

COURT FILE NUMBER 2401-02664

Clerk's stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTERS IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c C-36, as amended
AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF LYNX AIR HOLDINGS CORPORATION AND 1263343 ALBERTA INC. dba LYNX AIR

APPLICANTS GREATER TORONTO AIRPORTS AUTHORITY

RESPONDENTS LYNX AIR HOLDINGS CORPORATION and 1263343 ALBERTA INC. dba LYNX AIR

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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Toronto, Ontario M5V 1E3

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AFFIDAVIT OF JASON BOYD
(Sworn on May 24, 2024)

I, Jason Boyd, of the City of Toronto, in the Province of Ontario MAKE OATH AND SAY:

1. I am the Corporate Controller of the Greater Toronto Airports Authority (the "GTAA"). As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources of information, I have so stated, and I believe them to be true and accurate. In preparing

this affidavit, I have also consulted with members of the senior management team of the GTAA and its legal advisors. The GTAA does not waive or intend to waive any applicable privilege by any statement herein.

2. I affirm this Affidavit in support of the application (the “**Application**”) by the GTAA for an order:

- (a) declaring that the unremitted Airport Improvement Fees (the “**AIF**”) collected and held by 1263343 Alberta Inc. dba Lynx Air (“**Lynx Air**”) on behalf of the GTAA pursuant to the AIF Agreement (as defined below) (the “**Unremitted AIF**”) is subject to a trust in favour of the GTAA;
- (b) directing Lynx Air to release the Unremitted AIF in the amount of CAD \$1,659,580.87 to the GTAA from the amount currently held in reserve by Lynx Air to satisfy claims relating to AIF;
- (c) directing Lynx Air to pay the outstanding balance of the Post-Filing Obligations (as defined below) in the amount of \$59,424.30, as required under the ARIO (as defined below);
- (d) the GTAA’s costs of this application on a full indemnity basis; and
- (e) such further and other relief as the GTAA may request and this Honourable Court may grant.

3. All references to monetary amounts in this affidavit are in Canadian dollars unless noted otherwise.

A. Parties

4. The GTAA is a not-for-profit corporation continued under the *Canada Not-for-profit Corporations Act*, R.S.C. 2009, c.23, as amended.

5. The GTAA is the operator of Toronto Pearson Airport (“**Pearson Airport**”) pursuant to a Ground Lease dated December 2, 1996, as amended, with Her Majesty the Queen in Right of Canada (the “**Ground Lease**”). The Ground Lease has a term of 60 years. The GTAA derives its authority to operate Pearson Airport through, among other things, federal laws and the Ground Lease.

6. Lynx Air Holdings Corporation (“**Lynx Holdco**”) is a corporation incorporated under the laws of the Province of Alberta.

7. Lynx Holdco is the 100% parent of 1263343 Alberta Inc. (dba Lynx Air) (“**Lynx Air**”). Lynx Air is a corporation incorporated under the laws of the Province of Alberta. Both Lynx Holdco and Lynx Air have registered offices at 1400, 350-7 Avenue SW, Calgary, AB.

8. As described in further detail below, Lynx Air commenced operating at Pearson Airport on April 11, 2022. At all relevant times, Lynx Air was an Airport User, Air Operator and Air Carrier (as those terms are used and defined below).

9. On February 22, 2024, Lynx Air and Lynx Holdco sought and obtained an initial order (the “**Initial Order**”) from the Court of King’s Bench of Alberta (the “**Court**”) commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “**CCAA**”). Lynx Air’s last flight from Pearson Airport took place on February 25, 2024. It is my understanding that Lynx Air ceased business operations shortly thereafter.

B. The Business Relationship between the GTAA and Lynx Air

10. Below I have provided an overview of the key agreements and relevant material terms governing the relationship between the GTAA and Lynx Air during the relevant period:

(a) Application for Entry

11. In early 2022, Lynx Air applied to operate an air carrier service at Pearson Airport. To do so, Lynx Air was required to execute an Air Carrier – Application for Entry agreement with the GTAA (the “**Application for Entry**”). Attached hereto as **Exhibit “A”** is a copy of the Application for Entry.

12. By signing the Application for Entry, Lynx Air confirmed, among other things, that:

- (a) Lynx Air intended to become a Participating Air Carrier under the AIF Agreement (as defined and described below);
- (b) Lynx Air had received a copy of the Toronto Pearson Handbook for Business Partners (the “**Pearson Handbook**”), and that Lynx Air agreed to observe and be bound by its terms and the directives issued by the GTAA; and
- (c) Lynx Air was required to deliver a security deposit consisting of an Irrevocable Letter of Credit or Letter of Guarantee in an amount calculated by the GTAA Finance Controller that could be called upon to cover any outstanding Landing Fees, General Terminal Fees, Apron Fees, Check-In Fees, and AIF.

13. On April 5, 2022, the GTAA wrote to Lynx Air to advise that, following a review of the Application for Entry, Lynx Air was approved to operate at Pearson Airport (the “**Approval**”).

Letter”). The Approval Letter was expressly subject to the undertaking, acknowledgement and agreement given on behalf of Lynx Air by Mr. Merren McArthur, its CEO and President, that Lynx Air shall pay “all fees and charges relating to its use of [Pearson Airport]” and shall “comply with all directions of the GTAA relating to Lynx Air’s operation at [Pearson Airport] and all applicable statutes, regulations, notices, procedures, standards, rules, policies, programs, guidelines and documents of like kind in force at Pearson Airport as they may exist from time to time, including as stipulated in the Pearson Handbook, as amended from time to time”. A copy of the Approval Letter, acknowledged and agreed to by Mr. McArthur, is attached hereto as **Exhibit “B”**.

14. Lynx Air commenced air operations out of Pearson Airport on or about April 11, 2022. By January and February 2024, shortly before it obtained the Initial Order, Lynx Air was averaging approximately six to seven flights per day in and out of Pearson Airport in January and February 2024.

(b) Toronto Pearson Handbook for Business Partners

15. As confirmed by the Application for Entry, Lynx Air received a copy of, and agreed to observe and be bound by the terms of, the Pearson Handbook. Attached hereto as **Exhibit “C”** is a copy of the Pearson Handbook.

16. Section 9 of the Pearson Handbook provides, among other things, that the Pearson Handbook is incorporated into any contract that Lynx Air may have with the GTAA, and that any breach by Lynx Air of the Pearson Handbook will result in a breach of such contract. Section 9 also explicitly confirms the GTAA’s rights to pursue remedies against Lynx Air for breaches of the Pearson Handbook, including, *inter alia*, restitution for any loss the GTAA has suffered.

(c) **The Pearson Standard: Rules & Regulations**

17. On or about June 1, 2023, the Pearson Handbook was superseded by the Pearson Standard: Rules and Regulations (the “**GTAA Rules**”). I understand that Lynx Air received a copy of the GTAA Rules. Lynx Air was provided a copy of the GTAA Rules via email to Rob Hoffart, Director, Airport, from thepearsonstandard@gtaa.com on June 5, 2023. Attached hereto as **Exhibit “D”** is a copy of the June 5th email attaching the GTAA Rules.

18. The GTAA Rules contain a comprehensive set of rules, regulations and standards required of Airport Users to foster compliance with GTAA policies, directives, contracts and agreements, and to ensure that operations at Pearson Airport are carried out in a safe, secure, efficient, and sustainable manner. Among other things,

- (a) Rule 2.1.4 provides that Airport Users must carry out all their activities at the Airport in compliance with existing contracts, agreements, licences, permits, and leases between the GTAA and Airport Users; and
- (b) Rule 2.1.5 provides that Airport Users must carry out all their activities at the Airport in conformity with the GTAA Rules and any other document issued by the GTAA in relation to the use of Airport infrastructure, services, or facilities.

19. Rules 2.34 – 2.39 of the GTAA Rules set out the following minimum standards and requirements regarding “Aeronautical Fees and Charges”, which are defined to include, but are not limited to, the following categories: (i) general terminal charges, (ii) landing fees, (iii) Aircraft fees for commercial, business, and General Aviation, (iv) apron fees, (v) de-icing facility fees, (vi) AIF, (vii) Aircraft parking charges, and (viii) slot administration fees (collectively, the “**Aeronautical Fees and Charges**”):

- (a) Rule 2.34: Air Operators must pay Aeronautical Fees and Charges, as set out in the fee schedules;
 - (b) Rule 2.35: Certain Air Carriers who have entered into an agreement with the GTAA will be billed in accordance with the charges and fees set out in that agreement;
 - (c) Rule 2.36: the GTAA reserves the right to adjust Aeronautical Fees and Charges from time to time;
 - (d) Rule 2.37: Air Carriers must enter into an Airport Improvement Fee (AIF) agreement with the GTAA and adjustments to AIF shall be governed by the terms of that agreement;
 - (e) Rule 2.38: Air Carriers must submit a security deposit in a form and amount determined by the GTAA's Finance Controller and detailed in the GTAA's Air Carrier – Application for Entry prior to commencing operations. The GTAA may apply the security deposit towards overdue amounts of Aeronautical Fees and Charges or to cover costs associated with violations of the GTAA Rules or under any other agreements [emphasis added]; and
 - (f) Rule 2.39: the GTAA will notify the Air Carrier of any overdue and unpaid amounts and give an opportunity to pay prior to applying the security deposit. The GTAA is not required to give notice to apply the security deposit if the Air Carrier has declared bankruptcy or commenced insolvency proceedings in any jurisdiction.
20. Lynx Air is considered both an Air Carrier and an Air Operator under the GTAA Rules, and thus, must comply with Rules 2.34 – 2.39 inclusive.

21. The GTAA Rules also address the issue of non-compliance by Airport Users. Specifically, Rule 13.1 contemplates that a Notice of Non-Compliance will be issued to Airport Users where non-compliance with the GTAA Rules has been investigated and assessed. Rule 13.5 further provides that failure by an Airport User to address a Notice of Non-Compliance may result in, among other things, “any other actions that are appropriate and necessary in the circumstances and at the sole discretion of the GTAA”.

(d) AIF Agreement

22. As part of its obligations under the Ground Lease, the GTAA has undertaken, on an ongoing basis, the capital development and improvement of Pearson Airport. To help finance this obligation, the GTAA has the authority to levy a fee – known as an “airport improvement fee” or “**AIF**” – upon passengers using Pearson Airport.

23. As noted above, both the Application for Entry and the GTAA Rules require Air Carriers to enter into an agreement (referred to as an AIF Agreement), which addresses the collection, remittance and use of AIF. On April 11, 2022, Lynx Air first signed an AIF Agreement. That initial AIF agreement was subsequently amended, and the parties signed an amended AIF agreement dated January 1, 2023 (hereinafter, the “**AIF Agreement**”). A copy of the AIF Agreement, redacted to exclude certain confidential and commercial sensitive information relating to the Administration Fee (defined below), is attached hereto as **Exhibit “E”** to this affidavit.

24. Pursuant to the AIF Agreement, the Air Carrier agrees to make commercially reasonable efforts to collect AIF (referred to therein as “Deposits”) from each Enplaned Passenger (*i.e.*, departing passengers, including connecting passengers) at the time of the sale of a ticket to such passengers, instead of requiring passengers to pay the AIF directly to the GTAA, in order to

minimize inconvenience to passengers. The Air Carrier acknowledges and agrees that (i) the AIF collected on behalf of the GTAA by Lynx Air are funds or revenues properly belonging to the GTAA and not the Air Carrier; and (ii) the AIF shall be held in trust for the benefit of the GTAA.

25. With respect to the remittance of AIF, the AIF Agreement provides that the Air Carrier shall remit the AIF to the GTAA on a monthly basis on the first working day of the month following the month of the enplanement by the Enplaned Passenger at Pearson Airport, with such monthly remittances to be made on the basis of the estimated amount owing to the GTAA for the previous month, with final adjustments to be made on a monthly basis. The Air Carrier is required to remit the amount of AIF owing regardless of whether the Air Carrier collected the AIF from Enplaned Passengers.

26. In addition, and consistent with the obligations set out in the GTAA Rules, the AIF Agreement requires the Air Carrier to deliver to the GTAA a security payment (defined therein as the “**Security Amount**”) which will act as a guarantee of the Air Carrier’s obligation to collect and remit AIF, which Security Amount can take the form of a letter of credit or delivery of cash, in an amount equal to a minimum of 30 calendar days of activity. The GTAA may elect to call upon and collect the Security Amount in whole or in part where the Air Carrier has failed to comply with any obligations thereunder with respect to the collection or remittance of AIF or where, in the GTAA’s sole opinion (acting reasonably) an Event of Default (as defined therein) may reasonably be anticipated to be committed.

27. As consideration for performing its obligations under the AIF Agreement, including collecting and holding AIF from Enplaned Passengers on behalf of the GTAA, the Air Carrier is entitled to retain an administration fee, which is calculated as a specified percentage amount (plus

HST and other applicable taxes) of the amount of the AIF (exclusive of any HST or other applicable taxes) remitted to the GTAA (the “**Administration Fee**”). During the time in which it operated out of Pearson Airport, Lynx Air received Administration Fees totaling \$629,216.60 plus HST and other applicable taxes.

28. The AIF Agreement provides that if legal action is brought by the GTAA for the recovery of AIF, or because of the breach of any other terms, covenants or conditions contained therein, the Air Carrier shall pay to the GTAA all expenses incurred therefor, including solicitors’ fees, if awarded by a court of competent jurisdiction.

(e) **Fee Schedule: Aeronautical Fees**

29. As noted above, the GTAA also establishes certain other fees, including landing fees, general terminal charges, apron fees and other charges (collectively, the “**Aeronautical Fees**”) related to the use of the facilities and services supplied by the GTAA at Pearson Airport. The GTAA provides to all Air Carriers a copy of its current Fee Schedule (the “**Fee Schedule**”) at the start of every calendar year. A copy of the Fee Schedule effective January 1, 2023, attached hereto as **Exhibit “F”**, was provided to Lynx Air prior to its commencement of operations at Pearson Airport. The Fee Schedule was revised effective January 1, 2024, a copy of which is attached hereto as **Exhibit “G”**.

30. Overall, the Application for Entry, the GTAA Rules, the Fee Schedule and the AIF Agreement work in tandem to create a comprehensive scheme regarding the collection, remittance and use of Aeronautical Fees and Charges (which, as above, includes both the Aeronautical Fees and AIF).

C. Letter of Credit

31. On April 12, 2022, Lynx Air provided the GTAA with a security deposit in the form of an Irrevocable Letter of Credit (No. 356141) in favour of the GTAA from ATB Financial, in its capacity as issuer of the Letter of Credit (the “**Issuer**”), in the amount of \$500,000 (the “**Letter of Credit**”).

32. The Letter of Credit was amended several times since April 12, 2022, with the last amendment occurring on June 5, 2023.

33. In early June 2023, the GTAA re-assessed the quantum of the security deposit required by the GTAA’s credit policy based on Lynx Air’s slot filings for the summer of 2023. The GTAA determined that the amount required was \$3,066,113 and promptly communicated that amount to Lynx Air, as well as providing a breakdown demonstrating how the quantum of the security deposit was calculated (“**Schedule 1-A**”). Attached hereto as **Exhibit “H”** is a copy of Schedule A-1. Schedule 1-A has no bearing on how the Letter of Credit can be applied by the GTAA. As noted below, this is a decision solely within the discretion of the GTAA.

34. The Letter of Credit was amended and increased from \$2,950,000 to \$3,100,000 on June 5, 2023.

D. Lynx Air Defaults

35. Following the commencement of operations at Pearson Airport, Lynx Air initially collected and remitted the Aeronautical Fees and Charges to the GTAA on a monthly basis, together with other amounts owing.

36. In or about October 2023, Lynx Air started falling into arrears on payment of the Aeronautical Fees and Charges, including its remittance of AIF.

37. Beginning in October 2023, the GTAA sent emails to Lynx Air demanding payment of the overdue amounts. Lynx Air paid some of the overdue Aeronautical Fees and Charges, however, significant amounts remained outstanding.

38. On February 16, 2024, the GTAA sent a letter to Lynx Air providing notice that Lynx Air was in default of its obligations to pay the Aeronautical Fees and Charges (the “**Notice of Default**”). Attached hereto as **Exhibit “I”** is a copy of the Notice of Default. The Notice of Default specified the following breaches and defaults, among other things (the “**Defaults**”):

- (a) Failure to pay the Aeronautical Fees and Charges is a breach of the GTAA Rules and that the Notice of Default constitutes a Notice of Non-Compliance under section 13 of the GTAA Rules; and
- (b) Failure to pay the AIF constituted an Event of Default under the section 3.1.1 of the AIF Agreement.

39. The GTAA demanded payment of the total overdue and outstanding Aeronautical Fees and Charges (which, as noted above, includes the AIF) by no later than 5:00 pm on February 21, 2024, failing which the GTAA may, without limiting any other remedies available to it, immediately draw against the Letter of Credit for the amount overdue and outstanding without further notice. The GTAA specifically noted that if the GTAA applied all or any part of the LOC security deposit, it did not alter Lynx Air’s obligation to maintain and/or replenish a security deposit in accordance with the GTAA’s credit policy. The GTAA reserved all rights and remedies available to it

including, without limitation, under section 13.5 of the GTAA Rules, at law, in equity, and under statute to collect any amounts owing by Lynx Air.

40. Lynx Air did not provide a response to the Notice of Default and failed to cure the Defaults by February 21, 2024.

E. CCAA Proceedings

41. As noted above, the Initial Order was granted on February 22, 2024. On March 1, 2024, the Court granted an Amended and Restated Initial Order (the “**ARIO**”).

42. At the time the Initial Order was granted (the “**Filing Date**”), Lynx Air owed \$4,759,580.87 to the GTAA on account of outstanding Aeronautical Fees and Charges, consisting of the following (the “**Outstanding Pre-Filing Obligations**”):

- (a) AIF: in the amount of \$1,782,424.04; and
- (b) Aeronautical Fees: in the amount of \$2,977,156.83

43. A copy of an excel spreadsheet prepared by GTAA’s finance department outlining the Outstanding Pre-Filing Obligations is attached hereto as **Exhibit “J”**.

44. In addition, in the period following the Filing Date until the cessation of its operations, Lynx Air incurred additional Aeronautical Fees and Charges (including post-filing AIF) and rent totalling \$247,208.30 (the “**Post-Filing Obligations**”). On or about February 23, 2024, Lynx Air made payment to the GTAA in the amount of \$187,784.00 in respect of the Post-Filing Obligations, leaving an unpaid balance of \$59,424.30 (of which \$50,567.36 is post-

filing unremitted AIF). A copy of an excel spreadsheet prepared by GTAA's finance department outlining the Post-Filing Obligations is attached hereto as **Exhibit "K"**.

F. GTAA Draws on the Letter of Credit

45. Given Lynx Air's failure to cure the above-noted Defaults, on February 23, 2024, the GTAA sent a letter to ATB Financial, in its capacity as issuer of the Letter of Credit (the "**Issuer**"), advising that the GTAA was entitled to receive payment under the Letter of Credit in the full amount of \$3,100,000, and instructed the Issuer to immediately transfer those funds to the GTAA. Attached hereto as **Exhibit "L"** is a copy of the February 23, 2024 letter.

46. On February 29, 2024, the GTAA received \$3,100,000 in respect of the Letter of Credit.

47. As it was entitled to do in its sole discretion, the GTAA applied the funds from the Letter of Credit as follows:

- (a) First, to the Aeronautical Fees outstanding, in the total amount of \$2,977,156;
- (b) Second, the remaining funds in the amount of \$122,843.17 were applied to the AIF amounts collected by Lynx Air in the Pre-Filing Period that were not remitted to the GTAA.

48. After the application of the funds from the Letter of Credit, AIF that had been collected by Lynx Air in the amount of \$1,659,580.87 is still to be remitted to the GTAA (as above, the "**Unremitted AIF**").

49. A detailed breakdown of how the proceeds of the Letter of Credit was applied to the Aeronautical Fees and Charges is included within **Exhibit "J"**.

G. Lynx Air Fails to Remit Unremitted AIF

50. On March 5, 2024, the GTAA, through its local counsel, wrote to Lynx Air, copying the Monitor, asserting its trust claim over the Unremitted AIF. Attached hereto as **Exhibit “M”** is a copy of the letter the GTAA sent to Lynx Air, the Monitor, and their respective counsel, dated March 5, 2024 (the “**March 5 Letter**”).

51. On March 28, 2024, the GTAA, through its local counsel, sent another letter to Lynx Air, the Monitor, and their respective counsel, reiterating that Lynx Air was holding the Unremitted AIF in trust on behalf of the GTAA and demanding that Lynx Air immediately remit those funds to the GTAA (the “**March 28 Letter**”). Attached hereto as **Exhibit “N”** is a copy of the March 28 Letter.

52. On April 2, 2024, Lynx Air responded to the GTAA, and certain other airport authorities who have also asserted trust claims with respect to unremitted AIF (the “**April 2 Letter**”). The April 2 letter sets out Lynx Air’s general position with respect to AIF amounts collected, and informed the airport authorities that a separate accounting for each airport authority would be provided in due course. Attached hereto as **Exhibit “O”** is a copy of the April 2 Letter.

53. On April 12, 2024, Lynx Air provided the GTAA with a so-called “individual accounting” of its AIF trust claim (the “**April 12 Letter**”). Lynx Air acknowledged that the AIF Agreement created a trust relationship in respect of the Unremitted AIF and did not dispute the quantum of the Aeronautical Fees and AIF owing. However, Lynx Air took the position that all AIF amounts had been remitted to the GTAA on account of the application of the Letter of Credit, and that no further AIF amounts were owing. Attached as **Exhibit “P”** is a copy of the April 12 Letter.

54. On April 25, 2024, the GTAA, through its local counsel, responded to the April 12 Letter and communicated the GTAA's disagreement with Lynx Air's position regarding the manner of the allocation of the Letter of Credit (the "**April 25 Letter**"). Attached as **Exhibit "Q"** is a copy of the April 25 Letter.

H. Conclusion

55. Lynx Air has conceded that the Unremitted AIF is subject to a trust and does not form part of Lynx Air's property. The Notice of Default constitutes a Notice of Non-Compliance, which Lynx Air failed to cure, and as such the GTAA was empowered under the GTAA Rules and the AIF Agreement to take any actions that were appropriate and necessary in the circumstances and at its sole discretion. Thus, I believe it was entirely within the GTAA's direction to apply the proceeds of the Letter of Credit first to the Aeronautical Fees owing, before applying any remaining amounts to the unremitted AIF.

56. To date, the Unremitted AIF remains in the possession of Lynx Air and should be remitted to the GTAA, together with the Outstanding Post-Filing Obligations. The GTAA is also contractually entitled to recover all expenses incurred by it to recover the Unremitted AIF, including solicitors' fees.

SWORN BEFORE ME over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.




Commissioner for Taking Affidavits
(or as may be)

Shimon Sherrington

JASON BOYD

-
- ^A Application for Entry
 - ^B Approval Letter
 - ^C Pearson Handbook
 - ^D GTAA Rules
 - ^E AIF Agreement
 - ^F Fee Schedule
 - ^G Fee Schedule
 - ^H Schedule 1-A
 - ^I Notice of Default
 - ^J Outstanding Pre-Filing Obligations
 - ^K Post-Filing Obligations
 - ^L Issuer Letter
 - ^M March 5 Letter
 - ^N March 28 Letter
 - ^O April 2 Letter
 - ^P April 12 Letter
 - ^Q April 25 Letter

This is Exhibit "A" referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)
Shimon Sherrington



Greater Toronto Airports Authority

Air Carrier – Application for Entry

Version 1

Toronto Pearson International Airport

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1 General Identification

Please contact Susan Danks, Manager, Slots Coordination at susan.danks@gtaa.com or (416) 776-5708 for assistance if required.

Please complete all applicable information:

Airline Name:	Lynx Air
Designation Code:	3 letter:DAT 2 letter:Y9
Full Delivery/Courier Address:	123 1440 Aviation Parkway NE Calgary, AB T2E 7E2
Corporate Telephone Number:	403-648-2800
Corporate Facsimile Number:	403-648-2840
Corporate Website:	www.enerjet.ca
Chief Executive Officer (CEO):	Merren McArthur
Chief Operating Officer (COO):	Tim Morgan
Chief Financial Officer (CFO):	Michael Holditch
Controller:	Catherine P
Accounts Payable Contact:	Name: Harmeet Sandhu Telephone:403-648-2800 Email: accounting@enerjet.ca
Leasing/Property Management Contact:	Name: Telephone: Email:
Fleet Maintenance Supervisor:	Name: Wes Cruickshank Telephone: 403-648-2800 ext 2002 Email: wes.cruickshank@enerjet.ca
Chief Pilot:	Name: Geoff Brown Telephone:403-648-2800 ext 2817 Email: geoff.brown@enerjet.c
Media Spokesperson:	Name: Shauna Macdonald Telephone: Email: smacdonald@brookline.pr

2 Station Operations

2.1 Local Station:

Address:	ATS – 6301 Silver Dart Dr.
Business Telephone Number:	416-574-4958
Emergency Telephone Number:	416-574-4958
Facsimile Number:	N/A
Teletype Address:	N/A
Internet/Email Address:	TBD

2.2 Local Station Manager:

Name:	Lynx OCC
24 hour Contact Details Home Address:	3215 12th Street NE, Calgary
Home Telephone Number:	
Work Telephone Number:	1-877-248-2828 (24hrs)
Cellular Phone Number:	

2.3 Proposed Station Operations:

Inbound Route:	Arrival Time:	Outbound Route:	Departure Time:	Day of Week:	Aircraft Type:
YYC-YYZ	1726	YYZ-YYC	1820	1.2.3.4.5.6.7.	B38M
YVR-YYZ	1554	YYZ-YVR	1655	1.2.3.4.5.6.7.	B38M
YWG-YYZ	1446	YYZ-YWG	1540	4.7.	B38M

Scheduling Department Email: aviva.mandleman@enerjet.ca

Teletype: N/A

Terminal Requested:

1 3 Other Specify:

Service Type:



Passenger

Cargo



Schedule Type:

Scheduled Charter

Projected Start Date for operations at YYZ: 11Apr22

Projected Monthly Passenger Forecast: 14000-34000

Projected Monthly Cargo/Mail Forecast (kg): N/A

Proposed Hours of Operation

Office Location:	From:	To:	Days	Telephone Numbers:
Check-in Counter	1230	1830	1.2.3.4.5.6.7.	N/A
Administrative Office	N/A	N/A	N/A	N/A
Reservations/Operations	N/A	N/A	N/A	N/A
Maintenance	TBD	TBD	TBD	TBD
Cargo	N/A	N/A	N/A	N/A

Baggage

Is 100% Hold Baggage Screening (HBS) mandated by your:

Airline? **Country of Origin?**

X x

Yes No Yes No

List the High Risk Destination airports you will be operating to/from affecting YYZ routings:

2.4 Off Gate Parking

The GTAA provides limited off gate parking for aircraft storage. Do you require a GTAA managed parking position?

Yes No Where will you park your aircraft? TBD

2.5 Vendor Identification

Please identify the vendors selected to perform the following services:

Service:	Vendor:	Telephone:
Ground Handling - Ramp Operations	ATS	416-574-4958
Ground Handling – Passenger Services	ATS	416-574-4958
Ground Handling - Cargo	N/A	N/A
Aircraft Maintenance	TBD	TBD

2.6 Lease Arrangements

Please indicate what arrangements you are planning to make for the leasing of property/resources:

Property/Resource:	GTAA Sublease (subject to approval):	Other mechanism/arrangement:
Ticket Counters		
Administrative Offices		
Crew Rooms/Ready Rooms		
Maintenance Space		

2.7 Airport Improvement Fee Agreement

Please contact Kelly Lecours at Kelly.lecours@gtaa.com or (416) 776-4034 for further information about this agreement.

We intend to become a Participating Air Carrier under the GTAA Airport Improvement Fee Agreement.

Yes

Signature:	
Name and Title:	Robyn Barnable
Telephone Number:	403-648-2800 ext 2006

3 Acknowledgement and Appointment

WHEREAS the Greater Toronto Airports Authority (the ‘GTAA’) operates Toronto Pearson International Airport (the ‘Airport’);

AND WHEREAS the undersigned (the ‘Air Carrier’) wishes to operate an air service at the Airport;

NOW THEREFORE in consideration of the GTAA authorizing the Air Carrier to operate an air service at the Airport, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Air Carrier), the Air Carrier hereby agrees as follows:

1. The Air Carrier irrevocably attorns and submits to the jurisdiction of any Ontario court sitting in Toronto in any action or proceeding arising out of or related to its operations at the Airport and irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such Ontario court. The Air Carrier irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Air Carrier consents to service of process to the agent appointed pursuant to paragraph 2 hereof or in any other manner authorized by Ontario Law. The Air Carrier agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
2. The Air Carrier constitutes and appoints _____ its true and lawful agent for service, to act as such and generally on behalf of the Air Carrier within Ontario to accept service of process and to receive all lawful notices and, for the purpose of the Air Carrier, to do all acts and to execute all deeds and other instruments relating to the matters within the scope of this appointment. Until due and lawful notice of the appointment of another and subsequent agent has been given to and accepted by the GTAA, service of process or of papers and notices upon the said agent for service shall be accepted by the Air Carrier as sufficient service.
3. The Air Carrier has received a copy of the Toronto Pearson Handbook for Business Partners and agrees to observe and be bound by its terms and the directives issued by the GTAA.

DATED _____, 20__

Name of Air Carrier:	
Name:	
Title:	
Address:	

4 Required Insurance Documentation

Prior to commencing operations, your company is required to submit the following document. Any omission will result in your company's operating authority being either delayed or denied.

A Certified Insurance Certificate(s), signed by an Authorized Representative, evidencing Aviation General Liability Insurance applying to all operations of the Air Carrier or any of the acts, omissions or negligence of the Air Carrier or any of its agents, employees, servants, assignees, or those for whom in law they are responsible. Such coverage shall include bodily injury liability (including death), property damage liability (including damage to aircraft on ground or in flight), personal injury liability, employer's liability, non-owned automobile, contractual liability and products and completed operations (on a twenty-four (24) month basis). Such policies shall be written on a comprehensive basis and all limits shall be written on a per occurrence limit.

Please contact Corporate Risk at Insurance.Services@gtaa.com for assistance if required.

4.1 Policy Amounts

If the Air Carrier is utilizing aircraft with a maximum takeoff weight of 5,670 kg. or less, such policies shall be written for not less than Ten Million Dollars (\$10 Million CDN) per occurrence. If the maximum takeoff weight is greater than 5,670 kg. But less than or equal to 9,072 kg., such policies shall be written for not less than Fifty Million Dollars (\$50 Million CDN) per occurrence. If the maximum takeoff weight is greater than 9,072 kg. but less than or equal to 22,680 kg., such policies shall be written for not less than Seventy-Five Million Dollars (\$75 Million CDN) per occurrence. If the maximum takeoff weight is greater than 22,680 kg. but less than 68,040 kg., such policies shall be written for not less than One Hundred and Fifty Million Dollars (\$150 Million CDN) per occurrence. If the Air Carrier is utilizing aircraft over a maximum takeoff weight of 68,040 kg., such policies shall be written for not less than Three Hundred and Fifty Million Dollars (\$350,000,000 CDN) per occurrence.

