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. In overseeing such work, the Audit Committee will:

- (a) review with the external auditors any audit problems or difficulties and management's response, including any unadjusted differences noted by the external auditors in their review or audit;
 - (b) at least annually obtain and review a report prepared by the external auditors describing (i) the auditors' internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, and reviewing any steps taken to deal with any such issues;
 - (c) serve as an independent and objective party to monitor the Corporation's financial reporting process and internal control system and oversee management's reporting on internal control;
 - (d) provide open lines of communication among the external auditors, financial and senior management, and the Board of Directors of the Corporation for financial reporting and control matters;
 - (e) make inquiries of management and the external auditors to identify significant business, political, financial and control risks and exposures and assess the steps management has taken to minimize such risks to the Corporation; and
 - (f) establish procedures to ensure that the Audit Committee meets the external auditors on a regular basis in the absence of management.
- III. Pre-approving all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor, subject to any exemptions set out in NI 52-110. Notwithstanding the pre-approval process, the Audit Committee will ensure that the external auditors are prohibited from providing the following non-audit services and will determine the other non-audit services the external auditors are prohibited from providing:
- (a) bookkeeping or other services related to the accounting records or financial statements of the Corporation;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions or human resources;
 - (g) broker, dealer, investment adviser or investment banking services;
 - (h) legal services and expert services unrelated to the audit; and

- (i) any other service that the Audit Committee determines to be impermissible.
- IV.** Reviewing the Corporation's financial statements, management's discussion and analysis and annual and interim profit or loss press releases before the Corporation publicly discloses the information. In connection with such review, the Audit Committee will ensure that:
- (a) management has reviewed the financial statements with the Audit Committee, including significant judgments affecting the financial statements;
 - (b) the members of the Audit Committee have discussed among themselves, without management or the external auditors present, the information disclosed to the Audit Committee; and
 - (c) the Audit Committee has received the assurance of both financial management and the external auditors that the Corporation's financial statements, including the critical accounting policies and practices used, alternative treatments and disclosure issues, are fairly presented in conformity with International Financial Reporting Standards in all material respects.
- V.** Ensuring that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in paragraph 4 above, and periodically assessing the adequacy of those procedures.
- VI.** Establishing procedures for:
- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- VII.** Reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.
- VIII.** Annually reviewing and revising this Charter as necessary with the approval of the Board of Directors of the Corporation and the text relating to this Charter, which is required to appear in the AIF of the Corporation, as more specifically set out in Form 52-110FI Audit Committee Information Required in an AIF.

IV. Authority

The Audit Committee has the authority to:

- (a) engage independent counsel and other advisors as the Audit Committee determines necessary to carry out its duties;

- (b) set and pay the compensation for any advisors employed by the Audit Committee; and
- (c) communicate directly with the internal and external auditors.

V. Meetings

The Audit Committee will meet regularly at times necessary to perform the duties described above in a timely manner, but not less than four times a year. Meetings may be held at any time deemed appropriate by the Audit Committee.

At the discretion of the Audit Committee, meetings may be held with representatives of the external auditors and appropriate members of management.

The external auditors will have direct access to the Audit Committee at their own initiative.

The Chairman of the Audit Committee will report periodically to the Board of Directors of the Corporation.