

Letter from Mike

Aeroplan <communications@mail.aircanada.com> Reply-To: Aeroplan <communications@mail.aircanada.com> Wed, Aug 17, 2022 at 6:21 PM

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Dear Michael,

Earlier this summer, I wrote to you about how conditions in the global airline industry were impacting you as a valued Air Canada customer and to recognize any inconvenience you may have experienced. In my letter, I also outlined the many initiatives we had undertaken to address these issues. Today, I am writing to update you on the progress we have made to date to return our airline to its pre-pandemic standards of customer service.

First, however, thank you for your continued loyalty to our company. Virtually every week this summer, our traffic volumes have increased and are now nearing 80% of the number of customers we carried in 2019, our last summer before the pandemic. It is evident people are keen to travel and all of us at Air Canada are proud that you are entrusting to us your very important travel arrangements. Let me assure you we understand our responsibility to meet your expectations.

However, welcome as the recovery is, the summer increase in traffic has also prolonged the pandemic's disruption of our entire industry. Airlines, airports, governments, and the other third-party suppliers are labouring like everyone else to return to normal. We have been working closely with our industry partners to remedy the situation and, while we still have much work to do, the results are trending positively, and customers are already experiencing the benefits directly when they travel.

As an intensely data driven organization, we can clearly see those areas that require more operational focus, as well as those that are showing improvement. In the spirit of transparency, I would like to share some metrics related to the areas that most immediately affect our customers. For the period June 27 to August 14, during which we carried approximately 6.4 million customers, the Air Canada family (including Air Canada, Air Canada Rouge and Air Canada Express), recorded the following operational improvements: • Flight Delays – Comparing the week of June 27 to the week of August 8, there was a 48% reduction or 1,160 fewer flights that took a delay longer than one hour. In addition, flight delays overall are getting shorter. For flights that experienced any delay, the average arrival delay during the week of June 27 was 28 minutes longer than the same week in 2019. As of the week of August 8, this had improved to 12 minutes.

Flight Cancellations - There has been a substantial reduction in the volume of flight cancellations. During the week of August 8, there was a 77%

 reduction in the number of cancelled flights as compared to the week of June 27. This translates into 960 fewer flights cancelled. Furthermore, flight completion, which is the percentage of all scheduled flights that are not cancelled, reached 96.7% during the week of August 8, which was less than one percentage point lower than the same week in 2019. The vast majority of customers experiencing cancellations, often due to weather or other unexpected factors, were able to travel within 24 hours.

Baggage Handling - The strongest area of improvement over this period can be seen in baggage handling, where the airline handles over 650,000 bags

 per week. During the week of June 27, mishandling rates per 1,000 customers were approximately 2.5 times the same number in 2019. As of the week of August 8, this rate fully recovered to 2019 levels with a baggage handling success rate of 98%.

While these numbers are encouraging, our recovery remains very much a work in progress with a significant distance yet to be covered. Even with our success to date, we are committed to further improvement in those areas that we directly control and also by supporting our third-party partners, upon which we rely, as they too strive to return to pre-pandemic normalcy.

Finally, I would also like to take this opportunity to say that if you travelled recently, yet still encountered a disruption, we at Air Canada apologize for this. With an industry as complex as ours, and dependent as it is on the coordinated performance of so many entities, recovering from an event without precedent like a global pandemic presents many challenges. For this reason, we appreciate your continued patience and understanding.

Thank you again for your loyalty to our company. Please be assured that all of us at Air Canada are preparing and eager to welcome you aboard and to transport you safely in the very near future.

Sincerely,

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Michael Rousseau President and Chief Executive Officer Air Canada