Be advised that your company's security passes will expire in accordance with the expiry date on the Certificate of Insurance. Ensure that your Certificate of Insurance is renewed 10 days prior to your expiry date, otherwise your security passes may be delayed or revoked altogether.

4.2 Required Insurance Endorsement (Additional Name Insured)

Notwithstanding any inconsistent statement in the policy described in the certificate referenced herein or attached hereto, it is agreed as follows:

Her Majesty The Queen in Right of Canada, Greater Toronto Airports Authority and its members and all of their officers, employees, agents and those for whom in law they are responsible are hereby named as additional named insured hereunder; but only with respect to the liability arising out of the activities on the named insured.

The policy(ies) listed on this endorsement shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability.

Written notice of cancellation or any limits reduction or material change in said policy shall be mailed to the Director, Corporate Risk, Greater Toronto Airports Authority, Toronto Pearson International Airport, P.O. Box 6031, Toronto AMF, Ontario, L5P 1B2, thirty (30) days in advance of the effective date thereof.

Insurance under the policy(ies) listed on this endorsement shall be primary insurance and no other insurance or self insured retention carried or held by Greater Toronto Airports Authority shall be called upon to contribute to a loss covered by insurance for the named insured.

Except as stated above and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or extend any of the limits, agreements, or exclusions of the policy(ies) to which this endorsement applies.

Named Insured:	
Attachment for Policy Number:	
Date:	
Name of Insurance Company:	
Authorized Signature of Insurance Company:	
Print Name:	
Title:	

5 FINANCIAL

Prior to commencing operations at Toronto Pearson International Airport, you are required to submit the following documents. Any omission may result in your company's operating authority being either delayed or denied. Airport staff is available to assist you with any questions.

5.0 Financial

- Certified Financial Statements or Annual Report of the Company;
Financial information may be shared with a third-party credit reporting organization for analysis and report to the 'GTAA'. All information is kept completely Confidential.
- A Security Deposit consisting of an Irrevocable Letter of Credit or Letter of Guarantee in an amount calculated by the GTAA Finance Controller for Landing Fees, General Terminal Fees, Apron Fees, Check-In Fees and Airport Improvement Fees, the Irrevocable Letter of Credit or Guarantee, being an undertaking by a financial institution that is a member of the Canadian Bankers Association, on schedule 1 or 2, shown on the website www.cba.ca. The Irrevocable Letter of Credit or Guarantee must be drafted to pay on demand the amount of the Security Deposit to the GTAA on presentation of a written demand for payment. The Irrevocable Letter of Credit or Guarantee shall adhere to the format and the wording set out in the Irrevocable Letter of Credit or Guarantee form provided in this Section 5 **OR** provide a Security Deposit in the form of cash in Canadian Funds on which the GTAA will pay interest bi-annually.

5.1 Wire Transfer Information

The following is the information required for wire transfers to our account:

Bank:

CIBC

Main Branch, Commerce Court

Toronto, Ontario M9L 1G8

Bank Code: 010

Account Name: Greater Toronto Airports Authority - General Revenue

Transit Number: 00002

Account Number: 36-57817

Swift Code: CIBCCATT

IBAN Code: CC 0010000023657817

5.2 Irrevocable Letter of Credit / Irrevocable Letter of Guarantee

The following is the information required for wire transfers to our account:

TO: Greater Toronto Airports Authority
Toronto Pearson International Airport
P.O. Box 6031
Toronto, AMF, Ontario, L5P 1B2`

hereinafter referred to as the “Beneficiary”

1. We, the undersigned (name and address of financial institution), (“the Financial Institution”) hereby establish an Irrevocable Letter of Credit (“Irrevocable Letter of Credit”) or Letter of Guarantee (“Irrevocable Letter of Guarantee”) in favour of the Beneficiary in the amount of: CAD-Dollars (\$_____) which may be drawn upon by the Beneficiary by presentation to the Financial Institution of a written demand for payment signed by an authorized officer of the beneficiary indicating that the Beneficiary is entitled to receive payment under this letter of credit or letter of Guarantee.

2. Upon presentation of the written demand for payment, the Financial Institution shall forthwith pay the face amount of this Irrevocable Letter of Credit or Irrevocable Letter of Guarantee to the Beneficiary without:

Inquiring about the validity or sufficiency of the demand or right of the Beneficiary to make the demand;

Recognizing a claim by any person; AND

Making any reference to the state of accounts as between the Financial Institution and the Applicant.

3. This Irrevocable Letter of Credit or Irrevocable Letter of Guarantee expires on the ___ day of _____ 20__, subject to the following:

This Irrevocable Letter of Credit or Irrevocable Letter of Guarantee shall be deemed to be automatically extended without any formal amendment for one year from the above stated expiration date or any future expiry date unless, not less than ninety (90) days prior to any such expiration date, the Financial Institution notifies the Beneficiary in writing that the Financial Institution elects not to extend this Irrevocable Letter of Credit or Irrevocable Letter of Guarantee for any further period, in which event the Financial Institution shall pay the Beneficiary, with such written notice of election, a Bill of Exchange in the amount of this Irrevocable Letter of Credit or Irrevocable Letter of Guarantee, less the amount of any previous drawings by the Beneficiary on such Irrevocable Letter of Credit or Irrevocable Letter of Guarantee.

4. Partial drawings are permitted under this Irrevocable Letter of Credit or Irrevocable Letter of Guarantee where a written demand for payment is presented by the Beneficiary, signed by its authorized official, indicating entitlement to receive partial payment under this Irrevocable Letter

of Credit or Irrevocable Letter of Guarantee. The provision of Section 2 hereinabove shall apply mutatis mutandis to any demand for any partial drawings. The amount so drawn under this clause shall be subtracted from the face amount of this Irrevocable Letter of Credit or Irrevocable Letter of Guarantee and shall be endorsed on the reverse side of this Irrevocable Letter of Credit or Irrevocable Letter of Guarantee.

This irrevocable Letter of Credit or Irrevocable Letter of Guarantee bears the following reference number of the Financial Institution:

This Irrevocable Letter of Credit or Irrevocable Letter of Guarantee is subject to the "Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce, Paris, France, Publication No. 600" as revised from time to time and engages us in accordance with the terms thereof.

For: _____

(Name of Financial Institution)

Signed: _____

(Authorized signature)

Countersigned: _____

(Authorized signature)

Important Note: Upon receipt of this package, submit your planned schedule (slot request) to the IATA Slot office as per section 6.

It will also be necessary to remit a fleet list with the MTOW and seating capacity to:

Susan Danks, Manager, Slot Coordination

susan.danks@gtaa.com

Greater Toronto Airports Authority

Telephone (416) 776-5708

Once the slots are allocated and financial statements are received a financial evaluation of the applicant company will be completed by the Finance Controller of the GTAA.

The Finance Controller will communicate the security deposit, or the prepayment calculation to the GTAA, Manager, Slot Coordination. In order to facilitate the application process this will be communicated to the applicant by the office of the Slot Coordination. If the security deposit is the option of choice, it must be received no later than 10 business days prior to the proposed start date of operations. If the prepayment is the option of choice, the first prepayment must be received no later than 10 business days prior to the proposed start date of operations.

6.0 Slot Allocation Procedure

Toronto Pearson Airport has been designated as an IATA Level 3 fully slot coordinated airport and any carrier planning to operate must apply for and be allocated an arrival and departure slot for every operation.

All slot messages to Toronto Pearson International Airport (YYZ) must be submitted in LOCAL Time.

- The Greater Toronto Airports Authority will only process slot messages that are in LOCAL time.
- All slot response messages including SCR, SHL, SAL and SIR will be in LOCAL time only.
- SCR messages must be in the IATA SSIM format identifying that the message is in LOCAL time. See IATA SSIM manual, section 6.4.2.

Example of correctly formatted header:

```
SCR
//LT
W21
14SEP
YYZ
```

On e-mail slot messages please add the creator address after the //LT e.g. //LT/aaaaa@aaaa.com

In the SI field of the SCR please include the text **ALL TIMES LOCAL**

E-mail is preferred for all slot messages.

For the GTAA send slot messages to: slots@gtaa.com

2.5 Vendor Identification

Please identify the vendors selected to perform the following services:

Service:	Vendor:	Telephone:
Ground Handling - Ramp Operations		
Ground Handling – Passenger Services		
Ground Handling - Cargo		
Aircraft Maintenance		

2.6 Lease Arrangements

Please indicate what arrangements you are planning to make for the leasing of property/resources:

Property/Resource:	GTAA Sublease (subject to approval):	Other mechanism/arrangement:
Ticket Counters		
Administrative Offices		
Crew Rooms/Ready Rooms		
Maintenance Space		

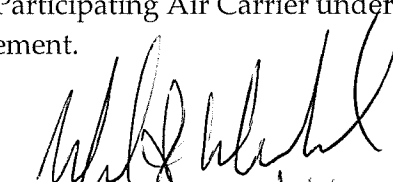
2.7 Airport Improvement Fee Agreement

Please contact Kelly Lecours at Kelly.lecours@gtaa.com or (416) 776-4034 for further information about this agreement.

We intend to become a Participating Air Carrier under the GTAA Airport Improvement Fee Agreement.

Yes

Signature:
Name and Title:
Telephone Number:


Michael S. Holditch, CFO
416-648-2863



3 Acknowledgement and Appointment

WHEREAS the Greater Toronto Airports Authority (the 'GTAA') operates Toronto Pearson International Airport (the 'Airport');

AND WHEREAS the undersigned (the 'Air Carrier') wishes to operate an air service at the Airport;


NOW THEREFORE in consideration of the GTAA authorizing the Air Carrier to operate an air service at the Airport, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Air Carrier), the Air Carrier hereby agrees as follows:

1. The Air Carrier irrevocably attorns and submits to the jurisdiction of any Ontario court sitting in Toronto in any action or proceeding arising out of or related to its operations at the Airport and irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such Ontario court. The Air Carrier irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Air Carrier consents to service of process to the agent appointed pursuant to paragraph 2 hereof or in any other manner authorized by Ontario Law. The Air Carrier agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
2. The Air Carrier constitutes and appoints Norland Lindsey LLP its true and lawful agent for service, to act as such and generally on behalf of the Air Carrier within Ontario to accept service of process and to receive all lawful notices and, for the purpose of the Air Carrier, to do all acts and to execute all deeds and other instruments relating to the matters within the scope of this appointment. Until due and lawful notice of the appointment of another and subsequent agent has been given to and accepted by the GTAA, service of process or of papers and notices upon the said agent for service shall be accepted by the Air Carrier as sufficient service.
3. The Air Carrier has received a copy of the Toronto Pearson Handbook for Business Partners and agrees to observe and be bound by its terms and the directives issued by the GTAA.

DATED _____, 20__

Name of Air Carrier:
 Name:
 Title:
 Address:

1863343 Alberta Inc (letter "by name Air")
 Michael S. Housley
 CFO.
 123, 1440 Aviation Park NE, Calgary, AB, T2E 7E2




This is Exhibit “B” referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)
Shimon Sherrington



April 5, 2022

Merren McArthur
CEO Lynx Air
123 - 1440 Aviation Parkway NE
Calgary, AB
T2E 7E2

**Greater Toronto
Airports Authority**

P.O. Box 6031
3111 Convaire Drive
Toronto AMF, Ontario
Canada L5P 1B2

P 416.776.3000
F 416.776.7746

GTA.com

Re: Application for Entry

Dear Ms. McArthur,

I am pleased to advise you that following review of your "Application for Entry", Lynx Air is approved to operate at Toronto Pearson International Airport ("Toronto Pearson"). Thank you for choosing to provide air service at YYZ. We appreciate your business and warmly welcome you.

The Greater Toronto Airports Authority ("GTA") manages and operates Toronto Pearson in a manner befitting a world class international airport in accordance with its Ground Lease with the government of Canada. At Toronto Pearson, the terminal buildings, including boarding gates, counters and other facilities, belong to the GTA. The GTA may, at any time, direct Lynx Air to use any gate, terminal building, concourse or other location for its aircraft operations as the GTA determines appropriate in its sole discretion.

This approval is subject to an undertaking signified in the space indicated below, by a duly authorized officer of Lynx Air, that Lynx Air shall pay all fees and charges relating to its use of Toronto Pearson and shall comply, and shall cause its directors, officers, employees, agents and contractors to comply with all directions of the GTA relating to Lynx Air's operation at Toronto Pearson and all applicable statutes, regulations, notices, procedures, standards, rules, policies, programs, guidelines and documents of like kind in force at Toronto Pearson as they may exist from time to time, including as stipulated in the Toronto Pearson Handbook for Business Partners, as amended from time to time.

Please return the signed original of this letter to the attention of Susan Danks, Manager, Slot Coordination.

GREATER TORONTO AIRPORTS AUTHORITY

Deborah Flint
President and Chief Executive Officer

ACKNOWLEDGED AND AGREED TO BY

Signature of Duly Authorized Officer

MERREN MCARTHUR

Print Name and Title of Duly Authorized Officer

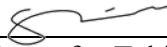
CEO AND PRESIDENT



**Toronto
Pearson**
International Airport
Aéroport International

torontopearson.com

This is Exhibit "C" referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Shimon Sherrington



Toronto Pearson Handbook for Business Partners

Toronto Pearson International Airport



For You. The World.



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Greater Toronto Airports Authority
P.O. Box 6031
3111 Convair Drive
Toronto AMF, Ontario L5P 1B2
416-776-3000
www.TorontoPearson.com

Document Governance

This Handbook for Business Partners is a living document. As Toronto Pearson evolves, amendments will be made to this electronic document, available on TorontoPearson.com.

This Handbook shall be reviewed in its entirety at least annually, and updates made as required. Please refer to this online version frequently for the latest information.

If you have any feedback to offer, click on the link below and send us your thoughts by e-mail: publication@GTAA.com.

Version Control

Version	Date	Changes	Prepared by	Approved by
1.0	2011-11-15	Initial publication	J. Catney	H. Bohan
2.0	2013-04-22	Updated contact information throughout, added new Section 1.1 Safety and Section 2.3 Airside Vehicle Operators Permit, following sections renumbered accordingly	W. MacMillan	H. Bohan

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PREFACE



This Toronto Pearson Handbook for Business Partners provides a useful reference for commercial users, tenants, contractors, employees and others working at Toronto Pearson to ensure both their success and the success of the entire Toronto Pearson community. It states the rules of the GTAA who operate Toronto Pearson to ensure the safety, security and sustainability of all operations at the Airport.

This Handbook replaces the GTAA's Rules and Regulations, dated March 1, 1997. The GTAA derives its authority to operate the Airport and establish its rules through federal legislation and a Ground Lease between Her Majesty the Queen as landlord and the GTAA as tenant.

This Handbook recites the GTAA's basic rules and provides useful information on how to comply with such rules. This Handbook does not recite in full the GTAA's policies, but refers to the most important policies and provides links to either the policies themselves or contact persons who can provide the necessary information.

Every person or company conducting business at Toronto Pearson is subject to government laws and regulations, as well as the rules and policies of the GTAA. This Handbook does not list or reference the government laws and regulations that apply. Users are expected to familiarize themselves with and comply with the applicable laws and regulations.

In the event of a conflict or inconsistency between rules in this Handbook and any law or regulation, the applicable law or regulation shall prevail to the extent of the inconsistency or conflict.

The rules set out in this Handbook are incorporated by reference into the GTAA's agreements, licences and leases with Toronto Pearson community members. A breach of these rules may result in the GTAA terminating an agreement, license or lease.

From time to time, the GTAA issues directives to the Toronto Pearson community. These directives are deemed to be incorporated into the rules of the Toronto Pearson Handbook for Business Partners.

We trust you will read the Handbook and find it helpful.

Howard Eng
President and Chief Executive Officer



SECTION

1

General

1.1 Safety

Toronto Pearson is a city in itself. On an average day, 95,000 passengers move through the Airport. There are 40,000 employees working at Toronto Pearson. We have our own division of Peel Regional Police, our own Fire and Emergency Services, our own snow removal and maintenance support. We also have our own call centre for emergencies and security or safety concerns.

The safety and security of everyone who works, visits or flies through Toronto Pearson is a shared responsibility. All 40,000 of us have a duty to ensure that our airport is free of hazards and operated in a safe and secure manner to support our vision of zero injuries.

1.2 Reporting Emergencies and Concerns

All tenants, stakeholders, agencies and employees shall report all emergencies, incidents or accidents that occur at Toronto Pearson. This includes leased spaces as well as public areas.

The GTAA shall keep all such reports confidential and shall use the compiled data to create safety awareness campaigns and promote a culture of safety at the airport to support our vision of zero injuries.

Emergencies

Report all emergencies, such as fire, medical or vehicle accidents occurring at Toronto Pearson, on the Airport Emergency Line to ensure the fastest and most appropriate response.

Contact: Airport Emergency Line, 416-776-3033

Non-Emergency Accidents or Injuries

Non-emergency accidents or injuries are those where the threat to life or safety is neither present nor imminent.

Report all non-emergency accidents, incidents and injuries occurring at Toronto Pearson to the Integrated Operations Control Centre as soon as possible.

Contact: Integrated Operations Control Centre, 416-776-3055

Security Concerns

To maintain the high level of security at Toronto Pearson, report any security concerns or threats immediately on the Airport Emergency Line, including such concerns as:

- suspicious behaviour, such as unnecessary loitering near or prolonged observation of secure areas, people obviously out of place for the environment
- threats against aircraft
- infrastructure deficiencies that could compromise security
- unattended items, such as luggage or packages

Contact: Airport Emergency Line, 416-776-3033

Safety Concerns

See it, report it. Prevent it.

Report all safety concerns wherever they occur that are likely to cause injury to any person or damage the environment or Airport property, or that address any other concerns, to the Integrated Operations Control Centre as soon as they become known.

Contact: Integrated Operations Control Centre, 416-776-3055, or report_it@gtaa.com

1.3 Emergency Management

Emergency Management is a comprehensive set of processes aimed at mitigating, preventing, preparing for, responding to, and recovering from emergencies.

As part of the Airport's emergency response process, the GTAA has developed and made available to all business partners the Emergency Response Plan (ERP). All Airport business partners are expected to develop emergency preparedness plans in compliance with the ERP.

Contact: Manager, Emergency Management and Operational Continuity, 416-776-4364

1.4 Airport Construction

All construction at Toronto Pearson, initiated by GTAA, any tenant or other person, requires a [Facility Alteration Permit \(FAP\)](#) issued in accordance with the requirements of the [Airport Construction Code](#).

Contact: [Construction Control Office](#), 416-776-5400
GTAA Administration Building, 3111 Convair Drive,
Toronto, ON L5P 1B2

1.5 Obstruction Control

An assessment and permit from the GTAA is required whenever any physical object on land could potentially obstruct the airspace reserved for aircraft approaching or departing the Airport.

Contact: [Aerodrome Planning](#), 416-776-5022 for an assessment;
for a permit, Aviation Compliance and Coordination, 416-776-4260

1.6 Damage to Airport Property

If you become aware of any damage to the Airport or any property at the Airport, report it immediately to the Integrated Operations Control Centre.

Contact: Integrated Operations Control Centre, 416-776-3055

1.7 Unauthorized Activities

No person shall assist or permit any person to engage in any activity at the Airport that is contrary to any applicable laws, this Handbook, or to any directives or instructions of the GTAA.

Contact: Integrated Operations Control Centre, 416-776-3055

1.8 Special Events

All persons planning to conduct a non-operational activity at Toronto Pearson must obtain an [Activity Permit](#) prior to the event.

Contact: [Commercial Agreement Administration](#), 416-776-7398

1.9 Directives to the Toronto Pearson Community

[Directives](#) to the Toronto Pearson community issued by the GTAA from time to time shall be considered as addenda to this Handbook. At least annually, directives in force will be reviewed and where appropriate included in this Handbook.

Some directives may contain confidential information. Access to these directives is provided only to authorized members of the Toronto Pearson community.

Contact: Director, Integrated Operations Control Centre, 416-776-3054



Aircraft and Airside Operations

GTAA Aviation Services provides procedures and coordination to ensure the safe and efficient movement of aircraft and vehicles using the runways, taxiways, aprons and service roads at Toronto Pearson. Related activities include, but are not limited to, the following: safety management, airside construction coordination, airside parking allocation, airfield standards, apron management service, deicing operations, noise management and low visibility operations.

2.1 Safety Management Systems

Safety Management Systems are a process-driven method that involves all Airport employees in support of a proactive approach to safety management on the airside area. Aviation safety is our collective responsibility and remains our highest priority in all airside activities.

Our Safety Management Systems rely on all employees reporting their aviation safety concerns in a timely manner, either proactively, or as an incident or accident occurs.

All persons must promptly report safety concerns to the Integrated Operations Control Centre.

Contact: Integrated Operations Control Centre, 416-776-3055
Proactive concerns can be sent by e-mail: report_it@GTAA.com

2.2 Foreign Object Debris

All persons holding a Restricted Area Identification Card (RAIC) are responsible for controlling foreign object debris (FOD) on the Movement Area and in all areas adjacent to the Movement Area where FOD can be generated, including but not limited to baggage rooms, holdrooms, ready rooms, service areas, garages and terminal service roads. FOD shall be removed immediately and deposited in an appropriate container or storage area. When FOD cannot be removed safely, contact the Integrated Operations Control Centre.

Contact: Integrated Operations Control Centre, 416-776-3055—provide location and description of the observed FOD.

2.3 Airside Vehicle Operators Permits

Airside Vehicle Operators Permits (AVOPs) are issued by the GTAA to certify those that demonstrate a regular and ongoing operational need to drive airside in our gate, runway and taxiway areas. AVOP holders must comply with the [Airport Traffic Directives](#) (ATDs).

Contact: AVOP Office, 416-776-2867

Aircraft Operations

2.4 Operation of Aircraft

All persons shall navigate, land, service, maintain and repair aircraft at Toronto Pearson in compliance with all applicable laws, orders, rules and regulations issued by [Transport Canada](#), [Nav Canada](#) and the GTAA.

Contact: Manager, Aviation Programs, 416-776-7117, or [Manager, Operations—Airside/Groundside](#), 416-776-1102

2.5 Aircraft Accident or Incident Reports

An aircraft operator involved in an accident causing personal injury or property damage shall immediately call the Airport Emergency Line. All reports required by federal or provincial agencies, pursuant to any federal or provincial statute or regulation, shall also be submitted to the GTAA Associate Director, Operations and Response, or designate.

Contact: Associate Director, Operations and Response, 416-776-4655
GTAA Administration Building, 3111 Convair Drive,
Toronto, ON L5P 1B2

2.6 Disabled Aircraft

Any owner, lessee, operator or other person having the control, or right of control, of any disabled aircraft shall be responsible for the prompt removal and disposal thereof, and any and all parts thereof, subject to any requirements or direction by the [Transportation Safety Board of Canada](#) (TSB) or the GTAA that such removal or disposal be delayed pending an investigation of an accident or other cause of the disability.

If the responsible party cannot remove the disabled aircraft expeditiously, the GTAA will arrange for the disabled aircraft to be removed at the cost of the responsible party.

Contact: [Manager, Operations—Airside/Groundside](#), 416-776-1102

2.7 Taxiing or Moving of Aircraft on Operational Areas

Except for re-positioning of aircraft on leased land, whenever any aircraft is being taxied, towed or otherwise moved on the Movement Areas, contact must be established with Ground Control or Apron Management as appropriate, prior to moving the aircraft. There shall be a person attending the controls of the aircraft and a person in the aircraft monitoring by radio the transmitting frequency in use by either the Control Tower or Apron Management. For all related activities, please review the Apron and Maintenance Run Procedures.

Contact: Manager, Aviation Programs, 416-776-7117, or [Manager, Operations—Airside/Groundside](#), 416-776-1102

2.8 Apron Operations and Maintenance Run Procedures

Rules specific to operations on apron areas can be found in the Apron and Maintenance Run Procedures.

This document includes, but is not limited to, the following:

- starting or running of aircraft engines
- run-up of aircraft engines
- use of auxillary power units (APUs) on aircraft gates
- aircraft parking responsibility
- aircraft repairs

Contact: Manager, Aviation Programs, 416-776-7117, or [Manager, Operations—Airside/Groundside](#), 416-776-1102

2.9 Terminal, Apron and Gate Restrictions

General aviation, private, business or corporate aircraft shall not enter or use gates at the terminal buildings without prior permission of the GTAA. If permission is granted, the owner or operator making the request for such entry or use assumes sole and full responsibility for the safety and security of all aircraft, the terminal building and persons using such facilities.

Further, no surface painting or marking on the apron or gate areas is allowed without a Facility Alteration Permit as described in [1.3 Airport Construction](#).

Contact: Manager, Aviation Programs, 416-776-7117, or [Manager, Operations—Airside/Groundside](#), 416-776-1102

2.10 Slot Reservations

Toronto Pearson is designated as an [International Air Transport Association \(IATA\)](#) Level 3 Slot Co-ordinated Airport. Slot allocation is obtained through the established process, as outlined in the [International Air Transport Association's Worldwide Slot Guidelines](#).

Contact: Manager, Slots and Capacity Allocation, 416-776-4566

2.11 Ground Handling

All persons, companies, air carriers or service providers engaged in any activities as defined in the current version of Annex A of the [International Air Transport Association's Standard Ground Handling Agreement](#) shall obtain a ground handling licence issued by the GTAA and operate in accordance with the GTAA Ground Handling Policy.

Contact: Manager, Aviation Programs, 416-776-7117

2.12 Noise Management

All owners, lessees, operators or other persons having the control or right of control of any aircraft at the Airport must comply with regulations under the [Aeronautics Act](#) for noise abatement and noise emission standards, and all GTAA policies regarding noise mitigation procedures, including without limitation, preferential runway use, night flight restrictions and aircraft operating procedures.

To minimize noise, the GTAA works with [Nav Canada](#) to maintain flight procedures for arriving and departing aircraft at Toronto Pearson. For more information, please refer to the current [Canada Air Pilot](#) and [Canada Flight Supplement](#) publication.

All aircraft operations are monitored for compliance. Failure to comply may result in enforcement through the [Canadian Aviation Regulations](#).

Contact: Manager, Aviation Compliance and Coordination, 416-776-6310

2.13 Aircraft Deicing

No person shall engage in deicing or anti-icing activities without a Deicing Operations and Mitigation Plan that was approved by Manager, Airside Procedures.

In order to maintain environmental compliance and facilitate the process of determining cause, responsibility and corrective action, the GTAA shall allow only one deicing service provider in a defined area and only in areas where glycol recovery is possible and under conditions specified in the approved plan.

The GTAA reserves the right to inspect operations to ensure compliance with the approved plan. In the event that the approved plan does not ensure environmental compliance, additional mitigation efforts will be required before engaging in deicing or anti-icing activities.

Contact: Manager, Aviation Compliance and Coordination,
416-776-6310

Deicing Locations

Deicing and anti-icing shall occur only at the Central Deicing Facility (CDF) or in specified locations designated by the GTAA in accordance with [2.13 Aircraft Deicing](#) above.

Contact: Manager, Aviation Compliance and Coordination,
416-776-6310

Fuelling of Aircraft

2.14 Fuelling Medevac

If the aircraft being fuelled is operating as a medevac and contains a passenger, GTAA Fire and Emergency Services shall be present.

Contact: Integrated Operations Control Centre, 416-776-3055

2.15 Fuel Spills

In the event of a fuel spill, the air carrier, aircraft operator or fuelling company shall call the Airport Emergency Line and immediately ensure that all appropriate precautions are taken to contain and clean up the spill.

When there is no apparent presence of fire, fuel delivery units shall not be moved until the spillage is removed or remediated to the satisfaction of the GTAA. Spilled fuel shall be cleaned up immediately and the area secured. Every effort shall be made to contain the fuel and keep it from entering the storm drains. No aircraft or vehicle movement shall be allowed in the area until authorized by GTAA Fire and Emergency Services.

Should passengers be evacuated because of a fuel spill, passengers shall not be re-admitted to the loading bridge or the aircraft until authorized by the GTAA Fire and Emergency Services.

Contact: Airport Emergency Line, 416-776-3033

2.16 Lavatory Spills

Spilled lavatory fluids are treated as a hazardous materials spill. All spills shall be reported immediately to the Airport Emergency Line.

Under no circumstance shall a lavatory spill be washed into the storm sewer or sanitary sewer. The air carrier, aircraft operator or other responsible person shall comply with the current Environmental Emergency Contingency Plan (see [7.1 Environmental Emergency Contingency Plan](#)) regarding cleanup of contaminated (used) and uncontaminated (unused) lavatory fluid.

Contact: Airport Emergency Line, 416-776-3033

2.17 Clean-Up and Containment of Spills

No person shall allow fuel, oil, hydraulic fluid or any other contaminants of any kind to leak or spill onto the Airport property. No fuel, oil, hydraulic fluid, or any other contaminants of any kind, including detergents used to wash aircraft or other surfaces, shall be allowed to flow into or be placed in any sewer system or open water areas.

Whenever a hazardous material spill or leak occurs, the owner, agent in control or the generator of the hazardous material shall immediately take all steps necessary to discover (including notifying appropriate parties), contain, clean up, dispose of and follow up on the spill or leak, in compliance with the current Environmental Emergency Contingency Plan. Additional remediation and restoration of the affected area may be required as instructed by the GTAA.

All spills shall be reported immediately to the Airport Emergency Line.

Contact: Airport Emergency Line, 416-776-3033

2.18 Non-Compliance

If any person, owner, agent in control or the generator of the hazardous material fails to contain and clean up any hazardous material, spill or leak forthwith upon becoming aware of the spill or leak at the Airport, the GTAA may, in addition to its rights and remedies described in [9 Enforcement](#), contain and clean up such hazardous material, spill or leak at that person's cost. The said person shall pay all costs including labour, materials and services required, including overhead, as incurred or determined by the GTAA as necessary to contain and clean up such hazardous material, spill or leak.

Contact: Manager, Environmental Services, 416-776-3049



Terminal Buildings and Landside Areas

We are committed to ensuring that all guests have a comfortable and positive experience when visiting Toronto Pearson. Many persons want to join the Toronto Pearson community and conduct business with our guests. By obtaining the required permits, business partners ensure that their activities contribute to the success of all and offer our guests a delightful experience.

3.1 Airport Signs

No signs exposed to public view shall be installed on the Airport without prior written approval from the GTAA. Sign installations shall conform to the requirements of the [Airport Construction Code](#).

No person shall post, distribute, or display signs, advertisements, circulars, printed or written matter at the Airport, without the express written approval of the GTAA.

Contact: Manager, Guest Flow and Facilitation, 416-776-9649

3.2 Logistics

To maintain the safety and security of the Airport and the effective movement of goods and materials through the terminal buildings, the GTAA has developed and established a [Logistics Program](#). An on-site logistics company delivers the program.

Goods and materials transported through the terminal buildings must first be verified and authorized to prevent the introduction of prohibited items. All tenants and service providers shall adhere to the Logistics Program and the security measures associated with the program.

Contact: Logistics service provider, 416-776-5444

3.3 Commercial Activities

Persons conducting any business or commercial undertaking at the Airport shall have either a permit from the GTAA or shall have entered into a lease, licence agreement or other contract with the GTAA in respect to the operation of their business or undertaking.

Before affixing, installing or placing anything at the Airport for the purpose of a business or commercial undertaking, persons must obtain a permit from the GTAA issued pursuant to the [Airport Construction Code](#).

Contact: Senior Manager, Retail Development, 416-776-3255, submit a [Business Interest Application form](#), or Senior Manager, Property Leasing and Development, 416-776-5187

3.4 Commercial Photography

Other than representatives of the news media on official assignments, all still, motion, television, or sound pictures filmed at the Airport for commercial purposes shall only be conducted in accordance with GTAA policies and procedures.

Contact: [Commercial Agreement Administration](#), 416-776-7398

3.5 Litter and Refuse

No person shall place, discharge, or deposit in any manner, papers, trash, rubbish or other refuse anywhere at the Airport, except in receptacles and other such places. All litter and refuse must be covered when transported in vehicles, and all receptacles for said materials must have covers.

Any deposit of garbage, debris or refuse in unauthorized locations shall be collected and removed from the Airport by the responsible tenant. The GTAA may arrange for collection and removal, and charge the responsible tenant for all costs incurred in so doing.

3.6 Dogs and Other Animals

No person shall enter a terminal building with any animal except:

- a service animal
- a house pet properly confined or ready for shipment
- dogs used by enforcement agencies, such as police

3.7 Labour Disputes

Employers and unions who conduct business at the Airport shall notify the GTAA of any pending labour disruption or other labour activity, including picketing, to be conducted in connection with any legal lockout or strike involving the employer at the Airport.

Strike and informational pickets may only be conducted in connection with a legal lockout or strike. The GTAA requires that unions sign a picket protocol before engaging in any picketing activity.

Contact: Security Intelligence, 416-776-5760

3.8 Religious, Political or Charitable Activities

Religious, political or charitable activities shall only be conducted at the Airport in accordance with GTAA policies and procedures.

Contact: [Commercial Agreement Administration](#), 416-776-7398



Real Estate

Any company that needs land or building premises to operate their business at Toronto Pearson may make a request to the GTAA. Due to limited space availability, the GTAA will determine whether such request will be granted. Land is not available for sale at Toronto Pearson.

If the GTAA determines that it will lease or license premises to the company, the company shall enter into a lease or licence with the GTAA as the landlord or licensor as applicable.

A number of approvals are necessary for tenants to improve their premises at the Airport. Tenants are required to obtain a [Facility Alteration Permit](#) (FAP) from the GTAA Construction Control Office before constructing or renovating its premises. Arrangements need to be made to supply utilities to the premises. Land tenants may also require approvals from the City of Mississauga or the Region of Peel if they require new access from a public road. Tenants constructing their own building require approval from Nav Canada.

Contact: Senior Manager, Property Leasing and Development,
416-776-5187



Ground Transportation

At Toronto Pearson, ground transportation service providers play a significant role in serving our guests. There are many different categories ranging from taxis and limousines, to pre-arranged, off-airport, car rentals, out-of-town van service, Downtown Express and hotel shuttles. Operators of these services may access commercial curbs designated by class at Terminal 1, Terminal 3, and at the Viscount Station. All commercial operators are required to obtain a permit or a licence before they conduct business at Toronto Pearson.

5.1 Taxi and Limousine Licenses

Toronto Pearson has a dedicated taxi and limousine fleet to serve the Airport. These vehicles pick up passengers at the taxi and limousines stands located at the terminal curbs on a first come, first serve basis.

Taxi and limousine licences are issued on an infrequent basis through a competitive process, not on the basis of seniority. Individuals who wish to drive an existing GTAA taxi or limousine must be sponsored by a holder of a taxi or limousine permit or licence. The GTAA requires that all drivers hold municipal licenses, successfully complete sensitivity training and defensive driving, and pass the GTAA's driver examination prior to receiving an Airport Drivers Certificate.

Contact: Commercial Vehicle Clerk, 416-776-4529

5.2 Pre-Arranged Services

The GTAA has established a pre-arranged service to allow any municipally licensed taxi, limousine or charter bus to pick up passengers at the Airport on a pre-arranged basis. To arrange for a taxi or limousine of your choice, please contact your preferred taxi or limousine company. Upon arrival at the Airport, proceed to the designated area listed below, and notify the Pre-Arranged Dispatcher there that you are waiting. The designated areas follow:

- Terminal 1—Door B3
- Terminal 3—Post 29

Taxi and limousine drivers shall attend the pre-arranged service building, located on the approach road to Terminal 3 at 6340-1 Silverdart Drive, to obtain a permit. Upon receipt of the permit, the driver shall remain in the staging lot there until dispatched to the terminal curb. The cost of pre-arranged permits is published on TorontoPearson.com.

Contact: Pre-Arranged Dispatcher, 416-776-7048

5.3 Out of Town Van Services

Currently, there are many [ground transportation service providers](#) operating from Toronto Pearson to destinations in Ontario and the United States. Individuals who wish to provide service from Toronto Pearson require special licensing from the [Ontario Highway Transport Board \(OHTB\)](#) and a licence from the GTAA.

Contact: Manager, Ground Transportation, 416-776-4519

5.4 Hotel Shuttles

Many hotels close to Toronto Pearson have complimentary shuttles to and from the Airport. These shuttles operate at Toronto Pearson under a permit or licence from the GTAA.

Contact: Your hotel for service

5.5 Illegal Taxi/Limousine Operators

Persons who perform commercial pickups for hire are reminded that a permit or licence is required to operate at Toronto Pearson. Individuals who fail to obtain a permit or licence are subject to significant fines under the Ontario Highway Traffic Act, and their vehicle may be impounded.

Employees who notice unauthorized persons soliciting passengers for taxi cabs or limousines should immediately call the Airport Emergency Line.

Contact: Coordinator, Ground Transportation, 416-776-9867
Integrated Operations Control Centre, 416-776-3055



Fire and Safety

All persons conducting business or other approved activities at the Airport shall comply with all fire and fire-related safety provisions of this Handbook, including hazardous materials, and shall abide by applicable laws, rules and regulations, including the [National Fire Code of Canada](#), the [National Fire Protection Association \(NFPA\)](#) and all other GTAA directives and standards relating to fire and life safety enforced by the Airport Fire Chief.

6.1 Fire Chief

The Airport Fire Chief, Fire and Emergency Services, as the authority having jurisdiction, shall enforce all applicable sections of this Handbook pertaining to life safety, fire protection, fire prevention and fire spread control at Toronto Pearson.

All building, structures and premises shall be inspected annually by Fire and Emergency Services to ensure compliance with this Handbook.

6.2 Reporting Fire and Emergencies

Every person shall immediately report all emergencies on Airport property to the Airport Emergency Line. This will ensure a multi-agency response of fire, police, and ambulance services as appropriate. Persons without immediate access to a phone may report emergencies by GTAA radio or door intercom.

Persons reporting emergencies shall identify themselves by name and organization, giving contact information; describe the nature of the emergency, such as fire, medical emergency, motor vehicle accident; the location of the emergency, giving specifics; and any other pertinent information, such as actions taken.

Contact: Airport Emergency Line, 416-776-3033

6.3 Fire and Life Safety Hazards

Every person shall report fire and life safety hazards immediately to the Integrated Operations Control Centre.

All reports of fire and life safety hazards will be investigated and kept confidential.

Contact: Integrated Operations Control Centre, 416-776-3055

6.4 Fire Extinguishers and Equipment

All fire extinguishers and other such equipment shall be regularly inspected by tenants or their contractors, and shall meet the requirements of the [National Fire Code of Canada](#).

Fire extinguishers and equipment shall not be tampered with at any time, nor used for any purpose other than dealing with a fire emergency. Portable fire extinguishers are intended as a first line of defence to cope with fires of limited size.

Anyone who discovers defective or missing life safety equipment shall report the matter immediately to the Integrated Operations Control Centre.

All employees shall be trained in the use of portable fire extinguishers. Training is available through the Fire and Emergency Services Training Institute (FESTI).

Contact: Integrated Operations Control Centre, 416-776-3055 to report, or to arrange training, FESTI, 416-776-5997

6.5 Inspection and Cleaning of Commercial Cooking Equipment

Maintenance and cleaning procedures for commercial cooking exhaust systems and related equipment on Airport lands shall comply with the GTAA Fire and Emergency Services Kitchen Exhaust System Cleaning Protocol FP-02.

Contact: GTAA Fire and Emergency Services, 416-776-4515

6.6 Fire Department Access to Buildings

Access to buildings shall be maintained in good repair and free of obstructions at all times so fire vehicles can respond quickly to any location at any time. Similarly, access to fire department connections for sprinkler, standpipe systems, fire hydrants and other emergency equipment used by firefighters shall be maintained free of obstructions at all times.

Vehicles shall be parked only in approved areas to maintain free access to building for fire department vehicles. Signs shall be posted identifying approved parking areas and prohibiting parking in areas required for fire department access.

Contact: GTAA Fire and Emergency Services, 416-776-4515

6.7 Fire Safety Plan

A fire safety plan is required by all North American national, state and provincial fire codes based on building use or occupancy types. Generally, the owner of the building is responsible for the preparation of a fire safety plan. Developing plans for buildings with elaborate emergency systems may require the assistance of a fire protection consultant.

Fire safety plans for Airport buildings must be submitted to the Airport Fire Chief or authority having jurisdiction for approval. Once the plan is approved, the owner is responsible for implementing the fire safety plan and training all staff in their duties. It is also the owner's responsibility to ensure that all visitors and staff are informed of their duties in case of fire. During a fire emergency, a copy of the approved fire safety plan shall be prominently posted on each floor area or tenant space for the responding fire departments to use.

Contact: GTAA Fire and Emergency Services, 416-776-4515

6.8 Building and Occupant Fire Safety

Tenants shall keep their premises free from rubbish and debris at all times. For the safety of the occupants in existing buildings, tenants shall comply with the [National Fire Code of Canada](#), Division B, Part 2, dealing with eliminating or controlling fire hazards in and around buildings, installing and maintaining certain life safety systems in buildings, and installing and maintaining related signs and information.

Tenants shall ensure that fire safety training is provided to all of their employees including emergency procedures, use of portable fire extinguisher, and any special fire equipment within their areas. Training records shall be kept for at least two years and shall be made available to GTAA Fire and Emergency Services for review upon request.

Contact: GTAA Fire and Emergency Services, 416-776-4515

6.9 Fire Protection Installations

Fire protection installations shall be maintained in operating condition for the intended use of the system.

6.9.1 Shutdown Notification

When tests, repairs or alterations are made to fire protection installations, including sprinkler and standpipe systems, the following shutdown notifications shall be made in advance whenever possible:

- Integrated Operations Control Centre, who will inform GTAA Fire and Emergency Services
- third-party monitoring agency
- supervisory staff in the building
- occupants of the building

Contact: Integrated Operations Control Centre, 416-776-3055

6.9.2 Protection During Shutdown

When any portion of a fire protection system is temporarily shut down, alternative measures shall be taken to ensure that the level of safety intended by the [National Fire Code of Canada](#) is maintained.

Interruption of normal operation of a fire protection system for any purpose constitutes a “temporary shutdown.” Types of interruptions include, but are not limited to, periodic inspection, testing, maintenance, and repairs.

When a sprinkler system is shut down, alternative measures that can be taken include providing emergency hose lines, portable extinguishers, extra fire watch service, and where practicable temporary water connections to the sprinkler system.

Contact: GTAA Fire and Emergency Services, 416-776-4515

6.10 Open Flames or Fire

No person shall start any open flames or fire of any type on any part of the Airport without permission from the Airport Fire Chief.

No person shall operate an oxyacetylene torch, electric arc or similar flame or spark-producing device on any part of the Airport except in areas specifically designated for such use by the GTAA, unless a hot work permit from the Airport Fire Chief has first been obtained. Such a permit may be obtained by calling the Integrated Operations Control Centre.

Contact: Integrated Operations Control Centre, 416-776-3055

6.11 Flammable and Combustible Liquids

Wherever flammable or combustible liquids are used or stored, the [National Fire Code of Canada](#), Part 4, applies.

Contact: GTAA Fire and Emergency Services, 416-776-4515

6.12 Hazardous Activities

Activities that create a hazard and that were not considered in the original building design shall not be carried out in a building unless provisions are made to control the hazard in compliance with the [National Fire Code of Canada](#).

Contact: GTAA Fire and Emergency Services, 416-776-4515



Environment

The GTAA is committed to ensuring that activities undertaken at Toronto Pearson are carried out in an environmentally responsible manner, in compliance with applicable environmental laws and regulations, good environmental management practices, and with sensitivity to community and public concerns. The GTAA has made significant operational and capital investments to mitigate the environmental impact of Airport operations.

7.1 Environmental Emergency Contingency Plan

The GTAA makes its Environmental Emergency Contingency Plan (EECP) available to all business partners at the Airport. Tenants are required to develop their own contingency plans, consistent with the EECP, relating to their operations.

Contact: Manager, Environmental Services, 416-776-3049

7.2 Unauthorized Release of Hazardous Material

Tenants shall comply with the GTAA's current Environmental Emergency Contingency Plan. Every person shall immediately report any release or threatened release of a hazardous material on the Airport property using the Airport Emergency Line.

Contact: Airport Emergency Line, 416-776-3033

7.3 Waste Water

Tenants shall comply with the current [Airport Construction Code](#) and the applicable provisions of their leases or occupancy agreements, including the municipal sewer use bylaws regarding the discharge of

sanitary sewage and industrial waste, and the limitations on the concentration of specified constituents.

Contact: Manager, Environmental Services, 416-776-3049



Security

At Toronto Pearson, security is critical to our collective success. As the busiest airport in Canada, moving 35 million passengers a year, as a key port of entry into Canada and a place where 40,000 people are employed, we all share the responsibility for keeping Toronto Pearson safe and secure.

Threats at the Airport exist and must be managed by the GTAA and our Airport security partners. These threats can take many forms ranging from threats against civil aviation to criminal acts.

In response to threats against civil aviation, [Transport Canada](#) may increase the national Aviation Security Level, and the GTAA will respond by making appropriate adjustments in the Airport security program. We ask that business partners remain flexible and accommodating with any identified requirements. Examples of security program changes may include, but are not limited to:

- Increase in security patrols
- Fewer airside or terminal access points open or available
- Increased vigilance and awareness

8.1 Roles and Responsibilities

There are many organizations within the Toronto Pearson community that form part of the Airport security program. A few are listed below.

8.1.1 Greater Toronto Airports Authority

The GTAA coordinates security activities collaboratively with tenants, airlines and security partners. This approach ensures that the Airport is protected against legitimate threat scenarios without compromising the well-being of guests.

8.1.2 Business Partners

All business partners play an integral role in the Airport security program by remaining vigilant in their everyday activities, participating in security committees, reporting security concerns, complying with all applicable legal requirements and supporting Airport security initiatives.

8.1.3 Peel Regional Police

[Peel Regional Police](#) are the police service of jurisdiction and provide full police response and enforcement at Toronto Pearson. The Airport division protect life and property, and prevent or investigate criminal acts. They are an integral part of the Airport security program.

Information: Peel Regional Police Airport division, 905-453-3311

8.1.4 Primary Security Line Partners

Primary security line partners (with some exceptions) are businesses that occupy an area that is on the Airport's Primary Security Line and that have an access point into the Restricted Area. These businesses have specific duties and obligations under the [Canadian Aviation Security Regulations](#).

All primary security line partners are responsible to prevent the following actions:

- unauthorized persons from accessing the restricted area from the facility under their responsibility or control
- unauthorized persons from accessing aircraft, cargo or other assets within a tenant's facility
- the introduction of any weapons, explosives or incendiary devices, and components of such devices that may be used to commit an unlawful act against civil aviation

These partners report any security incidents immediately to the GTAA Integrated Operations Control Centre so that the incident can be mitigated.

Contact: Integrated Operations Control Centre, 416-776-3055

8.2 Security Programs

The following security programs are ongoing at Toronto Pearson.

8.2.1 Restricted Area Identification Card Process

The GTAA [Pass/Permit Control Office](#) issues and administers security clearances, Restricted Area Identification Cards (RAICs) and other security items to Airport business partners that have demonstrated a frequent need and right of entry into Airport restricted areas while in the performance of their duties.

Business partners shall designate a management representative who shall contact the Manager, Pass/Permit Control Office, and coordinate requirements, on behalf of the company, for the issuance of security items relevant to duties performed in restricted areas.

The designated management representative shall be the point of contact and assist the Pass/Permit Control Office in the administration and control of any security items issued to that company or any employee of that company.

Contact: Manager, Pass/Permit Control Office, 416-776-7277

Information: [Pass/Permit Control Office page](#) on TorontoPearson.com

8.2.2 Security Awareness

To provide a better understanding of the role our business partners play at Toronto Pearson, the GTAA provides a mandatory security awareness program for all RAIC holders that includes an interactive session for persons who have a requirement to access the restricted area throughout the facilities.

Information: [Security Awareness Training page](#) on TorontoPearson.com

8.2.3 Primary Security Line Partners/Tenant Security Program

Primary security line tenants play an important role in controlling access to restricted areas at Toronto Pearson.

The Tenant Security Program identifies the security obligations of tenants who have or control access to the Airport's restricted areas as part of their business operations. All primary security line tenants, including their sub-tenants, shall develop and submit a Tenant Security Plan to GTAA in compliance with the program and the [Canadian Aviation Security Regulations](#).

Contact: Manager, Aviation Safety and Security Response Programs, 416-776-4700

8.2.4 Unscreened Flights

Air carriers and ground handling agencies seeking approval for regularly scheduled, unscreened flight arrivals into Terminals 1 or 3 shall forward a written request detailing the specifics of the flight to the GTAA.

Contact: Associate Director, Corporate Policy, Safety and Security, 416-776-3260

8.2.5 Trespass Control

The GTAA maintains a trespass control program and can issue trespass notices. Any person encountering a person who is not considered a travelling passenger or greeter and who is engaged in questionable

behaviour such as loitering, cart scooping or illegal taxi operations, shall contact the Integrated Operations Control Centre.

Contact: Integrated Operations Control Centre, 416-776-3055

8.3 Security Controls

Security controls include barriers and the prohibition of certain items at the Airport.

8.3.1 Security Barriers

All buildings, obstacles and fences that form a part of the security barrier must comply with the [Canadian Aviation Security Regulations](#). The security barrier must remain secure while not in use and be kept clear of obstructions. No one is permitted to undertake any modifications or construction activities that could impact the security barrier or security posture without GTAA approval.

Snow, baggage carts, containers and equipment parking may encroach on the clearance limits of the security barrier. If the GTAA determines it necessary to remove these materials or equipment, they may be removed at the owner's expense.

Persons authorized to access or control access through the security barrier are required to prevent access by unauthorized persons.

Information: Senior Manager, Security Plans and Infrastructure, 416-776-3567

8.3.2 Sale of Weapons

The sale of weapons or any model or miniature of a weapon at Toronto Pearson is strictly prohibited.

Information: Senior Manager, Security Plans and Infrastructure, 416-776-3567

8.3.3 Prohibited Items on the Airport

The list of prohibited items published by the [Canada Air Transport Security Authority](#) identifies items that are not permitted within the secure area at Toronto Pearson as they may interfere with the safe and secure operation of aircraft or Airport facilities.

Employees may enter the secure area with prohibited items provided they are approved as tools of the trade.

Weapons, ammunition and explosives are not permitted to be accessible or in the possession of any person on Airport property unless the person is authorized by regulations and is licensed to carry such weapons, ammunition or explosives.

Authorized persons may have a firearm in their possession or accessible to them while engaged by the GTAA in wildlife control at Toronto Pearson.

Information: [Transport Canada's website](#)



Enforcement

This Handbook has been developed in part to assist business partners and others in understanding their obligations with respect to the business or activities they conduct at the Airport. This Handbook establishes minimum standards of behaviour that must be complied with to ensure the safe, secure, and efficient operation of the Airport.

In addition to any action that may be taken by government authorities or agencies relating to a violation of any statute, regulation, by-law or other lawful requirement, the GTAA shall take such action and pursue the remedies available to it that it believes are appropriate in the event any of the provisions of this Handbook are violated.

Some of the actions and remedies that the GTAA may take include, but are not limited to, the following:

1. Seek restitution by requiring the person to compensate the GTAA for any loss, damage or injury suffered by the GTAA or the Airport, including to property or the environment.
2. Require the person to rectify at their expense any loss, damage or injury caused by the person to the GTAA's property, the Airport, the property of others, or the environment.
3. Deny the person access or use of any part or all of the Airport or any facility.
4. Require the person to pay the GTAA \$5,000 as a genuine pre-estimate of the GTAA's loss, damage or injury, and not as a penalty.
5. Publish the name of any person who violates any provision contained in this Handbook.

In addition, because this Handbook is incorporated into any contract that any person may have with the GTAA—such as a lease, license or permit—any breach of this Handbook will result in a breach of such contract. In that event, the GTAA may pursue the rights and remedies described in the contract, including termination of the contract.



A

Glossary

The following terms are used in this Handbook.

Term	Definition
Access Control System	a system designed to control access through a barrier at a restricted area access point
air carrier	an aircraft operator licensed by the National Transportation Agency of Canada to transport persons, mail and goods by air for remuneration
aircraft	any and all machines capable of deriving support in the atmosphere from reactions of the air
aircraft operator	in respect of an aircraft, the person who is in charge of the aircraft, whether or not the person is actually attending the controls of the aircraft
Airport	all land and improvements within the geographical boundaries of Lester B. Pearson International Airport, also known as Toronto Pearson
Airport Construction Code	the manual issued by the GTAA from time to time that regulates construction at the Airport
Airport People Mover (APM)	automated elevated rail connection between stations at Terminals 1 and 3, and the Viscount Station, also known as the LINK train
Airport Terminal Information System	a continuous broadcast of recorded non-control information for pilots containing essential information such as weather, active runways, available approaches and important Notices to Airmen

Term	Definition
Airport Traffic Directives (ATDs)	description of the driving environment and rules and regulations for operating a motor vehicle on the airside area of Toronto Pearson, complies with Transport Canada's Aerodrome Standards and Recommended Practices
airside area	the subsystem of the Airport that provides the means for the operation and maintenance of aircraft, including such facilities as runways, taxiways, gates, aprons, aircraft holding areas, aircraft servicing and maintenance areas, and the air traffic control system
Airside Vehicle Operator's Permit (AVOP)	designation issued by the GTAA to certify that the holder can operate a motor vehicle safely on the airside area for the purpose of performing work-related duties, requires the holder to maintain a valid provincial driver's licence, RAIC, and successfully complete AVOP program testing
apron	the part of the Airport, other than the Manoeuvring Area, intended to accommodate the loading and unloading of passengers and cargo; the refuelling, servicing, maintenance and parking of aircraft; and any movement of aircraft, vehicles and pedestrians necessary for such purposes
bus	a commercial passenger vehicle operated on a per-passenger fare basis and serving a specific route or destination
business partner	commercial users of Toronto Pearson, including but not limited to air carriers, tenants, contractors, service providers, and their employees
Central Deicing Facility (CDF)	Toronto Pearson airside facility dedicated to deicing and anti-icing aircraft with a glycol processing system
Chapter 2 aircraft	The International Civil Aviation Organization's initial noise standard for jet-powered aircraft designed before 1977, included in Chapter 2 of Annex 16, <i>Environmental Protection</i> , Volume I, of the <i>Aircraft Noise to the Convention on International Civil Aviation</i> . Examples of Chapter 2 aircraft include the Boeing 727 and the Douglas DC-9.

Term	Definition
commercial passenger vehicle	a rental motor vehicle or a motor vehicle that is used in the transportation of persons for compensation
construction	any new facilities; and alteration, replacement, renovation, relocation or demolition of existing facilities at the Airport
courtesy vehicle	a motor vehicle operated by a commercial enterprise for the purpose of transporting customers of that enterprise between the Airport and the place of business of that enterprise
directive	Toronto Pearson community communication published by the GTAA from time to time that amends this Handbook
driver	with respect to a motor vehicle, the person who is driving or has care and control of that motor vehicle
emergency	an accident or incident requiring a prompt response to protect life or the safety of people, property, or the environment due to a present or imminent threat <i>See also</i> non-emergency
Emergency Response Plan (ERP)	GTAA plan that identifies the integrated response strategies for handling different emergencies at Toronto Pearson, complies with Canadian Aviation Regulations , Canadian Aerodrome Security Measures, and Canadian Aviation Security Regulations
Environmental Emergency Contingency Plan (EECP)	GTAA contingency plan that outlines emergency procedures to be used in the event of an environmental incident at Toronto Pearson to ensure a prompt and orderly response
federal statute or regulation	legislation passed under the authority of Her Majesty in Right of Canada
foreign object debris or damage (FOD)	any metal, plastic or paper litter that could potentially cause damage to jet engines and injury to persons
general vehicle station	an area at the Airport described or delineated pursuant to Rule 4 for the parking and standing of a courtesy vehicle or a commercial passenger vehicle, other than a taxi cab or limousine, used to provide transportation for passengers or goods

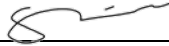
Term	Definition
Greater Toronto Airports Authority (GTAA)	the Canadian Airport Authority that manages Toronto Pearson International Airport
groundside	the subsystem of the Airport that provides the means of interchange, for both passengers and goods, between ground transport and air transport, including such facilities as terminal buildings, parking areas and structures, and the road system on the Airport property
Guest Services Representatives (GSRs)	GTAA service representatives dedicated to Toronto Pearson's guests, answering public calls, inquiries, and staffing information counters
hazardous materials	any biological, chemical or physical agent or material that could harm people, other living organisms or the environment because of its quantity, concentration or physical or chemical properties; classified as flammable, combustible, explosive, toxic, radioactive or corrosive materials; oxidizers; aerosols; or compressed gases
Integrated Operations Control Centre	GTAA call centre for emergency, security and maintenance issues; coordinates response; monitors systems; reports
key	any device designed to provide access to a restricted area at a restricted area access point
Lightning Detection System (LDS)	system that warns of imminent lightning strikes at Toronto Pearson using a combination of real-time lightning strike information and sensors that measure the local electric field
limousine	a commercial passenger vehicle other than a bus that has a seating capacity of not more than six passengers, including the driver, that is used for the transportation of passengers on a zone fare basis
limousine station	an area at the Airport described or delineated pursuant to Rule 4 for the parking or standing of any limousines
Manoeuvring Area	that part of the Airport used for the takeoff and landing of aircraft, and for the movement of aircraft associated with takeoff and landing, excluding aprons

Term	Definition
Movement Area	that part of the Airport used for the surface movement of aircraft, including the Manoeuvring Area and aprons
non-emergency	an accident or incident where the threat to life or the safety of people, property, or the environment is neither present nor imminent <i>See also</i> emergency
Notice to Airmen (NOTAM)	alerts to pilots of any hazards en route to a specific location, published by government agencies and airport operators
operator	in respect of commercial passenger vehicles or courtesy vehicles, the person who is in charge of the vehicle, whether or not the actual driver
permit	a licence to operate at Toronto Pearson issued pursuant to Rule 4
permit holder	the operator specified in the permit
person	any individual, firm, co-partnership, corporation, company, association or political body, including any trustee, receiver, assignee, or representative thereof
plate	a plate, card, sticker or other device provided pursuant to Rule 4
police officer	a person employed by a municipal or regional police service to preserve the public peace, and who is engaged in the execution of his or her duties
provincial statute or regulation	legislation passed under the authority of Her Majesty in Right of Ontario
restricted area	an area of the Airport designated by a sign as an area to which access by persons or vehicles requires the authorization (RAIC) and need and right
restricted area access point	a point in a barrier at which an access control system is in place
Restricted Area Identification Card (RAIC)	a document or other piece of identification approved or issued by or under the authority of the Chief Executive Officer authorizing its holder to have access to a restricted area

Term	Definition
roadway	that portion of a highway or street improved, designed, or ordinarily used for vehicular travel
Safety and Security Officer (SSO)	GTAA safety and security response and enforcement officers who patrol the Toronto Pearson site from the access roads and parking garages (Guest and Terminal Services Safety and Security Officer— GTS-SSO), to the secure apron areas around the aircraft (Aviation Services Safety and Security Officer—AVS-SSO)
screening	the measures established, maintained and carried out for the control, identification, observation inspection or search of persons, personal belongings, baggage and cargo to prevent the unauthorized possession and carriage of weapons, explosives and incendiaries on the Airport or on-board aircraft
security barrier	any physical structure or natural feature designed or used to prevent or deter access by unauthorized persons to a restricted area of the Airport
security measures	measures aimed at preventing unlawful interference with civil aviation or actions that are contrary to this Handbook
security personnel	persons employed at the Airport to provide services aimed at preventing unlawful interference with civil aviation and ensuring that appropriate action is taken where that interference occurs or is likely to occur
service animal	any dog that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability
taxi cab	a commercial passenger vehicle, other than a bus or limousine, fitted with a meter that is used to determine the fee to be paid pursuant to Rule 4
taxi cab station	an area at the Airport described or delineated pursuant to Rule 4 for the parking or standing of any taxi cab
tenant	a leaseholder, licensee or other occupant of land or premises within the boundaries of the Airport, and his or her subleases or duly authorized agents

Term	Definition
Tenant/Airline Representatives (TARs)	GTAA service representatives dedicated to Toronto Pearson's airline customers, tenants and government agencies
terminal building	all buildings and structures located within the Airport and open to the public for the purpose of flight ticket purchase, public lobby waiting, baggage check-in and other services related to public air travel, including Terminals 1 and 3
vehicle	any automobile, truck, bus, or any self propelled vehicle or device in which any person or property can be transported, carried, or conveyed on land, but does not include an aircraft
vehicle operator	in respect of commercial passenger vehicles or courtesy vehicles, the person who is in charge of the vehicle, whether or not the person is actually the driver
weapon	anything used or intended for use in causing death or injury to persons, whether designed for such purpose or not, or anything used or intended for use for the purpose of threatening or intimidating any person, and, without restricting the generality of the foregoing, includes any firearm

This is Exhibit “D” referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)
Shimon Sherrington

Introducing The Pearson Standard: Rules & Regulations



ZZG-thepearsonstandard

To ○ ZZG-thepearsonstandard

Bcc

😊 Reply Reply All Forward 🗨️ ⋮

Mon 6/5/2023 11:19 AM

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[Redacted] Rob Hoffart; [Redacted]

Internal to GTAA

Hello,

We are pleased to share with you our new Pearson Standard: Rules & Regulations. The purpose of this document is to provide a shared path toward achieving a new standard of responsibility, performance and quality that benefits us all. It is effective today, June 5, 2023, and replaces the Pearson Handbook for Business Partners, which you may be familiar with.

You can find the Rules & Regulations in a new dedicated section of the website: www.torontopearson.com/thepearsonstandard

The Pearson Standard: Rules & Regulations document is a comprehensive, easy-to-access resource where your obligations and rights are clearly described. Refer to it when you need clarity on what we expect from you, or what you should expect from us. This document can also provide guidance on addressing challenges when they arise. It's designed to help us all create successful customer and business relationships.

The Rules & Regulations are incorporated into many of our contractual agreements, so please familiarize yourself with them and promptly take any steps necessary to ensure you adhere to them. Please fill out this form to confirm receipt of the new Rules & Regulations: <https://forms.office.com/r/CJdJiNU879>

To complement the Rules & Regulations, we have also published the GTAA Commitment to The Pearson Standard. This outlines the standards we aim to achieve for areas within our control.

It's you, our partners, that make Toronto Pearson an airport we can all be proud of. The expectations outlined in Rules & Regulations are essential to building a world-class international airport with safety, security, and quality of service as priorities. When everyone succeeds, Pearson succeeds.

We look forward to achieving world-class performance, together. For questions, please contact thepearsonstandard@gtaa.com.



The Pearson Standard
Greater Toronto Airports Authority
www.TorontoPearson.com



Rules & Regulations



The Pearson Standard

Our shared path toward achieving new standards of responsibility, performance and quality that benefit us all.

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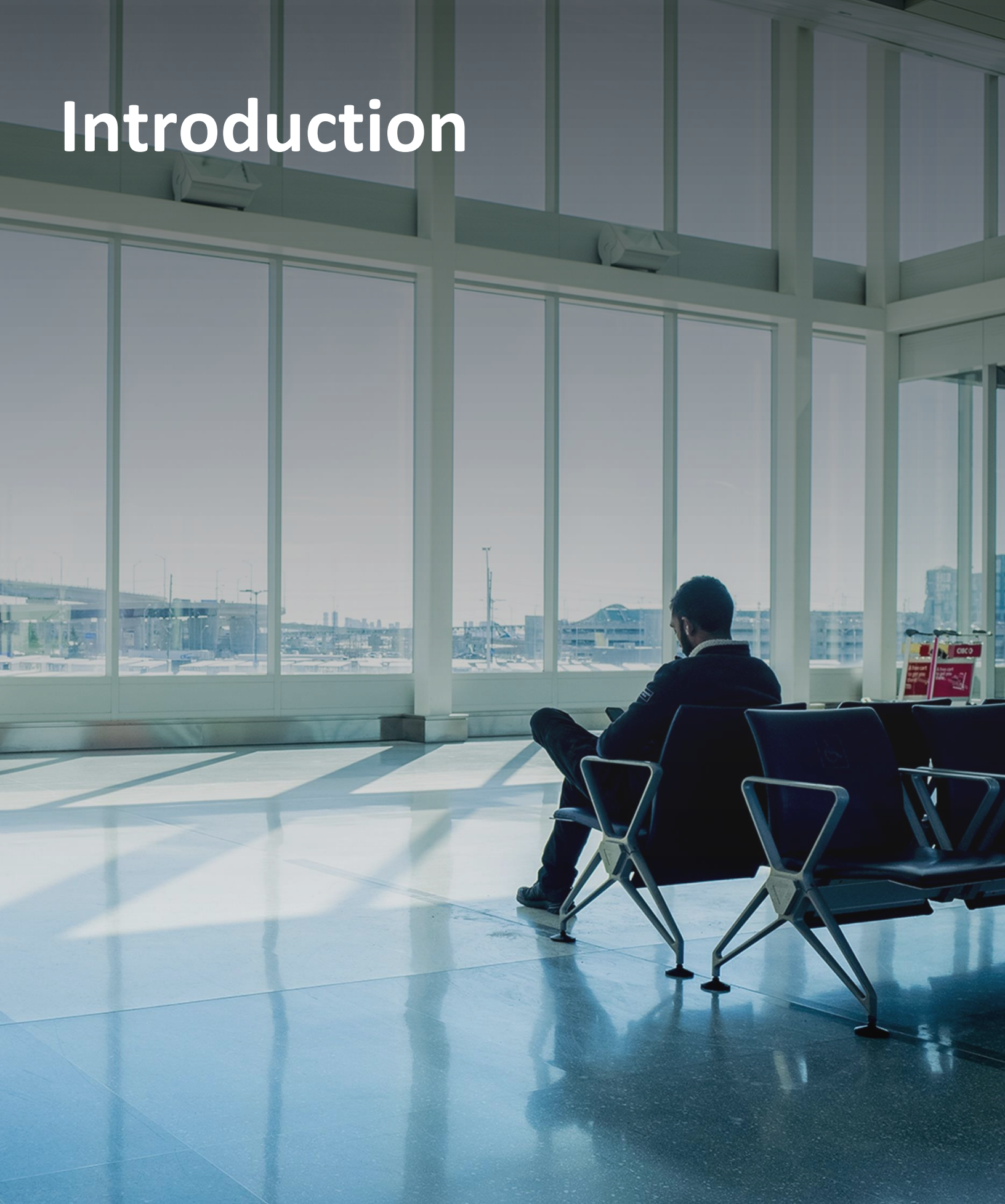
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Revisions log

Summary of new and revised pages

Date (DD/MM/YY)	Type (New, Revision)	Section(s)	Description
05/06/23	New	All	First publication of the GTAA Rules and Regulations

Introduction



1. Authority, objectives and binding obligations

Authority

- 1.1 The Greater Toronto Airports Authority (“GTAA”), as the operator of Toronto – Lester B. Pearson International Airport (“Airport”), derives its authority to operate the Airport and establishes its rules and directives through federal laws and the Ground Lease.

Objectives

- 1.2 The objectives of the GTAA Rules and Regulations (“GTAA Rules”) are to:
 - 1.2.1 Ensure that Airport operations are carried out in a safe, secure, efficient, and sustainable manner by Airport Users.
 - 1.2.2 Promote accountability among Airport Users to deliver high standards of operational efficiency and innovation, safety, customer service, stakeholder collaboration, and employee well-being.
 - 1.2.3 Ensure the lawful and orderly use of Airport infrastructure, facilities, and services at all times by Airport Users.
 - 1.2.4 Foster compliance with GTAA internal guidance, plans, programs, policies, procedures, directives, advisories, notices, manuals, codes, standards, protocols, recommended practices, and according to the provisions of contracts, agreements, licences, permits, and leases.
 - 1.2.5 Ensure that Airport operations are conducted in compliance with applicable national and international laws, regulations, and recommended practices, particularly in the areas of safety, security, environmental protection, health protection, accessibility, privacy, and confidentiality.

Binding obligations

- 1.3 Airport Users agree to be bound by the obligations set out in the GTAA Rules and commit to ensuring that all their agents, licensees, and sub-contractors are familiar and fully comply with the sections that apply to them.
- 1.4 Airport Users are expected to comply with all government laws and regulations that apply to their activities.
- 1.5 The GTAA commits to administering the GTAA Rules consistently, fairly, and transparently, and conducting any monitoring and auditing activities objectively and rigorously.
- 1.6 The GTAA is committed to achieving world class performance and has documented the GTAA Commitment to the Pearson Standard to outline standards for operational excellence in the areas of its direct control.

Effective date

- 1.7 The GTAA Rules take effect as of the date inserted in the first line of the Revisions Log and supersedes the Toronto Pearson Handbook for Business Partners published on November 15, 2011, and last amended on April 22, 2013.

Amendments

- 1.8 The GTAA reserves the right to make amendments to the GTAA Rules from time to time and at its sole discretion in order to:
 - 1.8.1 Address safety, security, health, and environmental obligations, incorporate sustainability practices, and close gaps related to operational performance, customer service and passenger experience.
 - 1.8.2 Comply with government laws and regulations, new international legal frameworks and standards, and global recommended best practices.
 - 1.8.3 Maintain the financial viability, competitiveness, and reputation of the Airport.
- 1.9 The GTAA will provide reasonable written notice to Airport Users in relation to any future amendments to the GTAA Rules via accessible means of communication and, where change is necessary, reasonable time to adjust their operations to comply with the amendment.

Conflicts with government laws and regulations

- 1.10 In the event of a conflict or inconsistency between the GTAA Rules and government laws or regulations, the applicable government law or regulation shall prevail to the extent of the inconsistency or conflict.

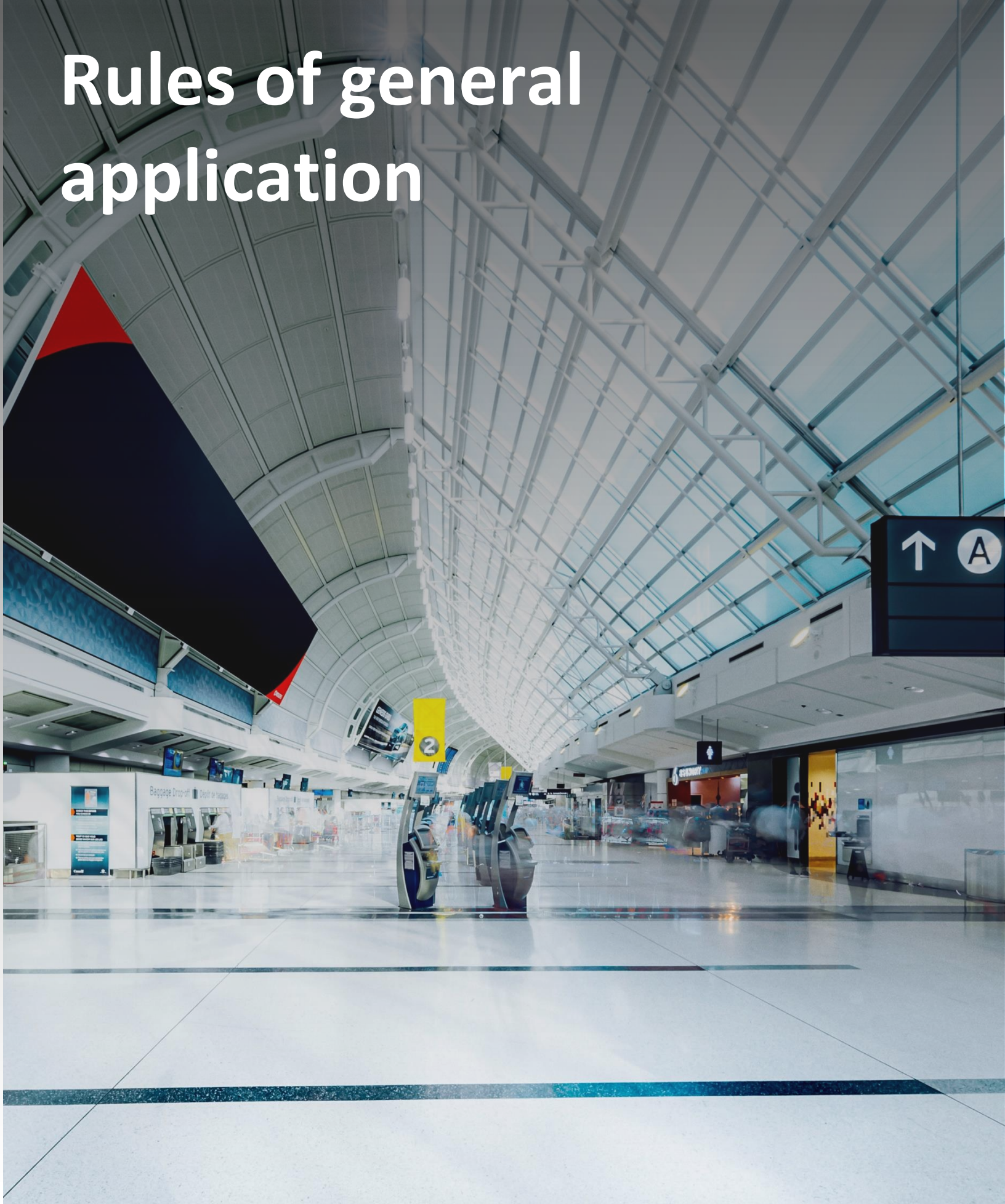
Incorporation

- 1.11 The GTAA Rules will be incorporated by reference into all GTAA contracts, agreements, licences, permits, and leases.

Compliance and accountability

- 1.12 Non-compliance with the GTAA Rules may result in:
 - 1.12.1 The exercise of available remedies as deemed appropriate by the GTAA, up to the termination of existing contracts, agreements, licences, permits, and leases, in accordance with their terms and conditions.
 - 1.12.2 The pursuit of corrective and remedial actions, as set out in Section 13 (User Accountability and Dispute Settlement) of the GTAA Rules.
 - 1.12.3 The reporting of non-compliance to governmental authorities and any independent agency with appropriate jurisdiction, including but not limited to Transport Canada, the Canadian Transportation Agency, and the Transportation Safety Board of Canada.

Rules of general application



2. Minimum standards and requirements

Standard of conduct

- 2.1 Airport Users must carry out all their activities at the Airport:
 - 2.1.1 With safety and security as their highest priority.
 - 2.1.2 In compliance with relevant and applicable laws, regulations, and directives.
 - 2.1.3 With consideration to any guidance or circulars issued by government authorities in Canada and the International Civil Aviation Organization (ICAO).
 - 2.1.4 In compliance with existing contracts, agreements, licences, permits, and leases between the GTAA and Airport Users.
 - 2.1.5 In conformity with the GTAA Rules and any other document issued by the GTAA in relation to the use of Airport infrastructure, services, or facilities.
- 2.2 Airport Users must ensure that they achieve, within their area of activity, a standard of Airport customer service consistent with a first-class facility and major international airport, and in accordance with recognized industry standards and best practices.
- 2.3 Airport Users must provide all required training to their employees, sub-contractors, agents, and licensees on their responsibilities and obligations under the GTAA Rules.

Airport safety and security

- 2.4 Safety and security are at the core of every decision at the GTAA and must remain the highest priority for Airport Users in all areas of activity at the Airport.
- 2.5 Airport Users must carry out their safety and security obligations in compliance with all policies, procedures, programs, directives, and regulations set forth by the GTAA and all applicable local, provincial, and federal laws and regulations.
- 2.6 Airport Users must ensure that their employees, agents, licensees, and sub-contractors, are aware of [GTAA's safety and security policies](#) and fully trained on their specific safety and security responsibilities while on Airport premises.
- 2.7 Airport Users must report any safety concerns proactively and in a timely manner, with the view to prevent or mitigate injury to persons and damage to property.
- 2.8 Airport Users must immediately report any imminent risk or danger that could jeopardize the safety and security of Airport operations.
- 2.9 For emergencies, including potential injury, suspicious persons, vandalism, and life-threatening situations when on Airport property, call 416-776-3033. Do not call 911.
- 2.10 For urgent but non-emergency situations, call 416-776-3055.
- 2.11 For any security concerns such as unattended items, gates, or doors not closing/securing, piggy-backing, and suspicious activity, call 416-776-7381.

Operational performance requirements and Service Level Standards

- 2.12 Airport Users must comply with GTAA's operational performance requirements and Service Level Standards contained in the GTAA Rules, the [GTAA Service Levels and Standards](#) and any applicable service levels contained in the [Ground Operations Manual](#) and individual contracts, agreements, licenses, permits and leases.
- 2.13 Airport Users must immediately notify the Airport Duty Manager (ADM) and the Integrated Operations Control Center (IOCC) when circumstances may prevent them from meeting any operational performance requirement or Service Level Standard.
- 2.14 The GTAA will communicate additional Service Level Standards from time to time as required to maintain operational performance outcomes consistent with a first-class facility and world class airport. Common industry indicators that will be considered in setting additional Service Level Standards include, but are not limited to:
 - 2.14.1 Check-in queue time for domestic, transborder and international flights.
 - 2.14.2 Baggage collection time for domestic, transborder and international flights.
 - 2.14.3 Waiting time for first Passenger deplanement (inbound flights).
 - 2.14.4 Waiting time for mobility assistance services (inbound and outbound flights).
 - 2.14.5 Security control processing times for outbound Passengers.
 - 2.14.6 Processing times for U.S. bound preclearance Passengers.
- 2.15 The GTAA reserves the right to update its operational performance requirements and Service Level Standards from time to time in order to ensure efficient operations at the Airport, delivery of adequate and equitable levels of customer service, and compliance with government laws and regulations. Notice of updates will be communicated to Airport Users with a reasonable time to make necessary adjustments to comply.
- 2.16 The GTAA may require Airport Users to enter into specific service level agreements (SLA) as may be necessary to adequately address individual requirements such as minimum staffing levels, cleanliness, wait times or other performance standards.
- 2.17 The GTAA will take all means necessary to monitor compliance with operational performance requirements and Service Level Standards fairly and using methods to ensure accuracy and transparency. This may include issuing performance report cards, quality assurance checks and formal audits.

- 2.18 Airport Users who fail to meet operational performance requirements and Service Level Standards, in addition to any other requirements contained in contracts, agreements, licenses, permits and leases with the GTAA, must take immediate steps to remedy such failures and meet any additional requirements of the GTAA.

Employment standards

- 2.19 The GTAA is committed to adopting policies and practices that support Airport Users in their commitment to diversity, equity, and inclusion in the hiring and promotion of employees.
- 2.20 Airport Users are expected to:
- 2.20.1 Comply with employment and accessibility laws.
 - 2.20.2 Ensure that their employees have access to a safe working environment and earn a fair wage that allows them to afford adequate shelter, food, and other necessities.
 - 2.20.3 Support their employees through continuous investments in health and safety training as well as wellness and mental health programs and initiatives.
 - 2.20.4 Demonstrate their commitment to diversity, equity, and inclusion in their hiring and promotion practices.
 - 2.20.5 Adopt policies and practices that support worker retention, optimal resource allocation, and work-life balance.
 - 2.20.6 Provide customer service training to all Passenger-facing employees, including frontline staff, supervisors, and management. Such training should be completed within 60 days of hiring and occur at least once per year, as a minimum requirement, to ensure a consistent customer experience.

Facilities alterations

- 2.21 All construction and contractor activity at the Airport requires a Facility Alteration Permit (“FAP”) issued in accordance with the [Airport Construction Code](#).
- 2.22 Requests for FAPs shall be addressed to the Construction Compliance and Permits Office (“CCPO”) at constructioncompliance@gtaa.com.
- 2.23 The CCPO has been designated as the Authority Having Jurisdiction pursuant to the [Airport Construction Code](#) for all construction at the Airport with a mandate to ensure compliance with applicable codes and construction safety laws.
- 2.24 Further information about the regulatory framework and compliance requirements for any construction or contractor activity at the Airport, including any updates or guidance, can be found at the CCPO’s [webpage](#).

Liability, insurance, and risk management

- 2.25 To the extent permitted by law, neither the GTAA nor its agents or employees shall have any liability or be obliged to indemnify Airport Users in respect of indirect losses, consequential losses, loss of profits, loss of revenue, loss of goodwill, loss of opportunity, loss of business, increased costs or expenses, wasted expenditure, crime, bodily injury, or any other injury, loss, damage, claim, cost, or expense caused by any act, omission, neglect, or fault of the GTAA or any of its employees or agents.
- 2.26 Airport Users must always hold current and adequate insurance, as determined, and approved by the GTAA, when using infrastructure, facilities, and services or conducting activities at the Airport.
- 2.27 His Majesty the King in Right of Canada and the GTAA and its members and their directors, officers, employees, agents, and those for whom in law they are responsible are to be named as additional insureds on any policies with respect to the liability arising out of the activities of the named insured.
- 2.28 The GTAA may refuse entry to the Airport to any Airport User who fails to hold the required insurance.
- 2.29 Air Operators must hold passenger, baggage, cargo, and third-party liability insurance in respect of any Aircraft used or operated at the Airport, in compliance with Canadian laws, regulatory requirements, and related jurisprudence. The liability limits must meet the current Aircraft fleet configuration and make-up and must:
- 2.29.1 Apply separately to each insured against whom a claim could be made.
 - 2.29.2 Be primary such that no other insurance or self-insured retention carried or held by the GTAA shall be called upon to contribute to a loss.
 - 2.29.3 Provide 30 days written notice in the event of cancellation or any limit reduction or material change.
- 2.30 Certificates of Insurance must be provided annually to: insurance.services@gtaa.com.
- 2.31 Airport Users must put in place risk management programs and policies to minimize any risks which may cause injury to persons or damage to property in the course of their activities at the Airport.
- 2.32 The GTAA reserves the right to conduct quality assurance inspections on Airport Users programs and policies from time to time or when the GTAA suspects there may be weaknesses that need to be addressed.
- 2.33 The GTAA has the right to charge the Airport User the cost of such quality assurance inspections or corrective action planning if it is determined that the programs and/or policies are not sufficient to address the reasonable risks.

Aeronautical fees and charges

- 2.34 Air Operators must pay Aeronautical Fees and Charges, as set out in the [fee schedules](#).
- 2.35 Certain Air Carriers who have entered into an agreement with the GTAA will be billed in accordance with the charges and fees set out in that agreement.
- 2.36 The GTAA reserves the right to adjust Aeronautical Fees and Charges from time to time.
- 2.37 Air Carriers must enter into an Airport Improvement Fee (AIF) agreement with the GTAA and adjustments to AIF shall be governed by the terms of that agreement.
- 2.38 Air Carriers must submit a security deposit in a form and amount determined by the GTAA's Finance Controller and detailed in the GTAA's Air Carrier – Application for Entry prior to commencing operations. The GTAA may apply the security deposit towards overdue amounts of Aeronautical Fees and Charges or to cover costs associated with violations of the GTAA Rules or under any other agreements.
- 2.39 The GTAA will notify the Air Carrier of any overdue and unpaid amounts and give an opportunity to pay prior to applying the security deposit. The GTAA is not required to give notice to apply the security deposit if the Air Carrier has declared bankruptcy or commenced insolvency proceedings in any jurisdiction.

Continuity plans

- 2.40 Airport Users must put into place continuity plans to address disruptions resulting from system outages, weather-related events, labour shortages, and any other incidents outside their control.
- 2.41 The GTAA reserves the right to request a copy of any continuity plan to support its own plans and to review from a quality assurance perspective to ensure its adequacy to address disruptions.
- 2.42 The GTAA has the right to charge the Airport User the cost associated with a quality assurance review and corrective action planning if it is determined that the plan is not sufficient.

3. Flight information sharing requirements

General requirements

- 3.1 The GTAA reserves the right to issue data requests from time to time in order to:
 - 3.1.1 Plan Airport operations effectively and safely.
 - 3.1.2 Invoice rates, charges, and fees accurately.
 - 3.1.3 Measure and improve Airport operational performance.
- 3.2 Airport Users must comply with data requests issued by the GTAA in a timely manner, and fulfill any additional requirements related to IT systems and infrastructure, messaging formats, communication standards, and data verification, as applicable.
- 3.3 Airport Users are solely responsible for the accuracy and completeness of data transmitted to the GTAA.
- 3.4 Airport Users must take all reasonable measures to resolve data discrepancies, and these shall be timely reported to the GTAA.
- 3.5 Airport Users must ensure the data transmitted does not contain any personal or identifying information of any Passengers, including but not limited to names, addresses, phone numbers, personal identification numbers, information identifying personally owned property, employment information, medical information, education information, financial information, place of birth, race, and religion.
- 3.6 Airport Users where applicable and unless directed otherwise by the GTAA, must use the International Air Transport Association (IATA) messaging and communications standards when submitting data.

Estimated passenger loads

- 3.7 The GTAA requires accurate inbound and outbound estimated passenger loads to support the assignment of check-in counters and the management of day-to-day operations based on actual operational requirements and resources made available by customs, immigration, and airport security agencies, including baggage and lateral capacity, post security gate flows, arrival flows, arrivals baggage hall and cleaning staff.
- 3.8 Air Carriers are required to report estimated passenger loads and estimated baggage/cargo loads for each flight that is scheduled to operate at least 4 weeks before the scheduled flight. Updates to the estimates are required at least weekly and in the week prior to operation of the flight, daily. All flight load information provided by an Air Carrier will be held in confidence by the GTAA for internal planning purposes and will not be disclosed to other Airport Users.

Inbound and outbound real-time flight data

- 3.9 The GTAA requires Air Operators to submit the following data as soon as an Aircraft is airborne from its originating outstation, on a flight-by-flight basis, for both inbound and outbound flights:
 - 3.9.1 The total number of Passengers, specifying the number of children and airline crew (flight and cabin), that terminate their journey or connect at the Airport.
 - 3.9.2 For connecting Passengers, the flight number and airline on which they are scheduled to connect at the Airport.
 - 3.9.3 The total number of Passengers with restricted mobility and requiring assistance upon arrival at the Airport.
 - 3.9.4 The number of registered baggage and the total weight of air cargo to be embarked and disembarked at the Airport.
 - 3.9.5 Estimated landing time at the Airport for inbound flights and estimated departure time for outbound flights, and reason of delay.
 - 3.9.6 For air cargo, both belly and full freighter, the weight and declared values of all items being carried at departure and arrival.
- 3.10 Real-time flight data must be transmitted to the GTAA using SITATEX or another messaging or communication standard, as mutually agreed between the GTAA and the Air Operator.

Baggage-related data

- 3.11 Air Carriers must provide baggage source message (BSM) information and missed bags counts for the purposes of monitoring baggage transfers and delivery at the Airport.
- 3.12 Air Carriers are required to report to the GTAA on late and missed bags on a daily basis, during normal or irregular operations. In addition to the report, Air Carriers are required to provide a storage plan and mitigating measures that may be required to minimize disruption within the terminal.
- 3.13 When an Air Carrier elects not to use the Airport's Baggage Reconciliation System (BRS), they must provide a real-time baggage processing message for all inbound and outbound baggage movements:
 - 3.13.1 When an outbound bag is moved off the make-up position.
 - 3.13.2 When an outbound bag or Unit Load Device (ULD) is placed into the aircraft.
 - 3.13.3 When an inbound bag or Unit Load Device (ULD) is taken off the aircraft.
 - 3.13.4 When an inbound bag is placed onto the baggage claim/transfer conveyor.

4. Accessibility and official languages

General obligations

- 4.1 The Airport is committed to providing a barrier-free, safe, and enjoyable passenger experience, including a wide variety of accessible services and facilities designed to enable more choice, comfort, and autonomy for persons with disabilities throughout the travel journey.
- 4.2 Airport Users must comply with the statutory obligations, technical requirements, and training program responsibilities set out in the [Accessible Transportation for Persons with Disabilities Regulations](#) (“Accessibility Regulations”) and all other legislation relating to accessibility applicable to them.
- 4.3 Airport Users subject to the Accessibility Regulations and any other accessibility legislation must not impair the Airport’s own compliance with the Accessibility Regulations or such legislation and must act with diligence in carrying out their activities in compliance with applicable accessibility legislation, including advising the Airport of any potential shortfalls and providing corrective measures as soon as practicable.
- 4.4 Airport Users who have been sub-contracted to provide services on behalf of the Airport and who interact with Passengers while carrying out their activities must comply with the obligations and training requirements in the Accessibility Regulations.
- 4.5 If Airport Users or any of their sub-contractors fail to comply with the provisions of the Accessibility Regulations or other accessibility legislation, such Airport Users or any of their sub-contractors shall indemnify the GTAA for any costs incurred as a result of such failure to comply.
- 4.6 Air Operators self-handling the provision of mobility assistance services for their Passengers must meet the minimum specified Service Level Standards set forth in the Air Carrier Mobility Assistance Services Agreement.

Services in English and French

- 4.7 The GTAA is committed to providing services in both of Canada’s official languages. As such, Airport Users and Air Carriers are expected to comply with the [Official Languages Act](#) (“OLA”) and therefore must:
 - 4.7.1 Communicate with Passengers in both English and French.
 - 4.7.2 Ensure that Passengers receive services in both English and French.
 - 4.7.3 Ensure that all signage is presented in equal size and prominence in both official languages.
- 4.8 Airport Users and Air Carriers must collaborate with the GTAA to achieve the above objectives, and as otherwise determined by the GTAA in support of its OLA obligations at the Airport.
- 4.9 If Airport Users or Air Carriers fail to comply with the provisions of the OLA, they shall indemnify the GTAA for any costs incurred as a result of such failure to comply.

5. Health and safety

General obligations

- 5.1 The GTAA is committed to maintaining a strong safety culture across the Airport, and to applying best industry practices in health and safety protection, aligned with international aviation standards and regulatory requirements.
- 5.2 Airport Users must protect the health and safety of every person at the Airport, including workers, visitors, and members of the public, in compliance with the [Canada Labour Code](#) or the [Ontario Occupational Health and Safety Act](#), as applicable.
- 5.3 Airport Users are responsible for providing their employees with training, safety materials, equipment, devices, and clothing as required by the [Canada Labour Code](#), the [Ontario Occupational Health and Safety Act](#), or any other health and safety laws, as applicable.
- 5.4 The GTAA reserves the right to issue guidance, plans, programs, policies, procedures, directives, advisories, notices, standards, protocols, and recommended practices related to the achievement of a healthy and safe Airport environment and workplace for Passengers and employees.
- 5.5 Airport Users must align their policies, procedures, and practices with the GTAA's health and safety standards, and safety reporting requirements, and provide the required level of awareness and training to their employees, agents, and sub-contractors.

Airside requirements

- 5.6 Airport Users must provide and enforce the use of Personal Protective Equipment (PPE) to all their employees, regardless of their employment status (i.e., active, full-time, part-time, or on probation) as long as they are working Airside. Prescribed safety PPE must include a safety vest, safety shoes, and hearing protection.
- 5.7 Airport Users must also provide the necessary training to ensure that all employees are aware of potential hazards while working Airside, in line with GTAA codes, standards, manuals, and recommended practices.
- 5.8 Airport Users must comply with and enforce the PPE requirements. Violations will result in corrective actions required by the employee and employer and could result in the confiscation of the offending employee's Restricted Area Identity Card ("RAIC") or any other measure the GTAA deems fit. The GTAA may conduct an audit of any Airport User's compliance and enforcement of the PPE requirements, and Airport Users must comply with any mandatory actions resulting from such audit.

Training and awareness

- 5.9 The GTAA requires new, existing, returning, or RAIC-holder Airport transfer employees to complete the Health & Safety Awareness mandatory course, which can be accessed through the [GTAA's Airport Security and Safety Awareness webpage](#).
- 5.10 The GTAA organizes safety forums such as the Toronto Pearson Leadership Safety Forum and the Toronto Pearson Workers Safety Forum where Airport Users can discuss safety issues with an aim to continuously improve safety for all Airport Users. While not required, participation is strongly recommended as the GTAA values the feedback received from these safety forums and considers all recommendations and improvements put forward with respect to GTAA's health and safety practices.

6. Environment

General principles and obligations

- 6.1 The GTAA is committed to ensuring that activities at the Airport are carried out in an environmentally responsible manner, in compliance with relevant environmental laws and regulations, sound environmental management practices driving continual improvement, and with a sense of responsibility to the community.
- 6.2 The [GTAA's Environmental Policy](#) guides every aspect of Airport operations, including targets to achieve net zero greenhouse gas (GHG) emissions and net zero waste from Airport terminals by the year 2050. The policy focuses on seven areas:
- climate change resiliency
 - carbon neutrality and emissions
 - energy use, (iv) water management
 - natural environment
 - waste management, and
 - noise management
- 6.3 The GTAA's Environmental Emergency Contingency Program outlines the best practices to be implemented by Airport Users in the event of an environmental incident at the Airport and plays a key role in achieving and maintaining a state of readiness that will allow a prompt and orderly response.
- 6.4 Airport Users must take all reasonable steps to operate in an environmentally responsible manner by preventing pollution, conserving resources, recycling, and composting materials, reducing emissions from equipment, vehicles, and stationary sources to the maximum extent practicable, and exercising care in relation to the storage, transportation, and disposal of Hazardous Materials.

Noise management

- 6.5 Air Operators must abide by Transport Canada's noise abatement procedures and the [GTAA's Night Flight Restriction Program](#), which limits the number of movements and requires Air Operators to receive approval during restricted hours.
- 6.6 The GTAA will investigate any potential violations of noise abatement procedures and the Night Flight Restrictions Program. Air Operators are required to cooperate if they become subject to an investigation.
- 6.7 Any suspected non-compliance with the noise abatement procedures or the Night Flight Restriction Program will be reported to Transport Canada for review and potential enforcement action.
- 6.8 Any questions related to the GTAA's Noise Management Program and/or Aircraft noise shall be directed to the Noise Management Office (NMO) at community.engagement@gtaa.com.

Waste management (non-hazardous)

- 6.9 Airport Users must not place, discharge, or deposit in any manner, papers, trash, rubbish, waste materials, or other refuse anywhere at the Airport, except in acceptable receptacles and in pre-approved designated locations.
- 6.10 Airport Users must exercise care when handling waste materials within the Airport. Any spillage must be cleaned up immediately using effective methods to minimize environmental and property damage.
- 6.11 All trash, rubbish, and waste materials must be covered and secured when transported and all receptacles for said materials must have covers.
- 6.12 Any deposit of garbage, debris, or refuse in unauthorized locations must be collected and removed from the Airport by the responsible Airport User.
- 6.13 Burning of refuse, waste, or other materials without the prior consent of the GTAA Environmental Services Department is strictly prohibited.
- 6.14 The GTAA may arrange for collection and removal of waste and refuse at its own discretion and charge the Airport User for all costs incurred in doing so.
- 6.15 No Airport User shall access any waste room, chute room, or other associated waste storage location or leave items inside without the prior consent of the GTAA.

Water quality

- 6.16 Airport operations involve the use of a variety of chemicals which, if not properly contained or collected when used, can have detrimental effects to the surrounding environment, including but not limited to groundwater, and nearby surface waters.
- 6.17 Airport Users must abide by the relevant GTAA guidelines, federal regulations, municipal guidelines and by-laws, and bilateral discharge agreements that provide maximum acceptable limits for Effluent compounds.
- 6.18 All sewer Effluent leaving a building space or land parcel, depending on its destination, must meet the applicable current Effluent limits for the Region of Peel or City of Toronto sewer use bylaws, and the Canadian Water Quality Guidelines.
- 6.19 Sewer Effluent leaving the Airport must comply with the [Fisheries Act](#), and may require such Effluent to be treated by physical or chemical means. No physical or chemical treatment may be implemented without prior written approval from GTAA Environmental Services.
- 6.20 Oil/water separators must be installed in such a manner that they can be easily inspected and maintained on a regular basis. Once operational, records of maintenance must be made available by the Airport User to the GTAA upon request.

Air quality

- 6.21 The GTAA encourages all Airport Users to use low emission vehicles, construction equipment and machinery, and low emission products to reduce air emissions and contaminants associated with their activities.
- 6.22 Airport Users must comply with laws and regulations regarding air quality protection such as the [Canadian Environmental Protection Act](#) and the Ontario Environmental Protection Act and must exercise caution in the handling of pollutants and other Hazardous Materials that can become airborne, both indoor and outdoor.
- 6.23 Airport Users must comply with all federal and provincial laws respecting ozone-depleting substances (ODS), including the most current [Federal Halocarbon Regulations](#) under the [Canadian Environmental Protection Act](#) that control the import, manufacture, and export of ODS, and controls the end use of halocarbons.

Food service sewage

- 6.24 Fixtures in food and beverage locations at the Airport that discharge sewage that includes fats, oils, or grease must be discharged through a fully automatic grease interceptor also known as a grease recovery device. If directed by the GTAA through FAP review or other written means, dishwasher discharge must also be connected to a grease recovery device.
- 6.25 The installation, testing, maintenance, and performance of the grease interceptor must comply with the Standards Council of Canada's Grease Interceptor Standard CAN/CSA B481 and manufacturer requirements.

Hazardous materials

- 6.26 Airport Users acknowledge that improper storage, use, and handling of Hazardous Materials can pose threats to human health and safety, introduce contaminants into previously uncontaminated soils, vegetated areas, emissions into the atmosphere, surface waters, and/or groundwater, cause changes to ecosystems, and pose threats to ecological receptors.
- 6.27 Airport Users are responsible for the disposal of their waste and Hazardous Materials, in accordance with applicable laws, regulations, codes, standards, the [Transportation of Dangerous Goods Act](#), the [Hazardous Products Act](#), and the [Ontario Regulation 347 General Waste Management](#) of the [Environmental Protection Act](#).
- 6.28 Airport Users must immediately report any release or threatened release of a Hazardous Material at the Airport by calling the Airport Emergency Line at 416-776-3033.

Environmental emergency contingency plan

- 6.29 Airport Users must develop and maintain environmental emergency contingency plans and procedures, as detailed in the [Ground Operations Manual](#), lease or licence agreements, or by other applicable requirement by law or otherwise.
- 6.30 Plans and procedures must cover the potential hazards and risks associated with the Airport Users' operations and activities at the Airport and must be consistent with the GTAA's environmental emergency contingency plan.
- 6.31 Airport Users' environmental emergency contingency plans and procedures are reviewed and verified by GTAA Environmental Services during onboarding and environmental audits. Failure to provide or comply with an environmental emergency contingency plan will result in corrective actions, including but not limited to escalation via the relevant lease or licence agreement, the [Ground Operations Manual](#), or any other remedy at the sole discretion of the GTAA.

7. Data protection and cybersecurity

Data collection

- 7.1 Subject to privacy and data protection laws, including the [Personal Information Protection and Electronic Documents Act](#) and the common law governing the transmission of confidential information in Canada, the GTAA reserves the right to collect, use, and disclose personal data and confidential information from the public and Airport Users, directly or via a third party, including but not limited to when the GTAA considers that such data and information are necessary for the following purposes:
- 7.1.1 Ensuring the safety and security of Airport operations.
 - 7.1.2 Planning, operational, and other Airport performance management initiatives.
 - 7.1.3 Improving the Passenger experience and customer service at the Airport.
 - 7.1.4 Complying with national and international laws and regulations related but not limited to Airport safety and security, environmental protection, money laundering, sanctions, and export controls.
- 7.2 The GTAA is committed to taking all reasonable legal safeguards and deploying the necessary technical resources to protect and keep confidential any non-public data or information received from the public or Airport Users, unless expressly required by law or requested by a government authority, court, or law enforcement agency.
- 7.3 The [GTAA Privacy Policy](#) governs how personal data and confidential information is collected, processed, stored, used, managed, disclosed, transferred, and destroyed.
- 7.5.3 Ensure that access credentials remain secure and are only used by those individuals to whom the credentials have been provided.
- 7.5.4 Monitor unauthorized access to technology systems, respond to access validation and audits of access accounts in a timely manner, and take responsibility for the removal of user accounts for employees who are terminated or change job functions, including temporary sub-contractors.
- 7.5.5 Comply with industry best practices, applicable terms of use, and contractual provisions related to cybersecurity.
- 7.5.6 Protect and retain system audit records to the extent needed to enable adequate monitoring, analysis, and investigation.
- 7.5.7 Report any unlawful, unauthorized, or inappropriate system activity or malicious codes such as viruses, worms, and Trojan horses.
- 7.5.8 Monitor for and patch security vulnerabilities on a regular basis by competent and fully trained personnel.
- 7.5.9 Plan for contingencies and inform the GTAA regarding their cybersecurity policies and protection initiatives.
- 7.5.10 Establish incident handling capabilities for technology systems that must include preparation, detection, analysis, containment, recovery, and user response activities.
- 7.5.11 Notify the GTAA of any critical vulnerabilities present in any technology systems used to support Airport operations or store Airport data and provide assurances that remediation will be performed against the identified critical vulnerabilities in a timely manner.
- 7.5.12 Notify the GTAA about any potential or actual cybersecurity breaches or unauthorized access to GTAA information or Airport data and take all reasonable measures to minimize damages to the GTAA.
- 7.5.13 Report privacy breaches of data protection safeguards intended to protect privacy to Canada's Privacy Commissioner and affected individuals in accordance with applicable laws including the [Personal Information Protection and Electronic Documents Act](#).

Data privacy protection and cybersecurity

- 7.4 Airport Users must comply with applicable laws relating to data and privacy protection and must immediately notify the GTAA of any data breach, system breach or unauthorized access to data relating to the Airport upon detection, provide additional details about any such incident upon request by the GTAA, and, upon request, deliver an independent forensics report in a timely manner.
- 7.5 Airport Users who have been granted access to Airport systems and data must:
- 7.5.1 Implement and maintain information privacy protection and security programs and practices to safeguard information from unauthorized access, including technical, administrative, operational, organizational, and physical safeguards.
 - 7.5.2 Comply and abide by the rules, protocols, and requirements of access and use of the Airport systems and data as established, and amended from time to time, by the GTAA.
- 7.6 Airport Users who through their acts or omissions or who otherwise cause any cybersecurity incident, breach of applicable data protection safeguards, unauthorized access to GTAA information, or non-compliance with provisions of cybersecurity and data protection laws shall indemnify the GTAA for any costs incurred as a result of such failures.

8. Fire Protection and Prevention

General framework

- 8.1 [Toronto Pearson Fire & Emergency Services](#) (“TPFES”) is authorized to routinely inspect buildings, structures, and facilities at the Airport for compliance with the [National Fire Code of Canada](#) (“NFCC”), relevant National Fire Protection Association (“NFPA”) codes and standards, the GTAA Rules, and any other relevant GTAA-issued document.

Airport Fire Chief

- 8.2 The Airport Fire Chief is the authority having jurisdiction over fire-related incidents and accidents and is responsible for the enforcement of all applicable sections in the GTAA Rules which pertain to fire protection and prevention at the Airport.

Fire safety compliance

- 8.3 Airport Users must comply with applicable laws, rules, regulations, and by-laws, including the NFCC, the [NFPA codes and standards](#), and GTAA-issued directives, standards, and procedures relating to fire protection and prevention at the Airport.
- 8.4 Upon inspection by the TPFES, Airport Users will be notified in writing of any NFCC, NFPA and/or GTAA Rules violations and provided with a compliance timeline in which all violations must be rectified to the satisfaction of the Airport Fire Chief. Violations may be subject to immediate fines.
- 8.5 In the event an Airport User fails to rectify a noted violation within the allotted timeframe, a fine may be levied. In addition, the GTAA and its authorized agents or designees may rectify the noted violation at the Airport User’s expense.

Nuisance and false fire alarm activations

- 8.6 It is the obligation of the TPFES to respond to a fire alarm at the Airport.
- 8.7 If, upon conducting an investigation, the TPFES determines that an alarm is a nuisance or false alarm, the offending Airport User will be charged the fee stipulated in Schedule A of the Standard Operating Guidelines (SOG) #10 "Cost Recoveries for Responding to Nuisance/False Alarms" (“SOG #10”).
- 8.8 A copy of Schedule A of the SOG #10 can be obtained by emailing a request to: fireprevent@gtaa.com.

Fire protection systems

- 8.9 Airport Users must not impede or impair the operation of any life safety system without explicit prior consent and permits from the GTAA.
- 8.10 Whenever a portion of a fire protection system is temporarily shut down, or otherwise impaired, Airport Users must ensure alternative measures are implemented in accordance with the building’s approved Fire Safety Plan.

Fire extinguishers and related equipment

- 8.11 Airport Users must ensure they are trained in the use of portable fire extinguishers.
- 8.12 Any Airport User who discovers defective or missing life safety equipment must report the matter immediately to the Integrated Operations Control Centre (IOCC) at 416-776-3055.

Commercial cooking equipment

- 8.13 Maintenance and cleaning procedures for commercial cooking exhaust systems and related equipment must comply with the GTAA Fire & Emergency Services Kitchen Exhaust System Protocol (“FP-02”). A copy of FP-02 can be obtained by emailing a request to: fireprevent@gtaa.com.

Hot work

- 8.14 No Airport User shall conduct any Hot Work at the Airport without engaging the appropriate Hot Work process. The process for obtaining authorization to conduct Hot Work varies depending on the nature of the project (FAP/non-FAP).
- 8.15 Hot Work conducted as part of a Facility Alteration Permit (“FAP”) must be conducted in accordance with the [Airport Construction Code](#).
- 8.16 Hot Work permits for non-FAP work must be obtained by contacting the AOC at 416-776-3055. AOC will dispatch the appropriate resource to issue a fire safety work permit.
- 8.17 Projects requiring Hot Work are subject to random audits by TPFES to ensure proper fire safety measures are in place.
- 8.18 In the event TPFES determines unsafe conditions, all Hot Work will be ordered to stop immediately, and an investigation will ensue. Questions on this process can be directed to 416-776-4515 or fireprevent@gtaa.com.

9. Security

General provisions and compliance

- 9.1 The GTAA has the overall responsibility for the management, coordination, integration and implementation of the Airport's security program and related initiatives, as provided in the [GTAA Security Policy](#).
- 9.2 The provisions in this section aim to:
- prevent unlawful acts or attempted acts that could interfere with or cause to interfere with the operations of the Airport or of an Aircraft, and
 - provide guidance to Airport Users on the GTAA's security programs and controls.
- 9.3 Unlawful acts referred to in this section may include but are not limited to:
- unlawful seizure of Aircraft during flight
 - unlawful seizure of Aircraft on the ground
 - hostage-taking on-board an Aircraft or at the Airport
 - forcible intrusion on-board an Aircraft or at the Airport
 - introduction on-board an Aircraft or at the Airport of a weapon or hazardous device or material likely intended for criminal purposes
 - the communication of false information that could jeopardize the safety of an Aircraft during flight, on the ground, or at the Airport, including Passengers, crew, ground and terminal personnel, and the general public, and
 - unlawful access or disruption at or on the Airport or Aircraft.
- 9.4 Airport Users must comply with the provisions of this section at all times in accordance with the Airport security policies, programs, and terms and conditions of access, federal laws and regulations, and in line with international laws and standards and recommended practices and local requirements.
- 9.5 Airport Users who violate any of the provisions in this section:
- compromise the Airport's overall level of security
 - are deemed to participate in or facilitate an unsafe, unsecure, hazardous environment, and
 - may have all operational and commercial privileges, including entitlement to a RAIC, immediately revoked by the GTAA on a temporary or permanent basis.
- 9.6 Airport Users found responsible, in whole or in part, for any violation to the provisions under this section of the GTAA Rules will be fined and prosecuted according to relevant laws and regulations and shall indemnify the GTAA for any costs from property damage caused, personal injury suffered, or other damages incurred as a result of the violation.

Security barriers

- 9.7 All buildings, obstacles, and fences that form a part of the Security Barrier (also referred to as the Primary Security Line) must comply with the GTAA standards and requirements and the [Canadian Aviation Security Regulations](#).
- 9.8 Security Barriers must remain secure while not in use and be kept clear of any obstacles.
- 9.9 Airport Users must not undertake any modifications or construction activities that could impact the Security Barrier or security posture without the GTAA's prior written consent. Any questions shall be directed in writing to the GTAA's Manager, Security Operational Support.
- 9.10 Any vehicles, material, or equipment that encroach on the clearance limits of the Security Barrier may be removed at the sole discretion of the GTAA and at the Airport User's expense.

Restricted areas

- 9.11 Airport Users authorized to access or control access through the Security Barrier must prevent access by unauthorized persons or notify the GTAA of any trespassing by calling GTAA Security Operations Control (SOC) at 416-776-7381.

Primary security line plan

- 9.12 Airport Users, whose facilities form part of the Primary Security Line, must provide a completed Primary Security Line Plan ("PSLP") based on the GTAA's template. They must also submit the PSLP to Transport Canada for approval and provide a copy of the PSLP as provided in the Canadian Aviation Security Regulations.
- 9.13 In accordance with the terms and conditions of the PSLP and RAICs, whenever an Airport User is found non-compliant, access privileges will be suspended, and temporary or permanent corrective measures may be imposed at the sole discretion of the GTAA and at the Airport User's expense.

Prohibited items

- 9.14 Airport Users must comply with the [GTAA Logistics Program](#), which manages the flow of goods and materials within the Airport terminal buildings to ensure the security of the Airport and identifies the means and methods of moving items that are permitted within the secure area of the Airport.
- 9.15 Weapons, ammunition, and explosives are not permitted at the Airport unless they are in the care and control of officials of a government agency with legal authority or are otherwise authorized by the GTAA and in the care and control of a party who is fully licensed and trained.

GTAA Pass Permit Control Office

- 9.16 The GTAA Pass Permit Control Office administers security clearances and issues RAICs to applicants who have demonstrated a right of entry and a frequent need to enter Airport restricted areas while in the performance of their duties.
- 9.17 Airport Users must designate a management representative with signing authority to coordinate requirements with the GTAA Pass Permit Control Office for the issuance of security items relevant to the duties assigned to their employees, subcontractors or agents and that are performed in restricted areas.
- 9.18 The designated management representative shall be the point of contact and assist, whenever needed or required, the GTAA Pass Permit Control Office in the administration and control of any security item issued to their employees, subcontractors, or agents.
- 9.19 Airport Operators must ensure that the employees or agents they have sponsored to hold a RAIC, only use that RAIC for the sponsored activity and otherwise in accordance with the terms and conditions. The wrongful use of RAICs for personal commercial activities or for another employer who has not sponsored the RAIC issuance will not be tolerated and will result in the cancellation of such RAIC.
- 9.20 The GTAA provides a [mandatory safety and security awareness program](#) for all RAIC holders, which can be accessed at: [Airport Security and Safety Awareness Training](#).

Emergency preparedness

- 9.21 Airport Users must complete the Facility Control Measures and Evacuation Plan training course to ensure awareness of the established procedures and expectations to assist during an evacuation if safety is threatened.
- 9.22 This course has an annual recertification requirement and GTAA Employees are to access the training via the GTAA's Learning Management System (LMS), while Airport Users can either obtain a Shareable Content Object Reference Model (SCORM) file from the GTAA's Operational Continuity and Emergency Management Programs (OCEMP) Department (which allows them to upload the training into their LMS platform) or access the training course from the [Toronto Pearson.com/courses website](https://www.pearson.com/courses).
- 9.23 Airport Users are expected to support and participate, as needed, in emergency preparedness exercises organized by the GTAA. The emergency exercise program is a component of the GTAA's emergency training program. Emergency exercises are designed to increase the capability and competency of the GTAA and all external partner agencies to maintain the flow of critical functions during and following a disruptive event by testing and confirming the functionality and effectiveness of emergency plans, procedures, and protocols.

Minimum standards of operation



10. Airside operations

Permits and authorizations

- 10.1 Air Operators must not operate services to or from the Airport without the operational permits and commercial licences required by law or regulation as applicable and issued by the Canadian Transportation Agency.
- 10.2 In addition, Air Carriers must submit the information required in the GTAA's Air Carrier – Application for Entry.
- 10.3 Air Operators must conduct their operations in compliance with the GTAA Rules and any applicable agreements concluded with the GTAA.
- 10.4 Except for diplomatic, emergencies, diversion, and humanitarian flights, Business and General Aviation Aircraft can enter or use the gates at terminal buildings only with prior consent from the GTAA, via the [Airport Reservation Office](#).

Permits and authorizations for airside vehicle operators

- 10.5 Airside Vehicle Operators' Permits ("AVOP") are issued by the GTAA to certify those that demonstrate a regular and ongoing operational need to drive in movement and maneuvering areas, subject to certain conditions.
- 10.6 AVOP holders must comply with the [Airport Traffic Directives](#), which includes important training requirements and enforcement through a demerit point system that can include suspension or termination of Airside driving privileges in certain cases.
- 10.7 The GTAA takes Airside safety seriously and Airside driving is a critical element. There is zero tolerance for infractions or lack of training. The GTAA reserves the right to apply corrective actions and pursue any remedies as may be applicable.
- 10.8 The application process, criteria and requirements to obtain and maintain an AVOP can be accessed via the [GTAA's AVOP webpage](#).

Operation of aircraft

- 10.9 Airport Users who navigate, land, service, maintain, or repair Aircraft at the Airport must comply with all applicable laws, orders, rules, and regulations issued by Transport Canada, NAV Canada, and any applicable government sources including but not limited to the Aeronautical Information Publication and the GTAA's Airport Operations Manual and [Ground Operations Manual](#).
- 10.10 Adhering to the published Airport Collaborative Decision-Making ("A-CDM") procedures is mandatory. Further information on the management of A-CDM at the Airport can be found in the [A-CDM Operations Manual – Toronto Pearson Edition](#).
- 10.11 Airport Users who have care and control of an Aircraft must take all reasonable steps to ensure that no person enters the Aircraft without the consent of the owner or its delegated representative, no person starts the engine of the Aircraft without the consent of the owner or operator, and no person interferes or tampers with the Aircraft.

Reports of aircraft accident and incidents

- 10.12 Any Air Operator involved in an aircraft accident that results in personal injury or property damage, and regardless of ownership or severity, must immediately call the GTAA's Airport Emergency Line at 416-776-3033. Do not call 911. Additionally, the accident scene must be frozen until released by emergency or responding federal or provincial agencies or the GTAA's Aviation Safety Officers.
- 10.13 All aircraft accident or incident reports required by federal or provincial agencies, pursuant to any federal or provincial statute or regulation, must also be submitted to the GTAA Director Aviation Safety, Regulations and Performance or their designate.

Disabled aircraft

- 10.14 Any Airport User who owns, leases, operates, or has control over or right to control a Disabled Aircraft is responsible for its prompt removal and disposal, including all its parts as well as any associated clean-up, unless required to delay such actions by the Transportation Safety Board of Canada or any other government authority due to an ongoing or pending investigation.
- 10.15 Failure to remove the Disabled Aircraft expeditiously may create safety hazards within and around the Airport. Consequently, the GTAA reserves the right to recover or remove the Disabled Aircraft and all its parts at the expense of the applicable Airport User, in accordance with the measures for removal of Disabled Aircraft set out in the GTAA's Airport Operations Manual.
- 10.16 Airport Users shall indemnify the GTAA for any costs to recover, remove or dispose of the Disabled Aircraft, and such costs shall be paid in full and without delay.

Taxiing or moving of aircraft

- 10.17 Aircraft must not be taxied, towed, or otherwise moved on any part of the Movement Areas until specifically cleared to do so by the GTAA Apron Management Unit (Apron) and NAV Canada (Taxiway and Runway).
- 10.18 Except for the repositioning of Aircraft, whenever an Aircraft is being taxied, towed, or otherwise moved on any part of the Movement Areas, contact must be established with the GTAA Apron Management Unit prior to moving the Aircraft. Contact with the Apron Management Unit shall be established by established air to ground radio frequencies.
- 10.19 Aircraft must not be towed or otherwise moved except by a vehicle of a type previously approved by the Air Operator for such purpose.
- 10.20 Aircraft must not be taxied, towed, or otherwise moved in a careless or negligent manner or in disregard to the safety of others or in a manner which endangers persons or property, or at a speed that cannot always ensure full control.

Parking of aircraft

- 10.21 Aircraft must be parked in areas designated by the GTAA only and must be chocked at all times to prevent inadvertent movement. The use of wooden chocks is prohibited.
- 10.22 When instructed by the GTAA, the Air Operator must remove the parked Aircraft. The GTAA reserves the right to order removal of the parked Aircraft at the expense of the Air Operator and shall not be liable for any damage sustained to the Aircraft during removal.
- 10.23 Aircraft must not be parked for more than 24 hours without the prior written consent of the GTAA. Consent to be obtained through manageroperationsairportflow@gtaa.com.
- 10.24 The GTAA reserves the right to increase Aircraft parking charges in the Aeronautical Fees and Charges at any time to address those who may be exceeding parking limit allowances, and, in the case where the Aircraft parking causes property damage or other impacts to Airport operations, the Air Operator shall indemnify the GTAA for any costs related to such damage or impacts.

Parking of vehicles and ground service equipment (GSE)

- 10.25 Vehicles, including GSE, must be parked within Apron safety lines or in designated parking areas, which are denoted by paint markings on the ground, as provided in the [Air Traffic Directives AVOP DA 2023](#) and any other applicable directives issued by the GTAA.
- 10.26 Operational GSE must be staged in GSE staging areas and always behind equipment restraint lines. Non-operational GSE that is not required imminently must be stored in designated GSE Parking Storage Areas.
- 10.27 Only vehicles and GSE needed to service the next Aircraft on a stand may be parked on the adjacent staging areas.
- 10.28 Vehicles involved in construction or maintenance projects must only be parked in the designated parking areas identified in the applicable FAP.
- 10.29 The GTAA reserves the right to implement enhanced enforcement measures where vehicles and GSE are improperly parked or staged, including the removal, or impounding of vehicles and GSE that have been abandoned or otherwise are presenting a safety hazard, all at the expense of the Airport User.

Unit load devices (ULD)

- 10.30 Air Carriers that operate widebody Aircraft or otherwise have ULDs present at the Airport, including the ground handlers acting on their behalf, are required to submit within 5 business days of the end of each quarter, a summary report of their station allocation and actual physical counts of ULDs using the format prescribed in GTAA Directive 2022-D-003. The summary report shall be sent via email at: groundhandlingprogram@gtaa.com.

- 10.31 Air Carriers and ground handlers must proactively manage their inventory of operational ULDs at the Airport and ensure that ULDs are properly parked or staged, in accordance with the [Ground Operations Manual](#). They must arrange for the removal from the Airport or the disposal of excess or unserviceable ULDs.
- 10.32 Improperly parked ULDs or ULDs that otherwise present a risk to the safe and efficient Airside operation will be subject to enforcement actions, in accordance with the provisions of the [Ground Operations Manual](#) and any applicable directives issued by the GTAA.

Aircraft de-icing

- 10.33 Airport Users must not engage in aircraft De-icing or Anti-icing activities without a Glycol Mitigation Plan previously approved by GTAA Environmental Services.
- 10.34 Failure to submit a Glycol Mitigation Plan to the GTAA is considered a safety and operational risk and could result in refusal to gate.
- 10.35 The GTAA permits De-icing/Anti-icing only in a defined area and only in areas where glycol recovery is possible and under conditions specified in the approved Glycol Mitigation Plan.
- 10.36 GTAA Environmental Services reserves the right to inspect Aircraft De-icing operations to ensure compliance with an approved Glycol Mitigation Plan. In the event that the approved Glycol Mitigation Plan does not ensure environmental and operational compliance, additional mitigation efforts will be required by Airport Users before engaging in De-icing and Anti-icing activities.
- 10.37 De-icing and Anti-icing must occur only at the Airport Central De-icing Facility or in specified locations designated and approved by the GTAA.
- 10.38 De-icing and Anti-icing products must be approved by GTAA Environmental Services prior to use.

Fueling aircraft

- 10.39 Air Operators conducting Aircraft fueling operations – with or without Passengers onboard – must comply with all relevant codes and standards, including but not limited to the National Fire Protection Association 407 (Standard for Aircraft Fuel Servicing).
- 10.40 All Aircraft fueling operations must be conducted by GTAA-licensed providers and trained personnel, and no fuelling is permitted while engines are running unless authorized in writing by the GTAA.
- 10.41 If the Aircraft being fueled is operating as a medevac and contains a Passenger, GTAA Fire and Emergency Services must be present during fueling operations.

Fuel and other spills

- 10.42 In the event of a spill, the Air Operator or fuel provider must immediately call the Airport Emergency Line at 416-776-3033 and ensure that all necessary precautions are taken to contain and control the spill, and that directives by GTAA Fire and Emergency Services are followed. Notification of the GTAA is imperative to ensure alignment with regulatory reporting requirements, such as notification to government agencies regarding a spill.
- 10.43 If there is an apparent risk to human health steps must be taken to immediately address this risk, which includes moving the fuel delivery units, however, if there is no apparent risk to human health, fuel delivery units must not be moved until the spillage is cleaned up or remediated to the satisfaction of the GTAA.
- 10.44 Spilled materials must be cleaned up immediately and the area secured without delay. Every effort shall be made to contain the spill and keep it from entering the storm drains, contaminating the soil, or otherwise entering the natural environment.
- 10.45 If the party responsible for the spill is unknown and/or the cleanup needs to occur immediately, the GTAA reserves the right to conduct the cleanup and charge the responsible party for the cleanup and the ensuing investigation, including any other remedies as applicable. The GTAA shall not be liable for any damage sustained to property during the cleanup.
- 10.46 Any spill deemed by the GTAA to have an environmental impact must be followed by an environmental investigation that evaluates how the Incident has affected or may potentially impact the environment (air, water, soil, or other ecological receptors). The investigation must be conducted according to the directions provided by GTAA Environmental Services.

Clean-up and containment of spills

- 10.47 Airport Users must not allow oil, hydraulic fluid, or any other contaminants of any kind, including Aqueous Film Forming Foams, diesel, glycol, pavement de-icers, or lavatory waste, to leak or spill at the Airport.
- 10.48 No oil, hydraulic fluid, or any other contaminants of any kind, including detergents used to wash Aircraft or other surfaces, and lavatory waste shall be allowed to flow into or be placed in any sewer system or open water areas.
- 10.49 All spills must be reported immediately to the Airport Emergency Line at 416-776-3033.
- 10.50 Whenever a hazardous spill or leak occurs, the owner, agent in control, or the generator of the hazardous material must immediately take all steps necessary to discover, notify appropriate parties, contain, clean-up, dispose of, and follow-up on the spill or leak.
- 10.51 The GTAA reserves the right to charge for the spill cleanup and any ensuing investigation, including the exercise of any other remedies as applicable. The GTAA shall not be liable for any damage sustained to property during the cleanup.

Hazardous materials

- 10.52 Airport Users must strictly adhere to all applicable laws, directives, and regulations governing the transportation of Hazardous Materials.
- 10.53 Hazardous Materials must be stored, kept, handled, used, dispensed, and transported in compliance with all applicable regulations and standards.
- 10.54 Airport Users must collect, maintain, characterize, manage, label, store, and dispose of any Hazardous Materials generated and maintain chain of custody documentation and disposal manifests.
- 10.55 Buildings, rooms, and spaces containing Hazardous Materials must be identified by hazard warning signs. The GTAA reserves the right to conduct inspections from time to time to ensure adherence to the provisions related to Hazardous Materials and request corrective actions or exercise any remedies as may be applicable.

Foreign object debris

- 10.56 The GTAA is committed to preventing Foreign Object Debris (“FOD”)-related damage to Aircraft and injury to persons. Accordingly, Airport Users must comply with the [GTAA's FOD Prevention and Control Policy](#).
- 10.57 Holders of a RAIC must not create or spread FOD. While this requirement applies throughout the Airport, particular care must be taken in areas adjacent to the Movement Area, including but not limited to baggage rooms, hold rooms, ready rooms, service areas, garages, and terminal service roads.
- 10.58 FOD must be removed immediately and deposited in an appropriate container or storage area. When FOD cannot be removed safely, the Integrated Operations Control Centre must be contacted immediately at 416-776-3055.
- 10.59 The GTAA may order removal of FOD at the expense of the responsible Airport User and shall not be liable for any damage sustained during removal. The GTAA reserves the right to be indemnified for any losses or damages incurred.

Runway surface conditions

- 10.60 Air Carriers must provide the GTAA with their level of service expectations for Runway surface conditions at least 30 days before the beginning of each IATA winter season.

Slot coordination and reservations

- 10.61 The Airport is designated as an IATA Level 3 Slot Coordinated Airport. As such, the GTAA adheres to [IATA's Worldwide Airport Slot Guidelines](#), as may be adapted by the GTAA from time to time to address local concerns.
- 10.62 Air Carriers must submit a slot clearance request to be allocated an arrival and departure slot for every operation. All clearance requests must be submitted in local time and according to the format established in the document GTAA Air Carrier – Application for Entry. Slot requests must be sent to slots@gtaa.com.
- 10.63 Air Carriers must request slots in good faith on the basis of what they will actually use within one IATA season. Air Carriers must not engage or attempt to participate in anti-competitive behaviour such as holding or misusing slots.
- 10.64 Misuse of slots will not be tolerated by the GTAA and may result in corrective and/or remedial actions consistent with the requirements of the WASG, including reporting to relevant government agencies if applicable, and, in extreme cases, removal of slot privileges for misuse.
- 10.65 The Airport Reservation Office processes reservation requests for Business/General Aviation and allocates reservations on a first-come, first-served basis. Operators of Business/General Aviation must use the On-line Coordination Tool to make all reservations by going to vzaro.com/ocs.
- 10.66 The slot coordinator will track slot usage against approved requests, undertake pre-operation and post-operation analyses when required, and report on performance to Air Carriers, according to the relevant provisions set out in the IATA's Worldwide Airport Slot Guidelines or any guidelines or metrics issued by the GTAA.
- 10.67 The GTAA will track Business/General Aviation operations against approved reservations within the Airport Reservation Office (ARO), undertake pre-operation and post-operation analyses, and report on performance to Business/General Aviation operators according to the relevant guidelines or metrics issued by the GTAA.

Night flight restriction program

- 10.68 Aircraft operations at the Airport are restricted between the hours of 00:30 and 06:29 local time. Air Operators planning to arrive or depart within the restricted hours must first obtain the consent of the GTAA, either by a pre-planned/scheduled exemption, an operating extension on the day of operation, or a General Aviation night flight approval slot.

- 10.69 Compliance with the GTAA's Night Flight Restriction Program is mandatory for all Air Operators and is strictly enforced by the GTAA. Aircraft arriving or departing during the restricted hours without prior approval of the GTAA will be investigated and reported to Transport Canada for further review and possible enforcement action, including monetary penalties.

Aircraft noise certificates

- 10.70 Air Operators must provide the GTAA with valid Aircraft noise certificates for their entire fleet prior to operating at the Airport. For existing Air Operators, they must provide updates and communicate any changes to the GTAA at least 15 days before the start of every IATA season.
- 10.71 Air Operations must comply with noise operating restrictions and noise abatement procedures, which are published by NAV Canada in the [Canada Air Pilot](#) and the [Canada Flight Supplement](#). The GTAA reserves the right to refer cases of non-compliance to NAV Canada.

Ground handling

- 10.72 Airport Users engaged in any activities, as defined in the most current version of Annex A of [IATA's Standard Ground Handling Agreement](#) must operate in accordance with the latest updates to the [Ground Operations Manual](#) and the GTAA Ground Handling Policy.
- 10.73 Air Carriers who perform self-handling will be held accountable to the Service Level Standards contained in the [Ground Operations Manual](#), as it may be revised from time to time, and will receive reports on performance and be subject to consequences contained in the [Ground Operations Manual](#).

Remotely piloted aircraft systems

- 10.74 Airport Users, Air Operators or any other person operating Remotely Piloted Aircraft Systems (RPAS) must comply with all applicable laws, including restrictions on operating in the vicinity of the Airport, and obtain, in advance, applicable approvals from regulatory authorities. All RPAS flights operating within the boundaries of the Airport must be approved, in writing and in advance by Nav Canada and the GTAA.
- 10.75 Airport Users, Air Operators or other persons conducting unauthorized use of RPAS at or around the Airport may be subject to fines or imprisonment pursuant to the [Aeronautics Act](#) or the [Criminal Code](#). In addition, unauthorized RPAS flights that disrupt, interfere with, or hinder the Airport or its operation in any way, or of any Aircraft, or that jeopardize the safety of persons or property may result in legal action.
- 10.76 For enquiries regarding the use of RPAS at or around the Airport, information may be obtained at rpas@gtaa.com.

11. Terminals and Building Areas

Commercial activities

- 11.1 Airport Users conducting commercial activities at the Airport must receive either a permit or authorization from the GTAA or enter into a lease, licence, contract, or commercial arrangement with the GTAA in respect to the operation of their business at the Airport.
- 11.2 The GTAA will take all necessary measures to preserve the safety and security of operations at the Airport's terminal buildings and Airside/landside areas. Any unauthorized commercial activity may be subject to the [Ontario Trespass to Property Act](#), the [Ontario Occupiers' Liability Act](#), and the [Traffic on the Land Side of Airport Regulations](#).
- 11.3 All retail, food and beverage tenants must comply with the Tenant Manual, which can be accessed on the GTAA Tenant Portal, which includes important information about operating at the Airport and expected Service Level Standards.
- 11.4 All requests for licences to operate, authorizations, and permits for commercial activity shall be sent to: business.interest@gtaa.com.

Sales data and billing

- 11.5 All retail, food and beverage tenants must charge their customers using an electronic point of sale (POS) system or cash register. Manual billing of customers is strictly prohibited.
- 11.6 The GTAA reserves the right to install its own POS system, at which point in time all retail, food and beverage tenants must allow sales data and information at each POS terminal to be transmitted to GTAA host systems.

Safety requirements

- 11.7 Airport Users conducting commercial activities at the Airport must abide by the safety requirements and obligations set out in the Tenant Safety Evaluation Program, which can be accessed on the GTAA Tenant Portal, and includes giving GTAA the right to measure conformity with such measures.
- 11.8 Airport Users who are not meeting expected obligations in the Tenant Safety Evaluation Program will be required to prepare and implement a corrective action plan to be approved by the GTAA.

Movement of goods and materials

- 11.9 To maintain the safety and security of the Airport, goods and materials transported through the Airport must first be verified and authorized by the GTAA by the issuance of a Material Movement Permit via the [Material Movements Form](#). For planning purposes, Airport Users must commence this process before starting transportation activities.
- 11.10 Once issued by the GTAA, the Material Movement Permit must be carried by an authorized person at all times. The Material Movement Permit cannot be used for the movement of liquid, gels and/or any goods meant for purchase or consumption by a passenger.
- 11.11 Airport Users must adhere to the GTAA Logistics Program, including the safety and security measures associated with it. A copy of the GTAA Logistics Program can be obtained from your business partner contact at the GTAA.

Common areas and equipment

- 11.12 Airport Users must keep all Common Areas orderly and without damage, and common use equipment such as counters must be returned in a clean, tidy, and proper working condition for the next user.
- 11.13 Common Areas must be kept free of litter, waste, and debris, including bag tags, boarding cards, and paper waste resulting from Passenger processing/check-in/boarding activities. All waste must be disposed in the appropriate waste receptacles.
- 11.14 Airport Users must inspect their assigned Common Area and/or equipment at the beginning and at the end of the assigned period. Any functionality issues or damage must be reported immediately to their internal supervisor. Any damage in Common Areas must be reported to the Integrated Operations Control Centre (IOCC) at 416-776-3055.
- 11.15 Air Operators must not use check-in/ticket counters or boarding gates for permanent storage. All drawers and cabinets must be emptied and left unlocked at the end of the assigned period.
- 11.16 Air Operators must store all owned equipment such as baggage sizers and signs in designated storage areas, in a clean and orderly fashion, and must also dispose of any broken equipment.
- 11.17 All common use equipment must remain in a state and configuration that will allow any future Airport User to perform the required check-in and boarding processes without having to remove signs, displays, and Airport User-specific stocks.
- 11.18 All common use stanchions used in the boarding lounges must be returned to their original location when boarding is completed.
- 11.19 The GTAA has the right to charge the Airport User the cost of cleaning or repairing Common Areas, as applicable.

Signage and advertisements

- 11.20 In addition to the requirement that signage be in both English and French, Airport Users and Air Operators must not post, distribute, or display signs, advertisements or circulars exposed to public view without the prior written consent of the GTAA.
- 11.21 Requests for affixing, installing, posting, distributing, or displaying any type of public signage at the Airport shall be directed to the Airport User's assigned commercial account manager, with copy to business.interest@gtaa.com.
- 11.22 Before affixing, installing, or placing anything at the Airport, Airport Users must obtain authorization from the GTAA, in accordance with the [Airport Construction Code](#). Airport Users must also submit drawings detailing all work to be produced according to the requirements in the [CADD Standard Guide](#).
- 11.23 The GTAA will request the immediate removal of any signage, advertisement or circular that are not previously approved, or which were not presented in a professional manner. Paper and hand-written signs are not acceptable.

On-site filming and photography

- 11.24 Any commercial filming or photography conducted at the Airport must be approved by the GTAA in advance and may be subject to certain conditions such as location, insurance, and timing.
- 11.25 All commercial filming and photography conducted at the Airport, including a tenant facility, must have a valid Filming/Photography Permit issued by the GTAA and all applicable fees must be paid in full. Failure to hold a valid permit may provide grounds for enforcement actions.
- 11.26 Authorization to access any tenant facility must be obtained directly from the tenant at least 48 hours before the day of filming/photography.
- 11.27 Requests for a permit shall be submitted through the GTAA's [Commercial Filming permits webpage](#).
- 11.28 On-site filming by media requires a permit which can be obtained at the [Media Permit webpage](#), subject to certain conditions.

Demonstrations and picketing

- 11.29 Demonstrations, picketing and any other protest activity must be conducted in a safe and lawful manner and requires prior coordination with the GTAA's security team in order to establish protocols for the orderly and safe conduct of such activity, including maintaining the safe flow of Passengers and vehicle traffic (including access by emergency responder vehicles) at the Airport.
- 11.30 Under no circumstances will demonstrations, picketing or protests be permitted within restricted areas of the Airport, inside passenger terminals or parking facilities, side roadways, or on the Terminal Link train.
- 11.31 Airport Users, Air Operators and unions must immediately notify the GTAA of any possible labour disruption or related activity, including picketing, and confirm that such actions are conducted in connection with a legal lockout or strike.
- 11.32 Airport Users, Air Operators, and labour unions, as applicable, must establish in coordination with the GTAA a labour/picket protocol which covers safety and security considerations before engaging in any labour demonstration, picketing or protest activity.
- 11.33 The GTAA will work with local enforcement authorities to address any potential or imminent threats to the safety and security of the Airport, and will pursue other remedies available to it, including seeking injunctions, as the GTAA determines appropriate.

Special events and activities

- 11.34 Airport Users may organize special events and activities that deviate from normal Airport operations, subject to issuance by the GTAA of an Activity Permit.
- 11.35 An application to obtain an Activity Permit must be submitted to the Customer and Terminal Services department at least 15 business days prior to the date of the activity.
- 11.36 Requests for an Activity Permit shall be submitted through the GTAA's [Activity Permits webpage](#).
- 11.37 A condition of the permit is to carry a minimum of \$2 million commercial general liability insurance and otherwise comply with insurance requirements contained in Section 2 of the GTAA Rules.
- 11.38 Any events or activities undertaken without an Activity Permit are subject to immediate cancellation. In addition, the GTAA may take any other actions that it deems appropriate, and the Airport User shall indemnify the GTAA for any costs incurred as a result of such failure to comply.

12. Commercial ground transportation

General requirements

- 12.1 All Commercial Ground Transportation Operators, whether an individual or business entity of any type, must obtain the necessary permits and/or licences from the GTAA before promoting, offering, or providing commercial ground transportation services at the Airport.
- 12.2 Commercial Ground Transportation Operators must hold valid provincial/municipal licences where applicable. In addition, Commercial Ground Transportation Operators must successfully complete all training modules made available through the [Canadian Transportation Agency \(CTA\) website](#), and taxicabs, limousines, as well as peak period and irregular operation operators must successfully pass the GTAA's driver examination prior to receiving an Airport Drivers Certificate.
- 12.3 Ground transportation permits and/or licences issued by the GTAA are a privilege not a right and are issued at the discretion of the GTAA.
- 12.4 All requests for licences, authorizations, and permits for Commercial Ground Transportation Operators shall be sent to: business.interest@gtaa.com.
- 12.5 All Commercial Ground Transportation Operators and their respective drivers will be held accountable where they are in non-compliance with the terms of the GTAA Rules, individual permits or licences, or the Taxicab and Limousine Demerit Point System where applicable, which may include suspension and/or termination of a permit/licence, fines or penalties under the [Highway Traffic Act](#), parking or speeding tickets under the [Traffic on the Land Side of Airport Regulations](#), or contacting the applicable authorities to evict under the [Trespass to Property Act](#).
- 12.6 A copy of the Taxicab and Limousine Demerit Point System can be obtained by request at business.interest@gtaa.com and will be provided to taxicabs and limousines permit/licence holders and drivers who currently hold a permit or license.
- 12.7 The GTAA reserves the right to install signage inside and outside the terminal buildings, parking garages or any other public areas that will direct passengers to authorized pick-up and drop-off locations for services provided by Commercial Ground Transportation Operators or any other transportation services the GTAA authorizes to operate on the curbs at the Airport. Signage installed including type, size and location will be at the sole discretion of the GTAA and may include logos or symbols.

Taxicab and limousine licences

- 12.8 New taxicab and limousine licences are issued through an open and competitive process. Seniority is not considered as a factor for licence issuance. Requests for taxicab and limousine licences shall be sent to: business.interest@gtaa.com.
- 12.9 Individuals who wish to drive a GTAA licensed or permitted taxicab or limousine must be sponsored by a holder of a valid Airport Taxicab or Limousine Permit or Licence, as applicable, for such vehicle.
- 12.10 Airport Users, contractors, or subcontractors who notice unauthorized persons soliciting Passengers for taxicabs or limousines at the Airport must immediately call the Integrated Operations Control Centre (IOCC) at 416-776-3055.

Peak period and irregular operations

- 12.11 Peak period and irregular operations are the second and third tier of taxicab and limousine services that support the GTAA in providing Passengers with transportation during peak hours or irregular operations, i.e., when the main fleet of taxicab and/or limousine services are insufficient to meet Passenger demand.
- 12.12 These services are issued through an open and competitive process in which seniority is not considered as a factor.

Pre-arranged services

- 12.13 The GTAA permits municipally licensed taxicabs, limousines, or charter buses to pick up Passengers at the Airport on a pre-arranged basis, provided that they hold a valid Day Service Permit issued by the GTAA and abide by the GTAA's protocols and pricing specified in the Day Service Permit. Day Service Permits can be obtained through torontop Pearson.com/en/operators-at-pearson/drivers-prearranged.
- 12.14 Operators of pre-arranged services will be notified by the Airport Pre-Arranged Dispatcher when the Passenger has arrived and is ready for pick-up. The Airport Pre-Arranged Dispatcher will notify the operator of pre-arranged services via phone or SMS to proceed to the designated pick-up area upon arrival.

Other commercial ground transportation services

- 12.15 Hotel shuttles, out-of-town shuttles, off-Airport parking shuttles, and Transportation Network Company (TNC) services are permitted to pick-up and drop-off Passengers at a designated location at the Airport, provided they hold a valid licence issued by the GTAA and comply with all applicable municipal/provincial requirements and conditions, including in the case of off-Airport parking shuttles a Zone Permit issued by the applicable municipality allowing the operator to provide off-Airport parking services.
- 12.16 Hotel shuttles, out-of-town shuttles, off-Airport parking shuttles and crew shuttles are required to register their vehicle at the Commercial Vehicle Holding Area and obtain an On-Board Diagnostic 2nd Generation device and install the device in the diagnostics port of the vehicle. If the OBDII Device is removed from the diagnostic port, an alert will be sent to the GTAA.

Crew shuttle service

- 12.17 In addition to the requirements outlined above for other shuttle services, an endorsement letter is required from the Air Operator who has requested contracted service from the shuttle provider.

Non-compliance and dispute resolution



13. User accountability and dispute settlement

Notice of non-compliance

- 13.1 Potential non-compliance with the GTAA Rules will be assessed and investigated by the GTAA before a Notice of Non-Compliance is issued to the Airport User.
- 13.2 A Notice of Non-Compliance will be delivered by the relevant Issuing Department through electronic communication to the Airport User or such person designated by the Airport User's organization to receive such notices.
- 13.3 The GTAA is under no obligation to issue a formal Notice of Non-Compliance for offences where in the GTAA's sole discretion require immediate action, such as, but not limited to those related to safety and security, operational efficiency or customer experience.
- 13.4 Airport Users shall note that non-compliance with the GTAA Rules may also cause non-compliance with or default of an existing contract, agreement, licence, permit, or lease between the Airport User and the GTAA.

Failure to address non-compliance notice

- 13.5 Failure by the Airport User to address a Notice of Non-Compliance may result in:
 - 13.5.1 Corrective and/or enforcement actions by the GTAA, including but not limited to exercising liquidated damages, taking remedial actions, recouping the costs for such actions, terminating contracts, agreements, and leases, revoking permits, licences, and authorizations, and holding security as provided in the contract, agreement, licence, permit or lease.
 - 13.5.2 Reporting non-compliance to governmental authorities for further legal or regulatory action, as applicable.
 - 13.5.3 Applying existing systems of compliance or performance at the Airport, including but not limited to demerit points, suspension of RAIC privileges, or suspension/cancellation of applicable licenses, permits, or certificates.
 - 13.5.4 Any other actions that are appropriate and necessary in the circumstances and at the sole discretion of the GTAA.

Dispute settlement process

- 13.6 If the Airport Users object to the assessment provided in a Notice of Non-Compliance, they may submit additional written information to the Issuing Department within 30 calendar days of receipt of such assessment.
- 13.7 In the absence of a pre-existing appeal mechanism applicable to the disagreement, Airport Users are encouraged to contact the Issuing Department to schedule an informal meeting within 30 days of receipt of an assessment if they wish to provide additional information by way of cooperative discussion.
- 13.8 The GTAA will consider all such additional information and make good-faith efforts to resolve disagreements regarding the Notice of Non-Compliance.
- 13.9 If the disagreement remains unresolved, Airport Users have the right to a formal appeal of the assessment and resulting remedies no later than 30 calendar days after the date of the meeting with the Issuing Department, the submission of additional written evidence, or the receipt of the assessment, whichever is latest. The notice of appeal must be sent in writing to the Issuing Department and GTAA's Legal Department and must include any supportive evidence or information that is deemed relevant to the resolution of the disagreement.
- 13.10 The appeal will be reviewed by a Director within the Issuing Department in light of the provisions set out in the GTAA Rules and based on the standard of strict liability.
- 13.11 The decision reached by the Director is final and without further appeal.
- 13.12 The GTAA reserves the right to take immediate action to remedy dangerous, harmful, disruptive, or otherwise non-compliant situations without waiting for the outcome of the dispute resolution process.

Glossary of terms

Accessibility Regulations	Refer to the <i>Accessible Transportation for Persons with Disabilities Regulations</i> (SOR/2019-244), which cover all modes of transport under the Canadian Transportation Agency's jurisdiction (i.e., air and interprovincial and international passenger rail, bus, and ferry), including security and border screening. The Accessibility Regulations are enforceable by administrative monetary penalties.
Aeronautical Fees and Charges	These include but are not limited to the following categories: (i) general terminal charges, (ii) landing fees, (iii) Aircraft fees for commercial, business, and General Aviation, (iv) Apron fees, (v) De-icing facility fees, (vi) Airport improvement fees, (vii) Aircraft parking charges, and (viii) slot administration fees.
Air Carrier	An Air Operator that, for remuneration, provides scheduled or non-scheduled air transport services to the public for the carriage of Passengers, freight, or mail. Excludes General Aviation and Business Aviation. Source: ICAO, Manual on the Regulation of International Air Transport (Doc. 9626). ICAO, Annex 6, Operation of Aircraft.
Air Operator	Refers to any person or entity which engages in the provision of air transportation services for remuneration or hire, sells those services to the general public or private individuals, based on a lease or any other arrangement. Includes General Aviation and Business Aviation services. Source: ICAO, Annex 6, Operation of Aircraft.
Aircraft	Any machine that can derive support in the atmosphere from the reactions of the air against the earth's surface. Source: ICAO, Annex 6, Operation of Aircraft.
Airport	Refers to Toronto-Lester B. Pearson International Airport.
Airport Drivers Certificate	Refers to a certificate issued by the GTAA regarding permits and licences for commercial ground service operators.
Airport Operations Manual	The manual referred to in section 302.08 of the Canadian Aeronautic Regulations.
Airport User	Refers to the GTAA's commercial partners and tenants, including their agents, licensees and sub-contractors and any other person that uses infrastructure, facilities or services or conducts activities at the Airport, whether temporarily or on a permanent basis.
Airside	Refers to areas within the Airport where Aircraft movements take place (i.e., Taxiway, Runway) and where Aircraft used for air operations are serviced (i.e., gating, loading/unloading, maintenance, fueling, etc.). These areas are not accessible to the general public.
Anti-Icing	The proactive application of ice-control products to Aircraft prior to snow and ice accumulation.
Apron	A defined area, on a land aerodrome, intended to accommodate Aircraft for purposes of loading or unloading Passengers, mail or cargo, fuelling, parking or maintenance. Source: ICAO, Annex 14, Aerodromes.

Business Aviation	That sector of aviation which concerns the operation or use of aircraft by companies for the carriage of passengers or goods as an aid to the conduct of their business, flown for purposes generally considered not for public hire and piloted by individuals having, at the minimum, a valid commercial pilot license with an instrument rating.
Commercial Ground Transportation Operators	Refers to companies or individuals operating any of the following ground transportation services at the Airport: taxicab, limousine, bus, shuttle, TNC or car rental.
Commercial Vehicle Permit Demerit Point System	A document which outlines how points are assessed against Commercial Ground Transportation Operators for infractions of the GTAA Rules or their own licenses and permits.
Common Areas	Those areas of the Airport designated by the GTAA for use in common by the GTAA and Airport Users, whether or not those areas are open to the general public or to all Airport Users.
De-Icing	The reactive application of ice-control products to melt existing snow and ice.
Disabled Aircraft	An Aircraft that requires assistance to move from any position on a Runway, Taxiway, or Apron areas area of the Airport.
Effluent	Wastewater that is deposited from a wastewater system, as defined in the Wastewater Systems Effluent Regulations.
Facility Alteration Permit (FAP)	A permit required for any construction, demolition or alteration carried out at the Airport.
Foreign Object Debris (FOD)	Includes any object found in a location that can result in damage to equipment or Aircraft or injure persons.
General Aviation	That portion of civil aviation that encompasses all facets of aviation except air carriers holding a certificate of convenience and necessity and large aircraft commercial operators.
Ground Lease	The lease between His Majesty the King in Right of Canada, as landlord, as represented by the Minister of Transport, and the GTAA, as tenant, made as of the 2nd day of December 1996, as may be amended, restated, or supplemented from time to time.
Ground Operations Manual (GOM)	A manual that defines the objectives, policies, rules, and procedures governing ground handling at the Airport.
GTAA	Greater Toronto Airports Authority
GTAA Rules	Refers to the GTAA Rules and Regulations, as may be updated and amended from time to time.

Hazardous Materials	Any product, mixture, material, or substance that is classified in accordance with the regulations made under subsection 15(1) in a category or subcategory of a hazard class listed in Schedule 2 of the Hazardous Products Act.
Hot Work	Work that could produce a source of ignition, such as heat, sparks, or open flame. Examples of hot work include welding, brazing, cutting, grinding, soldering, torch-applied roofing or the use of an open flame of any type within the limits of the Airport lands.
Issuing Department	The department within the GTAA that issues a Notice of Non-Compliance to an Airport User.
Movement Areas	Apron, Taxiway, and Runways.
Notice of Non-Compliance	A document issued by the GTAA that explains the nature and scope of non-compliance with the GTAA Rules, including any required steps to address or remedy the non-compliance, as well as the timeframe for those steps and remedies to be undertaken.
Passenger	Any person, excluding on-duty members of the flight and cabin crews, who makes a travel journey by air. Source: ICAO, Manual on the Regulation of International Air Transport (Doc. 9626). Eurostat, Reference Manual on Air Transport Statistics (2015). Term commonly used in Canadian law and international air transportation law (U.S. and Europe).
Remotely Piloted Aircraft Systems (RPAS)	A remotely piloted Aircraft, its associated remote pilot station(s), the required command and control links and any other components as specified in the type design. Source: ICAO, RPAS Concept of Operations for International IFR Operations (Handbook).
RAIC	A Restricted Area Identity Card issued by the GTAA's Pass Permit Control Office.
Runway	A defined rectangular area on a land aerodrome prepared for the landing and taking off of Aircraft along its length. Source: ICAO, Annex 14, Aerodromes.
Security Barrier	A physical structure or natural feature used to prevent or deter access by unauthorized persons to a restricted area.
Service Level Standards	Refers to the standards developed by the GTAA for tow-off, gate arrivals and baggage handling, with the objective to help ensure efficient and effective levels of service for operators at the Airport, Air Carrier clients and the Passengers who travel through the Airport.
Taxiway	A defined path on a land aerodrome established for the taxiing of Aircraft and intended to provide a link between one part of the aerodrome and another, for example between the aircraft stand taxi lane, the apron taxiway, and the rapid exit taxiway. Source: ICAO, Annex 14, Aerodromes.
Transportation Network Company (TNC)	A company that offers prearranged rides or car rentals for a fee, utilizing an online application (app) via a mobile device to connect Passengers or automobile renters with drivers and car owners. Well-known examples of ride-share applications include Uber, Lyft, and Zipcar.

This is Exhibit "E" referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)
Shimon Sherrington



GREATER TORONTO AIRPORTS AUTHORITY AIRPORT IMPROVEMENT FEE AGREEMENT

Toronto-Pearson International Airport
P.O. Box 6031, Toronto AMP, Ontario, L5P 1B2

DATE: January 1, 2023 (the "Effective Date")

NAME OF CARRIER: 1263343 Alberta Inc. (dba Lynx Air)

As of the Effective Date, each of the Greater Toronto Airports Authority ("GTAA") and 1263343 Alberta Inc. (dba Lynx Air) ("Air Carrier") hereby agree as follows with respect to the imposition by GTAA of an Airport Improvement Fee, the collection of Deposits by Air Carrier from certain passengers and the remittance of Deposits by Air Carrier to GTAA as hereinafter set forth.

Greater Toronto Airports Authority

Per: 

Name: John Peellegoda

Title: Acting Chief Financial Officer

1263343 Alberta Inc. (dba Lynx Air)

Per: 

Name: Michael S. Holditch
Title: Chief Financial Officer

RECITALS

- A. GTAA manages, operates and maintains Toronto-Lester B. Pearson International Airport pursuant to a ground lease dated December 2, 1996 from Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, having a term of 60 years.
- B. As part of its obligation under the aforementioned ground lease, GTAA undertakes on an ongoing basis the capital development and improvement of the Airport.
- C. GTAA has the authority to levy an Airport Improvement Fee upon the passengers using the Airport.
- D. The Parties wish to minimize any inconvenience to the passenger in the collection and remittance of Deposits by Air Carrier.
- E. The Parties wish to enter into this Agreement to set forth their agreement pertaining to the collection and remittance of Deposits and use of AIF and a consultation process between the Parties (through the ACC, who will be acting on Air Carrier's behalf).

NOW THEREFORE in consideration of the covenants and agreements hereafter reserved and contained, and other good and valuable consideration, the Parties agree as follows:

1. INTERPRETATION

1.1. Definitions

When used in this Agreement or in any Schedule attached to this Agreement, the following words or expressions will have the meanings hereinafter set forth, unless the context expressly or by necessary implication otherwise requires:

“**ACC**” means the Airline Consultative Committee, being a committee comprised of representatives of the air carriers operating at the Airport from time to time which acts as a body with which GTAA consults and confers on issues affecting the operation, management and development of the Airport, and includes any sub-committees and ad hoc working groups of the Airline Consultative Committee;

“**ACC Endorsement**” means an endorsement rendered by the ACC in accordance with Section 2.2 of this Agreement confirming that the ACC has, through a voting process, obtained the endorsement of a minimum of 5 Participating Air Carriers operating at the Airport whose Enplaned Passengers represent at least 2/3 of the yearly Enplaned Passengers from all Participating Air Carriers at the Airport as determined as of December 31 of the previous year, with respect to a Reviewable Capital Program which has been submitted to it for endorsement in accordance with the terms of this Agreement;

“**Administration Cost**” has the meaning set forth in Section 2.5.1;

“**Affiliate**” means in respect of any person, a person who, directly or indirectly (including through one or more intermediaries) controls, or is controlled by, or is under common control with, such person. For the purposes of this definition, a person is considered to take “control” of or be “controlled” by another person if, in the case of a corporation, such other person owns more than 50% of the voting stock of such corporation and, in the case of a partnership, such person holds more than 50% of the interests in such partnership.

“**Agreement**” means this Airport Improvement Fee Agreement, including all Schedules attached hereto;

“**AIF**” or “**Airport Improvement Fee**” means the charge or fee levied by GTAA upon Enplaned Passengers, established in accordance with Section 2.1., collected from prospective Enplaned Passengers by Air Carrier, and remitted to GTAA by Air Carrier in accordance with this Agreement;

“**AIF Certification Period**” has the meaning set forth in Section 2.6.2(a);

“**AIF Certification Period Audit**” has the meaning set forth in Section 2.6.2(a);

“**AIF Legislative Initiative**” has the meaning set forth in Section 2.1.7;

“**Air Carrier**” means the air carrier who has signed this Agreement as identified on the cover page of this Agreement;

“**Airport**” means Toronto-Lester B. Pearson International Airport (as same may from time to time be altered, diminished, reconstructed or expanded);

“**Airport Master Plan**” means the Airport Master Plan as published by GTAA and amended by GTAA from time to time, which provides the overall framework for the development of the Airport;

“**Amended Schedule “A”**” has the meaning set forth in Section 2.4.7(d);

“**Annual Statement**” means the statement provided by Air Carrier in accordance with Section 2.5 hereof;

“**Business Day**” means any day other than a Saturday, Sunday, statutory holiday in the province of Ontario or other day recognized as a holiday by federal or provincial government offices in the province of Ontario;

“**Business Travel**” means air travel by an on-duty employee of Air Carrier or any of its Affiliates which is:

- (a) authorized as business travel by Air Carrier or any of its Affiliates that employs said employee; and
- (b) required as part of that Air Carrier or any of its Affiliates employee’s work duties for the express purpose of conducting business on behalf of either Air Carrier or its Affiliates.

For clarity, Business Travel also includes travel by Deadheading and Duty Travel Crews, including those employees of an air carrier other than Air Carrier. However, it does not include travel by an employee of Air Carrier or any of its Affiliates who travels to or commutes to or from the Airport and another airport to report for duty or returns to the community where such Air Carrier employee resides;

“Capital Expenditure” means both “capital expenditures” as defined in accordance with IFRS and Software as a Service (“SaaS”) solutions that under IFRS may otherwise be recorded as an operating expense;

“Capital Plan” has the meaning set forth in Section 2.2.1;

“Capital Program” means a defined series of interrelated Capital Projects or Capital Expenditures to be made by GTAA on a single capital facility or infrastructure located at the Airport as determined by GTAA and as further identified as such in the Capital Plan, provided that Land Acquisitions will not in any event constitute a Capital Program;

“Capital Project” means an individual separate Capital Expenditure project identified in a Capital Program, provided that any Capital Expenditure project with an aggregate estimated capital cost (calculated on the basis of the capital costs estimated to be expended as of the anticipated date of execution of the Capital Project, including inflation at a rate as estimated by GTAA) of \$50,000,000 or greater will be deemed to be a Capital Program, and further provided that Land Acquisitions will not constitute a Capital Project;

“Confidential Information” means (whether or not in tangible form) any information of whatever kind disclosed or revealed by either Party under or in relation to this Agreement that: (A) is by its nature confidential or proprietary, (B) is designated by the disclosing Party as confidential or proprietary, or (C) the receiving Party knows or ought reasonably to know is confidential or proprietary information and also includes this Agreement (including any amendments), all documentation and information issued by GTAA in relation to any Capital Program or Capital Project, the disclosing Party’s financial information, business opportunities, designs, compilations of information and copies thereof. Confidential Information will not include information that the receiving Party can demonstrate:

- (a) is currently in or subsequently enters the public domain without a breach of this Agreement;
- (b) is lawfully obtained from an independent third party who does not have an obligation of confidentiality to the disclosing Party;
- (c) is independently developed or obtained by the receiving Party without reliance on the information disclosed under this Agreement and without breach of this Agreement;
- (d) was already lawfully in the receiving Party’s possession prior to receipt of such information from the disclosing Party and was not under a previous obligation of confidentiality;

- (e) is required to be disclosed by the receiving Party pursuant to an order by a court of competent jurisdiction, a taxing authority, or other requirement under any applicable laws; and/or
- (f) is released from the confidentiality provisions of this Agreement by the written authorization of the disclosing Party;

“Connecting Passenger” means an Enplaned Passenger carried by Air Carrier who has arrived at the Airport and who is: (i) continuing a journey on a different scheduled flight less than 4 hours after the arrival at the Airport for domestic Canada or transborder itineraries; or (ii) continuing a journey on a different scheduled flight less than 24 hours after arrival at the Airport for international itineraries; provided that, for the purposes of this Agreement, including both subparagraphs (i) and (ii) above, flights to and from the United States, (including Alaska but not Hawaii) will constitute flights within “transborder itineraries” and not “international itineraries”. For certainty, a “Connecting Passenger” includes a passenger who arrives on one air carrier and departs on another air carrier within the time periods described in the foregoing;

For clarity, where a specific passenger would have qualified as a Connecting Passenger, said passenger will remain a Connecting Passenger despite the occurrence of an irregular operation, which includes circumstances where a passenger who was scheduled to travel or did travel on an Air Carrier flight, and as a result of: a flight cancellation; an extended connection time; an additional flight as a result of an earlier aborted flight or diversion; and/or another reason beyond the control of Air Carrier (each an “IROP”) and as a result of such IROP, such passenger is transferred and carried by Air Carrier, or another air carrier, on another flight, or continues on an original itinerary with a delayed connection time that would otherwise no longer qualify them as a Connecting Passenger.

“Consultation Process” has the meaning set forth in Section 2.2.4;

“Credit Card AIF Cost Recovery” has the meaning set forth in Section 2.5.4;

“Credit Card Cost Recovery Date” has the meaning set forth in Section 2.5.4.

“CP Notice” has the meaning set forth in Section 2.2.4;

“Deadheading and Duty Travel Crews” means an Air Carrier employee who is: (i) repositioned by Air Carrier to depart from the Airport in order to work on a flight departing from another airport that is not the Air Carrier employee’s base or at which his or her last flight ended; or (ii) returning to the airport at which he or she is based having operated a flight. For certainty, this does not include an Air Carrier employee who travels or commutes between the Airport and another airport to report for duty or return to the community where such Air Carrier employee resides;

“Deposit” means an amount collected by Air Carrier on behalf of GTAA as a deposit from a prospective Enplaned Passenger equal to the amounts set out in Schedule “B”, payable by such prospective Enplaned Passenger should they become an Enplaned Passenger. GTAA will promptly notify Participating Air Carriers of any changes to the amounts set out in an Amended Schedule “B” issued by GTAA in accordance with Section 2.1.4. The Parties acknowledge and agree that if, at any time, GTAA provides any such notice to Participating Air Carriers, then such

Amended Schedule "B" will replace the then-current Schedule "B" of this Agreement without need for the execution of a formal amendment to this Agreement;

"Effective Date" means the first calendar day on which Air Carrier is required by the terms of this Agreement and the previous AIF agreement between the Parties to collect and remit Deposits to GTAA and as further set out in Section 5.1;

"Enplaned Passenger" means a departing passenger, including for certainty, a Connecting Passenger, carried by Air Carrier or by a Family Carrier Member from the Airport, including those departing passengers traveling on frequent flyer mileage redemption programs, but which will not include:

- (a) airline employees travelling on Business Travel (for certainty, this includes Deadheading and Duty Travel Crews of one air carrier on another air carrier);
- (b) infants under 2 years of age for whom no Ticket was issued (even though a no-cost Ticket may have been issued in the name of the infant for the purpose of accessing passenger screening or customs);
- (c) a passenger who has arrived at the Airport on an Air Carrier flight and whose scheduled flight continues on a domestic, transborder or international itinerary on the same aircraft (or, in the event of a mechanical or other delay, another aircraft) with the same flight number;
- (d) a passenger which is required by federal or provincial legislation to be carried by Air Carrier for travel and which may include peace officers, air marshals or any other person as identified by such legislation; or
- (e) a passenger who is a personal attendant to and who is accompanying a passenger with disabilities for travel within Canada as defined in Part V of the *Canadian Transportation Act* (Canada) or any other applicable legislation,

(collectively (a) to (e) are "**Exempt Passengers**").

For clarity, any Enplaned Passenger: (i) on a flight that is operated by Air Carrier or a Family Carrier Member that may have a combination of passengers and cargo, also known as a "combi" flight, or (ii) on an aircraft operated by an air carrier flying under its own livery where all seats are being sold in the name of Air Carrier, will be considered an Enplaned Passenger if not otherwise an Exempt Passenger.

"Event Date" has the meaning set forth in Section 2.1.7;

"Event of Default" has the meaning set forth in Section 3.1.1;

"Exempt Passengers" has the meaning set forth in the definition of "Enplaned Passenger";

“Exempt Services” means flights operated by Air Carrier or a Family Carrier Member that do not carry any Enplaned Passengers and includes cargo-only services, charity flights, medical and emergency services flights;

“Family Carrier Member” means an air carrier that is set out in Schedule “A”, and that is:

- (a) an air carrier that is an Affiliate of Air Carrier; or
- (b) a third party air carrier with whom Air Carrier has a capacity purchase agreement or other contractual agreement for the operation of Air Carrier’s flights, operating under the same trade name of Air Carrier or any of its Affiliates, or operating under the designator code of Air Carrier, provided that the foregoing is limited to aircraft movements of that third party air carrier for which Air Carrier has purchased 100% of the seats of that aircraft movement. For clarity, a Family Carrier Member can be a Non-Participating Air Carrier.

“Force Majeure” means a fire, flood, explosion, tornado, epidemic, earthquake, quarantine, embargo, or other act of God, explosion, damage or destruction to equipment or facilities, or other riots or civil disputes, war (whether declared or undeclared), acts of terrorism or armed conflict, any municipal ordinance or provincial or federal law, governmental order or regulation or order of any court or regulatory body, fraud, breaches of system security or any event beyond the reasonable control and not attributable to the negligence of the invoking party which renders continued performance under this Agreement by such party impossible, impracticable or illegal, provided that under no circumstances will a Party’s lack of funds or financing constitute an event of Force Majeure for the purposes of this Agreement or relieve a Party of its obligation to perform its responsibilities hereunder.

“Gross Annual AIF Revenues” has the meaning set forth in Section 2.5.1(a);

“GTAA Rates and Charges” means the aeronautical fees levied by GTAA upon air carriers using the Airport for the use of Airport facilities;

“HST” means any goods and services tax and any harmonized sales tax payable under the *Excise Tax Act* (Canada), including any sales tax or value-added tax enacted during the Term in replacement thereof;

“IFRS” means accounting standards published from time to time by the International Accounting Standards Board and adopted for use in Canada by the Canadian Accounting Standards Board;

“IROP” has the meaning set forth in the definition of “Connecting Passenger”;

“Land Acquisition” means any transaction pursuant to which GTAA will obtain an ownership or leasehold interest in real property;

“Moratorium Period” has the meaning set forth in Section 2.2.4;

“Notice” has the meaning set forth in Section 7.4.1;

“Non-Operation Period” has the meaning set forth in Section 5.2(a)(ii);

“Non-Participating Air Carrier” means an air carrier which: (i) has not executed and delivered an agreement with GTAA on substantially the same terms as this Agreement; or (ii) has committed an Event of Default under an agreement with GTAA on substantially the same terms as this Agreement which Event of Default has not been cured, and in respect of which GTAA has exercised its remedies in accordance with Article 3 of the applicable agreement;

“Participating Air Carrier” means any air carrier operating at the Airport and involved in commercial air passenger services which has executed and delivered an agreement with GTAA on substantially the same terms as this Agreement (including Air Carrier);

“Parties” means GTAA and Air Carrier, collectively, and **“Party”** means either one of them as the context so requires;

“Permitted Transit Funding Amount” has the meaning set out in Section 2.3.1(a)(i);

“Purpose” has the meaning set forth in Section 7.19.1;

“Remittance Form(s)” has the meaning set forth in Section 2.4.3;

“Reviewable Capital Program” means a planned Capital Program or Capital Project in respect of buildings, airfields, roads, navigational aids and other assets required for the operation of the Airport with an estimated capital cost of \$50,000,000 or greater (calculated on the basis of the capital costs estimated to be expended as of the anticipated date of execution of the Capital Project or Capital Program, including inflation at a rate as estimated by GTAA, and net of any contributions to be received by GTAA from any governmental authority), but which for clarity does not in any event include: (a) Capital Programs or Capital Projects for operating, maintenance and capital restoration related to the Airport, as identified by GTAA, or (b) Capital Programs or Capital Projects undertaken by GTAA in respect of the satisfaction of regulatory requirements or Airport safety or security purposes. For clarity, only Capital Programs, including Capital Projects, funded by AIF in part or in whole are considered a Reviewable Capital Program (i.e., those funded through other sources are exempt from the Consultation Process);

“SaaS” has the meaning set out in the definition of “Capital Expenditure”;

“Security Amount” has the meaning set forth in Section 2.8.1;

“Systemic Adjustment” has the meaning set forth in Section 2.6.2(a)(ii);

“Term” has the meaning set forth in Section 5.1;

“Ticket” means the document that entitles an Enplaned Passenger to embark on Air Carrier’s flight and which will include electronic Tickets where the equivalent of paper Tickets with a travel itinerary for a passenger is kept in electronic form with a specific reference (commonly referred to as ticketless travel) and which will include Tickets comprised of a coupon or a number of coupons;

“TSC” means the ACC Technical Sub-Committee further described in Section 2.2.3. which is a working group of Participating Air Carriers with delegated authority from the ACC to work with

GTAA to evaluate, consult on and ultimately provide a recommendation to the ACC on the technical suitability of all Reviewable Capital Programs; and

“Vice President and Chief Financial Officer” means the GTAA employee holding the position of Vice-President and Chief Financial Officer from time to time and will include any acting Vice-President and Chief Financial Officer and, if the title of the position is changed, the employee who is able to exercise the authority of the Vice President and Chief Financial Officer for the purposes of this Agreement.

- 1.2. Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.
- 1.3. The division of this Agreement into Articles, Sections, Subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement.
- 1.4. The words “hereof”, “herein”, “hereunder” and similar expressions used in any Article or Section of this Agreement relate to the whole of this Agreement and not to that Article or Section only, unless otherwise expressly provided.
- 1.5. Wherever in this Agreement the terms “include”, “includes”, “including” or any derivations thereof are used, such term will be interpreted to mean “including, without in any way limiting the generality of the foregoing,” such that any list following such term will not be construed so as to constitute an exhaustive list of the items so listed.
- 1.6. Except as otherwise indicated herein, at all times during the Term of this Agreement, the Parties will act reasonably in exercising their rights or discretions, making requests, making determinations and performing their duties and obligations under and in connection with this Agreement.

2. AIRPORT IMPROVEMENT FEE

2.1. Imposition and Usage of AIF and Remittance/Collection of Deposits

- 2.1.1 (a) The Parties agree that in general, AIF (specifically excluding amounts to be retained by Air Carrier in respect of the Administration Cost and amounts collected and remitted in respect of HST and other applicable taxes which will be remitted to the relevant authorities) will be used by GTAA for the purpose of Capital Programs and Capital Projects designed in furtherance of the:
 - (i) creation of operational efficiencies that reduce operating cost;
 - (ii) development of operating capacity;
 - (iii) generation of positive cash flow from non-aeronautical revenue sources;
and
 - (iv) other purposes set forth in Section 2.3 hereof,

and for debt service on any Capital Projects or Programs (which, for clarity, include debt service on any capital projects or programs which have been incurred by GTAA prior to the Effective Date of this Agreement).

- (b) During the Term, GTAA intends to impose an AIF in respect of the Enplaned Passengers carried by air carriers (including Air Carrier) operating from the Airport. In consideration of the retention by Air Carrier of the Administration Cost referred in Section 2.5 of this Agreement, Air Carrier will make every commercially reasonable effort to collect, or cause to be collected, the Deposit for and on behalf of GTAA at the time of the sale of a Ticket to each prospective Enplaned Passenger which will be held as a Deposit by Air Carrier and remitted to GTAA as provided in this Agreement.
 - (c) Subject to the terms of Section 2.4.2. of this Agreement, each of the Parties acknowledge and agree that: (i) the Deposits collected on behalf of GTAA by Air Carrier from the prospective Enplaned Passengers are funds properly belonging to GTAA and not Air Carrier; and (ii) the Deposits collected by Air Carrier will be held by Air Carrier in trust for the benefit of GTAA. Notwithstanding and without prejudice to the fact that the Deposits will be collected and held by Air Carrier in trust for GTAA, but subject to the terms of Section 2.4.2. of this Agreement, the Parties each acknowledge that such Deposits collected will be commingled in the accounts of Air Carrier with other funds collected during the normal course of business with no obligation to segregate the Deposits from these other funds, and GTAA will be under no obligation at any time to segregate AIF from any other funds it may have.
 - (d) Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that, as of January 1, 2023, Air Carrier and all of the other Participating Air Carriers shall be permitted to: continue using the same IATA "ticket tax" code (IATA Code: SQ); reflect on their Tickets the current AIF description; and collect and remit the AIF in the manner currently being used by all of the Participating Air Carriers, and same will not constitute a breach of any obligation of this Agreement. The Participating Air Carriers will work with IATA and the other Canadian airports diligently to develop and publish, through the IATA Ticket Tax Box Service, a new IATA "ticket tax" code and description reflecting the collection of Deposits in the manner otherwise provided herein. After the publication of the new IATA "ticket tax" code, and as set-out therein, Air Carrier will: reflect the new IATA-approved description on their Tickets; and collect and remit the Deposits on the Remittance Forms to accordingly reflect the Deposit mechanism provided herein.
- 2.1.2.** The obligation to collect and remit Deposits will not apply to Exempt Services provided by Air Carrier. In addition, air carriers who carry less than two thousand (2,000) Enplaned Passengers per calendar year will not be required to collect, hold and remit any Deposits, unless GTAA so elects such air carriers to require such collection, holding and remittance.
- 2.1.3.** Any AIF or fee charged by GTAA on Non-Participating Air Carriers in lieu of the AIF imposed by GTAA will be set at a Canadian whole dollar amount per Enplaned Passenger

for Participating Air Carriers or Non-Participating Air Carriers (as the case may be) plus HST and other applicable taxes. In addition, GTAA will also set an AIF in respect of Connecting Passengers for Participating Air Carriers or Non-Participating Air Carriers (as the case may be) which will be set at a Canadian whole dollar amount per Connecting Passenger.

- 2.1.4.** GTAA has the right at any time during the Term to increase or decrease the amount of the AIF payable by Enplaned Passengers as set out herein. GTAA has the right at any time during the Term to increase or decrease the amount of the Deposit to be collected, held in accordance with Section 2.1.1.(b) and remitted by Air Carrier, provided that GTAA will provide at least 90 calendar days prior written Notice to the ACC and to the Participating Air Carriers.
- 2.1.5.** Regardless of which air carrier sells a Ticket to a prospective Enplaned Passenger or which air carrier designator code is on the Enplaned Passenger's Ticket, the Parties acknowledge and agree that the Participating Air Carrier on whom the Enplaned Passenger actually travels will be the party responsible for the remittance of the Deposit for that prospective Enplaned Passenger in accordance with the other provisions of this Agreement, and, if Air Carrier also sold the Ticket to the prospective Enplaned Passenger, Air Carrier will be responsible for the collection of the Deposit for such Enplaned Passenger.
- 2.1.6.** Except as permitted under Section 2.1.2, GTAA will not levy GTAA Rates and Charges, including landing fees and general terminal charges, on any less favourable terms and conditions to Participating Air Carriers and their passengers, having regard to the AIF imposed by GTAA, than are levied on Non-Participating Air Carriers and their passengers, provided that nothing herein will be interpreted or construed so as to limit the unfettered right of GTAA to set GTAA Rates and Charges at such levels as it deems appropriate in its sole discretion or to offer incentive programs from time to time or to set different fees in lieu of AIF rates for Non-Participating Air Carriers than AIF rates for Participating Air Carriers. Air Carrier acknowledges and agrees that the current arrangement (which Air Carrier agrees is compliant with the foregoing) for Non-Participating Air Carriers is that they pay a fee in lieu of the AIF, which is not, and will not be, less than the dollar amount of the AIF, and which is on the basis of the number of seats instead of the number of Enplaned Passengers, and that GTAA may revise such charging and collection methodology in its sole discretion at any time, subject to the limitations stated in this Section 2.1.6.
- 2.1.7.** If, as a result of any of the following events (an "AIF Legislative Initiative"):
- (a) any order, directive, legislative initiative, regulatory change and/or binding policy statement issued by a government authority having jurisdiction over the imposition or collection of an AIF by GTAA; or
 - (b) any order or judgment of any court or administrative body of competent jurisdiction,

GTAA is unable to impose an AIF or Participating Air Carriers are unable to collect the Deposits, the obligations of each Party contained in this Agreement will cease, save and except:

- (a) the obligation of Air Carrier to collect Deposits in accordance with Section 2.1.1.(h), up to and including the date upon which the government authority having jurisdiction or the court or administrative body, has issued, promulgated or enacted the AIF Legislative Event (the “Event Date”); and
- (b) the obligations of the Parties described in Section 2.5 to the extent of the Deposits collected, held in accordance with Section 2.1.1.(b) and remitted by Air Carrier for the period up to and including the Event Date.

2.2. Capital Review Process

2.2.1. Airport Master Plan and Capital Plan

Upon the execution of this Agreement, GTAA will provide to the TSC the most current version of the Airport Master Plan along with its five-year capital plan for the Airport (the “Capital Plan”) which will outline and detail (using written descriptions and illustrations) GTAA’s capital budget over the number of years covered by the Capital Plan, and its planned Capital Programs, including Reviewable Capital Programs. For clarity and certainty, and as applicable, the Capital Plan will include the terms related to any Permitted Transit Funding Amount. The Parties acknowledge that the Capital Plan is and will continue to be an evolving document as GTAA’s strategy and capital plans evolve, and accordingly GTAA will provide the TSC on an annual basis with an updated version of its Capital Plan. GTAA and the TSC may review and discuss the Airport Master Plan and the Capital Plan, provided that nothing herein will be construed so as to give the TSC or any Participating Air Carrier the right of consultation (including the Consultation Process) with GTAA with respect thereto.

2.2.2. Reporting

(a) Reporting on Airport Master Plan and Capital Plan

GTAA will, on a semi-annual basis (or more frequently if GTAA determines that more frequent reports are warranted to achieve the purposes of this Agreement) provide to the ACC updated information pertaining to:

- (i) Capital Plan impact on debt and debt service levels;
- (ii) Capital Plan impact on operating budget;
- (iii) Amendments to the Capital Plan; and
- (iv) Amendments to the Airport Master Plan.

(b) Reporting on AIF

GTAA will provide to the ACC on a semi-annual basis (or more frequently if GTAA determines that more frequent reports are warranted to achieve the purposes of this Agreement) a report of Gross Annual AIF Revenues to date.

2.2.3. ACC Technical Sub-committee (TSC)

- (a) In order to facilitate effective and transparent consultation for the mutual benefit of GTAA and the Participating Air Carriers, the TSC will be established by the ACC and maintained throughout the Term. The ACC will give prompt written notice to GTAA of the identification of the members of the TSC, including any changes to such membership.
- (b) The TSC will act as the direct interface of the ACC in the review of Reviewable Capital Programs, the evaluation of Reviewable Capital Programs for their technical merit and the issuance of recommendations to the ACC in respect thereof. GTAA and the TSC will consult in good faith giving full consideration to air carrier requirements and the overall strategic needs of the Airport and GTAA. The frequency of the GTAA-TSC meetings is expected to be a minimum of 2 meetings per year as determined by GTAA and the TSC, subject to any mutually agreed change in frequency in relationship to the size and scope of the Capital Plan.

2.2.4. Consultation on Reviewable Capital Programs

(a) Proposed Reviewable Capital Programs and the Consultation Process

GTAA will undertake prior consultation through meetings with the ACC and TSC concerning the proposed Capital Plan. Such consultation will entail a review of financial, technical and operational aspects of any and all Reviewable Capital Programs. GTAA and the TSC will, as part of the Capital Plan review, establish and undertake a schedule for the review of Reviewable Capital Programs as identified in the Capital Plan, the basis of which will be to review Reviewable Capital Programs as soon as practicable (taking into account the size, complexity and value of the Reviewable Capital Program). Where a Reviewable Capital Program contains multiple Capital Projects and any of said Capital Projects has an individual estimated capital cost of greater than \$50,000,000, such Capital Project will not be subject to a separate review or ACC Endorsement process as a separate Reviewable Capital Program, but rather will remain included within the larger Reviewable Capital Program and that review and ACC Endorsement process pursuant hereto. In the course of such consultation, the TSC will be entitled to request information pertaining to Reviewable Capital Programs and GTAA will use reasonable efforts to provide such information, subject to confidentiality restrictions and other factors which GTAA deems to be appropriate. All members of the TSC from time to time will execute confidentiality agreements in favour of GTAA in form and substance acceptable to GTAA (acting reasonably) governing all information disclosed during the Consultation Processes provided for in this Agreement, provided that such confidentiality agreements will permit the members

of the TSC to disclose information to other employees within their company on a strict "need to know" basis and to disclose information to members of the ACC for purposes of making the recommendations contemplated in this Agreement (provided that such disclosures will be limited to the amount reasonably necessary to make the recommendation). The TSC will then be permitted to provide feedback and technical alternatives to the extent that the TSC deems appropriate. GTAA will receive such feedback and alternatives, provided that GTAA will be under no obligation to implement any TSC-suggested revisions to a Reviewable Capital Program or the Capital Plan (provided further that GTAA will give reasonable consideration to any such suggested revisions). Feedback from the TSC will include areas of agreement, objection and suggested amendments or alternatives. GTAA may seek further clarification from the TSC from time to time as appropriate. GTAA will be responsible for the maintenance and regular distribution to the ACC and GTAA of all minutes and other records setting out the proceedings of the Consultation Process.

(b) **CP Notices for Reviewable Capital Programs**

- (i) At any point during the Consultation Process established in Subsection (a) above (the "**Consultation Process**") and in any event prior to the anticipated date of execution of the Capital Project or Reviewable Capital Program, GTAA must submit in writing to the ACC a Notice that GTAA intends to seek ACC Endorsement of a Reviewable Capital Program (a "**CP Notice**"). Such CP Notice will include a general conceptual description of the Reviewable Capital Program, any existing cost estimates (including expected benefits), the planned calendar quarters within which the work is anticipated to commence and be completed, a high-level business case containing any traffic or other assumptions and other information as GTAA may have available at the time and a site plan.
- (ii) Subject to the execution and completion of the ACC Endorsement process described below, GTAA and the TSC will continue to engage in the Consultation Process, and GTAA will provide such additional information as may be available from time to time regarding the Reviewable Capital Program which was the subject of the CP Notice. The TSC will prepare and issue to the ACC and all Participating Air Carriers a written report setting out its recommendation (with reasons) as to whether the ACC Endorsement should or should not be provided.
- (iii) Within 90 calendar days of delivery of the CP Notice to the ACC, the ACC will hold a vote on whether or not to endorse the Reviewable Capital Program in question and then deliver written notice to GTAA that the ACC has either provided or withheld an ACC Endorsement of the Reviewable Capital Program. If the ACC does not deliver within the aforesaid 90 calendar day time period a written Notice that the ACC Endorsement has been withheld, then the ACC will be deemed to have delivered the ACC Endorsement for the Reviewable Capital Program in question except where

GTAA and the TSC have mutually agreed to extend such period (which either Party may in its sole discretion decline to agree to extend).

- (iv) In the exercise of its ACC vote, Air Carrier will consider the overall benefit of any Reviewable Capital Program to the Airport air carrier community and the Airport as a whole.

(c) **ACC-Endorsed Reviewable Capital Programs**

Where the ACC has delivered or deemed to have delivered an ACC Endorsement for a Reviewable Capital Program, GTAA will be free to proceed with the ACC-endorsed Reviewable Capital Program in its sole discretion, provided that the delivery or deemed delivery of an ACC Endorsement will not compel GTAA to implement the Reviewable Capital Program. In addition, GTAA may amend the ACC-endorsed Reviewable Capital Program in such manner and to such an extent as it may deem advisable, provided that it will advise the ACC, as outlined below, where the scope of such ACC-endorsed Reviewable Capital Program has been revised to such an extent that the scope of such ACC-endorsed Reviewable Capital Program is of a materially different character than when the Consultation Process was undertaken in respect thereof. For clarity, an ACC-endorsed Reviewable Capital Program will be deemed not to have been revised so as to be of a materially different character if the cost thereof has changed without a corresponding material revision of scope. Where GTAA has advised the ACC of such a material revision, GTAA will provide in writing a summary of the extent of and reasons for such material revision, and GTAA will reasonably consider (but will not be required to implement) any suggestions of the ACC with respect to such revised ACC-endorsed Reviewable Capital Program. GTAA will not under any circumstances be required to resubmit a Reviewable Capital Program which has already received or been deemed to receive an ACC Endorsement to a Consultation Process, and the ACC Endorsement or deemed ACC Endorsement will be irrevocable.

(d) **Non-Endorsed Reviewable Capital Programs**

- (i) Where the ACC has delivered to GTAA written Notice that it has elected to withhold an ACC Endorsement of a Reviewable Capital Program, GTAA will be prevented from proceeding with the bidding process, awarding of contracts and/or use of AIF for the Reviewable Capital Program in question for a period of 365 calendar days from the date of delivery of the ACC's written Notice as aforesaid (the "**Moratorium Period**"), provided that nothing herein will restrict GTAA from engaging design and engineering consultants for the performance of design and engineering services necessary or desirable to further define the scope of the Reviewable Capital Program so as to provide the ACC with further details of such Reviewable Capital Program and further refine the proposed project budget and/or to revise the parameters or details of the Reviewable Capital Program in question for the purpose of re-submitting same to the ACC for further consideration.

- (ii) During the Moratorium Period, the Parties may enter into the escalation process for disputes as set forth in Section 4 of this Agreement upon the written request of either Party, with the intent to seek resolution of any differences between GTAA and the ACC with respect to the proposed Reviewable Capital Program. In the absence of, or in tandem with, such formal escalation process, GTAA and the TSC may also consult informally with each other with respect to any aspect of a Reviewable Capital Program.
- (iii) Should GTAA and the ACC agree that a modification to the proposed Reviewable Capital Program may receive an ACC Endorsement prior to the Moratorium Period expiry, GTAA will submit a revised Reviewable Capital Program proposal to the TSC and ACC for voting by the members of the ACC. If the ACC subsequently issues an ACC Endorsement for the revised Reviewable Capital Program, the Moratorium Period will immediately terminate for such Reviewable Capital Program (as revised) and the provisions of Section 2.2.4.(c) will thereafter apply. Notwithstanding the foregoing, the Parties acknowledge and agree that the Moratorium Period will continue to run during any period where GTAA and the TSC and ACC are revising the Reviewable Capital Program for resubmission to the ACC and will not be suspended or restart the Moratorium Period as a result of such revision or re-submission process. Where a revised Reviewable Capital Program has been re-submitted but again fails to receive an ACC Endorsement, the Moratorium Period will continue to run from the date that the original Reviewable Capital Program failed to receive an ACC Endorsement.

2.2.5. Limitation on Rights of Recourse

Notwithstanding any other provision of this Agreement, under no circumstances will Air Carrier be permitted to terminate this Agreement or cease or suspend the collection and remittance of Deposits to GTAA as a result of any failure by GTAA to comply with the Consultation Process or any of the other provisions of this Section 2.2. The Parties acknowledge and agree that Air Carrier's remedies (either itself or through the ACC or any other group of which it is a member) in respect of any failure by GTAA to perform its obligations under this Section 2.2 will be the referral of the matter to the escalation process for disputes as described in Article 4 hereof and/or its remedies to enforce its rights under this Agreement as specified in Section 3.2.2 hereof. For clarity, under no circumstances will any failure by GTAA to comply with the provisions of this Section 2.2 affect or limit the obligations of Air Carrier to collect, hold and remit Deposits to GTAA and to be accountable in respect thereof in accordance with the other provisions of this Agreement.

2.2.6. Notification of Variances on ACC-Endorsed Reviewable Capital Programs

Where a Reviewable Capital Program has received an ACC Endorsement and, in the course of execution, the capital cost of such Reviewable Capital Program increases such that its expected cost of completion is estimated to exceed the original estimated amount thereof as set forth in the associated CP Notice by ten (10%) percent or greater, GTAA will so notify the TSC in writing. GTAA will provide its written opinion of the reasons as to why

the estimated cost of completion of the Reviewable Capital Program has exceeded the original estimated amount as noted above. For clarity, such notification will not require that GTAA and the TSC engage in any further consultation with respect to such Reviewable Capital Program, nor will it require any additional ACC Endorsement or invalidate the previously issued ACC Endorsement. It is understood that the normal dialogue associated with the furtherance of an Endorsed Reviewable Capital Program will continue.

2.3. Use of AIF

2.3.1. Subject to the terms of this Agreement, AIF (except for amounts collected in respect of Administration Cost payments and any HST and other applicable taxes, which will be remitted by GTAA to the appropriate authorities) will solely be used by GTAA in accordance with the provisions of Sections 2.1.1 and 2.3, as further described below:

- (a) for the capital development of the Airport, including associated off-Airport assets and projects that are functionally related to air operations, air navigation, the processing of passengers and their baggage, cargo and mail associated with the Airport, including navigation aids, noise monitoring equipment, the acquisition and development of lands for Airport purposes adjacent to the Airport, access roads and terminals servicing the Airport not located on the Airport lands but will not include costs associated with or related to the construction, development, maintenance or operation of any mass transit system beyond the boundary of the Airport (except as provided in subsection (i));
 - (i) GTAA will be entitled to use up to \$50 million in AIF during the Term for costs associated with or related to the construction, development, of any mass transit system (or portion of any mass transit system) located within 5 kilometers of the boundary of the Airport (the “**Permitted Transit Funding Amount**”), provided that up to \$5 million of the Permitted Transit Funding Amount will be available to be spent by GTAA in the first year of the Term, with additional \$5 million amounts to become available to be spent in each year after the first year and any unused portions of the Permitted Transit Funding Amount to be carried forward to subsequent years, such that the total amount of AIF to be spent under the Permitted Transit Funding Amount will not exceed \$50 million and, for clarity, may be only be spent during the Term.
- (b) the debt service, debt retirement, debt service reserve obligations, debt coverage requirements, capitalized interest and the cost of the issuance of such debt associated with the foregoing;
- (c) for the acquisition, development and operation of the Toronto City Centre Airport, Pickering Airport and, following consultation with the ACC, such other airports in the South Central Ontario Region as GTAA may determine. To the extent that AIF (exclusive of amounts collected and remitted on account of HST and other applicable taxes) is used by GTAA for the foregoing purposes, GTAA will ensure that the use of such AIF is separately recorded and that, when and if it is practical

and commercially reasonable to do so (which will be in GTAA's sole discretion), GTAA will ensure that the other airport project receiving AIF repays GTAA for the undertaking for which such AIF was received. Any funds received as a result of such repayment will continue to be treated as AIF for the purpose of this Agreement; and

- (d) expenditures associated with the furtherance of the objects of GTAA as described in GTAA's letters patent (a copy of which will be provided to Air Carrier upon request).

2.3.2. AIF collected by GTAA in accordance with the terms of this Agreement need not be applied in accordance with the terms of this Section 2.3 in the year in which such AIF is remitted. AIF remitted to GTAA in any given calendar year may be held by GTAA in a reserve fund and expended in subsequent years. Such reserve fund will be managed by GTAA in accordance with prudent management practices. Interest earned on unexpended funds will be treated as AIF.

2.3.3. Notwithstanding Section 2.3.2 and the other provisions of this Agreement, the Parties acknowledge and agree that GTAA does not at this time and will not during the Term be required to segregate amounts received as AIF from its other revenue, and the Parties further acknowledge and agree that all amounts received as AIF will be commingled with the other funds of GTAA. As such, the Parties acknowledge and agree that AIF will not be specifically designated to be applied for any particular purposes or accounted for accordingly, but will instead be collected and expended on GTAA's operations and business activities, subject to Section 2.3.1.

2.4. Remittance

2.4.1. Regardless of whether Deposits are actually collected from Enplaned Passengers, but subject to Section 2.4.2, Air Carrier will remit to GTAA an amount equal to the Deposit collected or which should have been collected pursuant to Section 2.1 of this Agreement for each Enplaned Passenger at the Airport for which the Ticket sales occurred on or after the Effective Date, (less the Administration Cost, and related applicable HST and other applicable taxes on such Administration Cost) on a monthly basis on the first Business Day of the month following the month of the enplanement by the Enplaned Passenger at the Airport, with such monthly remittances to be made on the basis of the estimated amount owing to GTAA for the previous month, and with final adjustments made on a monthly basis on the first Business Day of the second month following the month of the enplanement of the Enplaned Passenger at the Airport. The estimated amounts referred to in this Section 2.4.1. will be based on reasonable, good faith estimates made by GTAA of Enplaned Passengers using historical data and/or reasonable forward projections.

2.4.2. The obligation to remit Deposits to GTAA and the liability for such Deposits arises upon the enplanement of the Enplaned Passenger at the Airport regardless of the date of the Ticket sale and regardless of the date of the collection by Air Carrier of the Deposits, provided that the Enplaned Passenger purchased the Ticket on or after the Effective Date. For certainty, if a prospective Enplaned Passenger does not become an actual Enplaned Passenger (i.e. there is no enplanement of the prospective Enplaned Passenger at the

Airport), GTAA is not entitled to the Deposit collected by Air Carrier with respect to that prospective Enplaned Passenger.

2.4.3. Air Carrier will provide to GTAA with each remittance a statement in a form and substance mutually acceptable to the GTAA and the ACC (including the two largest Canadian Participating Air Carriers) identifying:

- (a) the aggregate number of Enplaned Passengers associated with the remittance;
- (b) the total number of passengers carried by Air Carrier for the same period; and
- (c) the amount of the Administration Cost retained by Air Carrier.

This "**Remittance Form(s)**" will be required to contain all requisite information in order for such form to be considered as a tax invoice issued by Air Carrier to GTAA with respect to the Administration Cost.

2.4.4. With respect to Enplaned Passengers, provided that:

- (a) Air Carrier is legally able to institute a method of Deposit collection which could reasonably be expected to assess all Enplaned Passengers in accordance with this Agreement; and
- (b) Air Carrier is able to make reasonable efforts to assess the Enplaned Passengers in accordance with this Agreement and remits Deposits pursuant to the method instituted pursuant to this Agreement; and
- (c) Air Carrier remits all Deposits actually collected from Enplaned Passengers in accordance with this Agreement during this period;

Air Carrier's liability for making the Deposit remittances will be limited to the greater of: (i) the total amount of Deposits collected from Enplaned Passengers; and (ii) 96% of the amount of total Deposits that should have been collected from Enplaned Passengers.

2.4.5. Interest will be charged to Air Carrier on a monthly basis, commencing after the due date, on all overdue amounts at the prime rate established by the Canadian Imperial Bank of Commerce from time to time plus 3% per cent per annum.

2.4.6 Where Air Carrier has collected or received a Deposit in respect of a prospective Enplaned Passenger where the prospective Enplaned Passenger did not become an actual Enplaned Passenger, Air Carrier will defend and indemnify GTAA in respect of any claims with respect to such AIF made against GTAA by non-enplaned passengers, for the amounts paid by such non-enplaned passengers.

2.4.7 Family Carrier Members

- (a) For clarity, where the appropriate Deposits have been remitted by Air Carrier in respect of flights operated by a Family Carrier Member, AIF (or any equivalent

charges levied on Non-Participating Air Carriers) will not be charged again by GTAA to such Family Carrier Member in respect of such flights (i.e., the applicable AIF or the applicable equivalent charge, will only be collected once).

- (b) A list of Air Carrier's Family Carrier Members is attached hereto as Schedule "A".
- (c) Where Air Carrier has Family Carrier Members, Air Carrier will guarantee and be obligated to perform all obligations hereunder in respect of all of the Enplaned Passengers as defined in this Agreement, including those of Family Carrier Members not yet listed on Amended Schedule "A", as set out in subparagraph (d) below.
- (d) Air Carrier will promptly notify GTAA in writing of any changes to its list of Family Carrier Members in an amended Schedule "A" ("**Amended Schedule "A"**"). The Parties acknowledge and agree that if, at any time, Air Carrier provides any such notice to GTAA, then such Amended Schedule "A" will replace the Schedule "A" of this Agreement.
- (e) For further clarity, where Air Carrier remits Deposits to GTAA in respect of Enplaned Passengers travelling on flights operated by a Family Carrier Member, these Enplaned Passengers will be considered in the totals of Air Carrier's yearly Enplaned Passengers for the purposes of determining any ACC Endorsement.

2.5. Administration Cost

2.5.1. Air Carrier will be entitled to invoice and collect from GTAA a specified percentage amount (plus HST and other applicable taxes) on account of the costs incurred by Air Carrier in collecting, holding and remitting Deposits to GTAA. The Parties agree that the specified percentage amount will be equal to the percentages set out in subsections (a), (b) and (c) hereof as applied to the amount of the AIF (exclusive of any HST or other applicable taxes) remitted to GTAA (the "**Administration Cost**"). Air Carrier acknowledges that such amount represents its full cost of performing its obligations under this Agreement and agrees that it will under no circumstances be permitted to receive any amount in excess of the percentages specified herein. The percentages used for purposes of calculating the Administration Cost will be calculated as follows:

- (a) The Administration Cost percentage will be [REDACTED] commencing on the first calendar day of each year during the Term until the first day of the month after the month in which GTAA has recorded gross AIF revenues of [REDACTED] [REDACTED] (excluding HST) during that calendar year of AIF for all Participating Air Carriers, as determined by GTAA in accordance with IFRS (calculated collectively) ("**Gross Annual AIF Revenues**").
- (b) Once Gross Annual AIF Revenues are recorded to be in excess of [REDACTED] [REDACTED], in that same calendar year, GTAA will notify all of the Participating Air Carriers of same and the Administration Cost percentage will be reduced from [REDACTED] [REDACTED] of incremental AIF for all Participating Air Carriers on or after the first calendar day of the month after the month in which GTAA is determined to have recorded

(in accordance with IFRS) Gross Annual AIF Revenues of [REDACTED] or more (excluding HST) during that calendar year.

- (c) Once Gross Annual AIF Revenues are recorded to be in excess of [REDACTED], in that same calendar year, GTAA will notify all of the Participating Air Carriers of same and the Administration Cost percentage will be reduced from [REDACTED] of incremental AIF for all Participating Air Carriers on or after the first calendar day of the month after the month in which GTAA has recorded (in accordance with IFRS) Gross Annual AIF Revenues of [REDACTED] (excluding HST) during that calendar year.
- (d) For clarity and certainty, the monetary thresholds herein will be re-set at the beginning of each calendar year during the Term.

2.5.2 Although the Administration Cost (and HST and other applicable taxes on such Administration Cost) can be off-set from the Deposits and pursuant to Section 2.4.1, Air Carrier will issue an invoice to GTAA for its Administration Cost (plus HST and other applicable taxes on such Administration Cost), containing all information required by law. This invoice will be deemed issued if Air Carrier provides a fully completed Remittance Form pursuant to the terms of Section 2.4.3.

2.5.3 For clarity, nothing herein will require GTAA to pay the Administration Cost with respect to any amounts received by GTAA for amounts charged by GTAA to Non-Participating Carriers in lieu of the AIF, except where such Non-Participating Carrier is a Carrier Family Member.

2.5.4 If, at any point during the Term, Air Carrier charges and recovers some or all of its credit card processing expenses (charged to Air Carrier by credit card companies or networks) related to the payment of the AIF from those Enplaned Passengers using certain credit cards for payment (the "**Credit Card AIF Cost Recovery**"), Air Carrier shall inform GTAA of its decision to do so in advance of Air Carrier's date of commencement of the Credit Card AIF Cost Recovery (the "**Credit Card Cost Recovery Date**"). Air Carrier's Administration Cost shall then be reduced by [REDACTED] Air Carrier's implementation of the Credit Card AIF Cost Recovery in respect of those Enplaned Passengers for which the Ticket was purchased after the Credit Card Cost Recovery Date.

2.5.5 If, at any point during the Term, Air Carrier elects to discontinue the Credit Card AIF Cost Recovery, Air Carrier shall inform GTAA of its decision to do so in advance. Air Carrier's Administration Cost shall be increased by [REDACTED] Air Carrier's discontinuance.

2.6. Certification and Audit by GTAA

2.6.1. On or before January 15th in each year of the Term of this Agreement, Air Carrier will deliver to GTAA an Annual Statement signed by an authorized signing officer of Air Carrier, which Annual Statement will:

- (a) state the amount of Deposits remitted to GTAA during the period commencing November 1 and ending on October 31 of the preceding year;

- (b) state the aggregate number of (i) passengers; (ii) Enplaned Passengers; and (iii) Connecting Passengers carried by Air Carrier for the same period;
 - (c) state the aggregate amount of the Administration Cost retained by Air Carrier and the applicable HST and other applicable taxes on such Administration Cost;
 - (d) contain a certification that the Annual Statement is true and correct in all respects to the best of the authorized signing officer's knowledge and belief after due inquiry; and
 - (e) be in such detail, form and scope as GTAA determines, acting reasonably.
 - (f) During the period of 2 years following the Annual Statement issuance, Air Carrier will have the right to request an adjustment from GTAA to disclose new information that could result in a refund amount or additional remittance.
- 2.6.2. (a) GTAA may contract with an independent external auditor to conduct an audit of Air Carrier's records in respect of a particular 12-month period (assessed on a November 1 - October 31 basis) (each an "**AIF Certification Period**") by delivering Notice to that effect solely as it pertains to the calculation of Deposits remitted under this Agreement during that AIF Certification Period (each a "**AIF Certification Period Audit**"), provided that:
- (i) such AIF Certification Period Audit is requested within 4 years of GTAA's receipt of the Annual Statement for the AIF Certification Period to be audited (provided that such audit need not be completed within that 4-year period); and
 - (ii) GTAA may perform an AIF Certification Period Audit only once for any AIF Certification Period, except where a GTAA audit identifies a deficiency which is systemic in nature and has resulted in a need for adjustment to the amount of AIF payable (up or down) in multiple AIF Certification Periods, (each a "**Systemic Adjustment**") provided further that such Systemic Adjustments may only be made once in respect of the 4 AIF Certification Periods prior to the Notice date for the audit which resulted in identification of the systemic deficiency.
- (b) Where GTAA has identified a Systemic Adjustment for an AIF Certification Period that has been previously audited, the Parties will make the necessary adjustments without the requirement for an additional Notice in respect of the AIF Certification Periods affected by the Systemic Adjustment.
 - (c) The identification of a Systemic Adjustment in respect of an AIF Certification Period will not affect GTAA's right to perform an AIF Certification Period Audit in respect of that AIF Certification Period, except as otherwise set out in Section 2.6.2(a)(ii).

(d) GTAA will be entitled to bill and collect the costs of such audit from Air Carrier only in the event that such audit shows that remittances by Air Carrier are understated by 3% percent or more of the amount due and payable to GTAA under this Agreement in the year preceding the date of the audit. In other cases, the cost of such audit will be paid by GTAA.

2.6.3. GTAA or Air Carrier, as appropriate, will pay any refunds owing or remittances required, without interest, within 30 calendar days of the receipt of such audit. Any refunds owing or remittances required as a result of the audit but not paid within 30 calendar days of the receipt of such certificate will be subject to interest as provided for in Section 2.4.5.

2.6.4. For the purpose of Section 2.6.2, Air Carrier will retain auditable records for a period of 7 years that support the aggregate amount of passengers, Enplaned Passengers and Connecting Passengers carried by Air Carrier for each reporting period during the Term.

2.7. Audit by ACC

2.7.1. Annually during the Term, within 180 calendar days of its fiscal year end, GTAA must provide to Air Carrier a certificate signed by the Vice President and Chief Financial Officer of GTAA (and which certificate will be addressed to all Participating Air Carriers), reporting the use of the AIF by GTAA in accordance with Section 2.2 and stating that the amount of AIF remitted to GTAA have been expended only in accordance with the terms of this Agreement.

2.7.2. Air Carrier acknowledges that, during the Term, the ACC, as mandated by Participating Air Carriers whose Enplaned Passengers represent at least 2/3 of Enplaned Passengers for all of its Participating Air Carriers, may contract with an independent external auditor to conduct an audit of GTAA's records (conducted during regular office hours) solely as it pertains to the collection of Deposits and use of AIF under this Agreement within 4 years of the Participating Air Carriers' receipt of a GTAA certification as referenced in Section 2.7.1. in respect of a particular calendar year to be audited (provided that such audit need not be completed within that 4-year period). Such audit will in no event be at GTAA's expense. Such audits will be limited to 1 audit in respect of each calendar year, conducted collectively under the auspices of the ACC. Once an audit has been performed, no further audit will be permitted until 2 years has elapsed since the last such audit.

2.7.3. Air Carrier will have no further right of audit except through the ACC and in the manner and subject to the limitations proscribed in this Section 2.7.

2.7.4. For the purposes of Section 2.7.2, GTAA will retain auditable records for a period of 7 years pertaining to the use of AIF under this Agreement for all Participating Air Carriers for each reporting period during the Term.

2.8 Security Amount

2.8.1 Notwithstanding the fact that Air Carrier is collecting Deposits from Enplaned Passengers on account of the AIF, Air Carrier will deliver to GTAA a security payment (the "**Security Amount**") which will act as a guarantee of Air Carrier's obligation to collect and remit

Deposits. The Security Amount must be delivered prior to the Effective Date (except where Air Carrier is already operating at the Airport and has already provided the Security Amount as of the Effective Date hereof, in which case the Parties acknowledge that the Security Amount has been paid).

- 2.8.2. The Security Amount can take the form of a letter of credit or delivery of cash into the custody of GTAA. The amount of the Security Amount will be an amount equal to a minimum of 30 calendar days of activity (as estimated by GTAA and communicated to Air Carrier in writing). GTAA reserves the right to increase this requirement where GTAA reasonably determines that Air Carrier's credit risk is at a level which is higher than normally expected for air carriers operating at the Airport. The quantum of the Security Amount will be reassessed at the start of each operating season based on slot filings provided by Air Carrier. Where GTAA reasonably determines that the Security Amount provided by Air Carrier must be increased or decreased (whether on a permanent or temporary basis), the Parties will adjust the letter of credit or cash amount (as applicable) promptly after Air Carrier has been so advised in writing by GTAA.
- 2.8.3. Where the Security Amount has been satisfied by the delivery of cash, Air Carrier will receive an interest payment semi-annually using an interest rate prescribed by GTAA.
- 2.8.4. GTAA may elect to call upon and collect against the Security Amount in whole or in part where Air Carrier has failed to comply with any obligations hereunder with respect to the collection or remittance of Deposits or where, in GTAA's sole opinion (acting reasonably) an Event of Default may reasonably be anticipated to be committed by Air Carrier. Where GTAA has claimed some or all of the Security Amount, Air Carrier will promptly (and in no event later than 15 calendar days) replenish the Security Amount by a sum equal to the amount claimed by GTAA in accordance with the terms hereof

3. DEFAULTS

3.1. Default And Remedies

- 3.1.1. It is expressly agreed that an "Event of Default" means the occurrence of any one or more of the following:
- (a) Air Carrier fails to remit any portion of Deposits within 5 calendar days after such Deposits have become due and payable in accordance with Section 2.4.1 and such failure continues for a period of 10 calendar days following written demand thereof being made by GTAA; or
 - (b) Except to the extent due to a Force Majeure event, a Party fails to observe or perform any other covenant or agreement hereunder (other than the terms, covenants or conditions set out below in Subsections (e) to (g), inclusive, for which no notice is required) and such default continues for a period of 30 calendar days after written notice by the non-defaulting Party specifying with reasonable particularity the nature of such default and requiring the same to be remedied; or

- (c) Air Carrier commits a breach of a material nature of this Agreement that is not capable of being remedied and receives written Notice from GTAA specifying particulars of the breach; or
- (d) Air Carrier becomes bankrupt or insolvent or takes the benefit of any act now or hereafter in force for insolvent or bankrupt debtors or files any proposal or makes any assignment for the benefit of creditors or any arrangement or compromise; or
- (e) a receiver, interim receiver, receiver manager, monitor, custodian or like person is appointed for all or a substantial part of the property or business of Air Carrier, unless the appointment is dismissed, discharged or stayed within 30 calendar days; or
- (f) any steps are taken or proceedings are instituted by Air Carrier or any other person, court or government agency for the dissolution, winding-up or liquidation of Air Carrier or its assets, unless where the steps or proceedings are initiated by someone other than Air Carrier and such steps or proceedings are dismissed, discharged or stayed within 30 calendar days of commencement; or
- (g) any of Air Carrier's assets located at the Airport used in connection with providing service to the Airport are taken or seized under a writ of execution, a chattel mortgage, charge, debenture or other security instrument with the effect that Air Carrier's ability to operate at the Airport is or will be materially constrained.

3.2. Rights Upon Default

3.2.1. If and whenever Air Carrier commits an Event of Default, then under no circumstances will Air Carrier be permitted to terminate this Agreement or cease or suspend the collection of and remittance of AIF to GTAA, GTAA will have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Agreement by notice to Air Carrier and thereby deem that Air Carrier is a Non-Participating Air Carrier; or
- (b) to demand payment of the Deposits in arrears, plus interest as provided in this Agreement.

3.2.2. If GTAA commits an Event of Default, then in addition to any other rights that Air Carrier has under this Agreement or at law (including those described in Article 4 hereof), Air Carrier will be entitled to enforce its rights under this Agreement by application to the applicable court of the province of Ontario. GTAA acknowledges and agrees that Air Carrier will be irreparably harmed by the breach of the terms of this Agreement and will not have an adequate remedy in damages at law and will, therefore, be entitled to enforce any such provision by injunction or an order of specific performance without prejudicing or diminishing any other rights or remedies which may be available at law or in equity. Air Carrier will be entitled to seek an injunction or specific performance for any threatened or actual breach of the provisions of this Agreement by GTAA.

3.2.3. If Air Carrier commits an Event of Default, then in addition to any other rights that GTAA has under this Agreement or at law (including those described in Sections 2.8 and 3.2), GTAA will be entitled to enforce its rights under this Agreement by application to the applicable court of the province of Ontario. Air Carrier acknowledges and agrees that GTAA will be irreparably harmed by the breach of the terms of this Agreement and will not have an adequate remedy in damages at law and will, therefore, be entitled to enforce any such provision by injunction or an order of specific performance without prejudicing or diminishing any other rights or remedies which may be available at law or in equity. GTAA will be entitled to seek an injunction or specific performance for any threatened or actual breach of the provisions of this Agreement by Air Carrier.

3.3. Expenses

3.3.1. If legal action is brought by GTAA for the recovery of AIF, or because of the breach of any other terms, covenants or conditions herein contained on the part of Air Carrier to be kept or performed, and a breach is established by a court of competent jurisdiction, Air Carrier will pay to GTAA all expenses incurred therefor, including solicitors' fees, if awarded by a court of competent jurisdiction.

4. ESCALATION PROCESS FOR DISPUTES

4.1. In the event that a dispute or difference arises with respect to this Agreement (except with respect to any dispute arising from a termination or purported termination of this Agreement by GTAA), the Parties will undertake good faith discussions in an attempt to resolve the dispute or difference during a minimum 30 calendar day period commencing upon delivery of Notice by one Party to the other.

4.2. Where a dispute or difference arises which is of common application between GTAA and multiple Participating Air Carriers (including Air Carrier), the ACC may act, pursuant to the ACC's Terms of Reference, on behalf of all such Participating Air Carriers (including Air Carrier) provided that all such Participating Air Carriers agree to same, pursuant to the ACC's Terms of Reference, and upon delivery of Notice to GTAA appointing the ACC as their representative for such dispute or difference. In this instance, the ACC and GTAA will undertake good faith discussions in an attempt to resolve the dispute or difference, during a minimum 30 calendar day period commencing upon the delivery of such Notice. Where a Participating Air Carrier involved in the dispute or difference does not agree to be represented by the ACC as provided above, such Participating Air Carrier shall be added to the process and shall participate on its own account.

4.3. Upon expiration of the 30 calendar day period outlined in Sections 4.1 or 4.2, and in the event of failure to resolve the dispute or difference, the matter at issue will be referred to further consultation with senior representatives of the Parties (or of the ACC, as outlined below, if Notice appointing the ACC has been made under Section 4.2). Where the ACC has been appointed as set out under Section 4.2., the ACC will designate at least 2 but not more than 3 senior representatives from the Participating Air Carriers pursuant to the ACC's Terms of Reference. This latter phase of consultation, whether it be between the Parties or the ACC and GTAA, will have a term not exceeding 60 calendar days.

- 4.4. For clarity, nothing in this Article 4 is intended by the Parties to or will be construed so as to mean that either Party will be prevented or delayed from exercising any of its remedies under this Agreement or at law in respect of an Event of Default.
- 4.5. All consultations between the Parties in fulfilling the obligations of the Parties under this Article 4 will be performed without prejudice to the Parties' respective rights.

5. **TERM AND TERMINATION**

5.1. **Length of Term**

This Agreement will commence as of the date set forth on the cover page of this Agreement (the "**Effective Date**") and will terminate as of December 31, 2032, subject to automatic extension as provided in Section 5.2, earlier termination by GTAA for an Event of Default by Air Carrier as provided hereunder or earlier termination as provided under Sections 5.2(a) or (b) or Section 5.3 (the "**Term**").

5.2. **Automatic Extension of Term and Amendment Requests**

- (a) The Term will automatically be extended for successive 1-year terms (with no limit) unless:
- (i) The ACC or GTAA provides written Notice to the other not less than 180 calendar days prior to the then-current end date of the Term advising that the aforesaid automatic extension of the Term will not occur and that the Term will be ending as of the then-scheduled end date of the Term; or
 - (ii) Air Carrier ceases to conduct passenger operations at the Airport and continues to not conduct passenger operations for a period of not less than 180 consecutive calendar days (the "**Non-Operation Period**") (provided that Air Carrier's obligations to remit all Deposits will continue until the end of the Non-Operation Period and any obligations which survive the termination of this Agreement will continue as well), provided further that if Air Carrier subsequently elects to resume passenger operations at the Airport after such termination after the end of the Non-Operation Period, Air Carrier will be required to execute a new Agreement (in such form as it may exist at the time) in order to resume its status as a Participating Air Carrier.
- (b) Either GTAA or the ACC, through the ACC Endorsement process, may request in writing that the form of this Agreement be reviewed for potential amendment at any time during the Term. If such review is requested, the ACC and GTAA will together appoint a working group to review the form of this Agreement for any amendment(s) as may be proposed by either GTAA or the ACC. Such working group will meet to discuss any proposed amendments for such period of time as the ACC and GTAA may agree, provided that either the ACC or GTAA may terminate such discussions in writing at any time and neither the ACC nor GTAA will be obliged to agree to any proposed amendments as may be requested by the other.

- (c) In the event that GTAA or the ACC provides Notice to the other as set out in Section (a) above, that the automatic extension will not occur and that the Term will be ending, GTAA and the ACC will in good faith consider mutually acceptable alternate mechanisms that will replace the Capital Plan disclosure and review processes encompassed by the Consultation Process through the use of the ACC and its subcommittees, provided that, if GTAA and the ACC cannot agree upon any alternative mechanisms, GTAA will not be compelled to implement any such alternative mechanism, but will continue its disclosure to, and discussion with, the ACC, on an ongoing basis, of its capital project plans.

5.3 Right of Early Termination by GTAA

In addition to its right to terminate this Agreement set forth elsewhere in this Agreement, GTAA may in its sole discretion terminate this Agreement and all of the agreements of the Participating Air Carriers, prior to the end of the Term by delivering not less than 180 calendar days prior Notice to the Participating Air Carriers advising of such termination. If notice is provided by GTAA, GTAA will endeavour to provide information to the Participating Air Carriers through the ACC as soon as reasonably practicable advising as to its future plans with respect to any aeronautical or other fees which will be implemented in replacement of the AIF mechanism or any resultant adjustments to GTAA's aeronautical or other fees. For clarity, such termination will not reduce or otherwise affect in any way Air Carrier's obligations to collect Deposits from Enplaned Passengers up to the date of termination hereunder or to remit Deposits to GTAA, as set out herein. The ACC and GTAA will in good faith consider mutually acceptable alternate mechanisms that will replace the Capital Plan disclosure and review processes encompassed by the Consultation Process through the use of the ACC and its subcommittees, provided that, if GTAA and the Participating Air Carriers cannot agree upon any alternative mechanisms, GTAA will not be compelled to implement any such alternative mechanism, but will continue its disclosure to, and discussion with, the ACC, on an ongoing basis, of its capital project plans.

5.4 Transition of Obligations under Previous AIF Agreement

If Air Carrier was a signatory under the previous form of AIF agreement that was in place immediately prior to the Commencement Date, all obligations with respect to the collection and remittance of AIF and associated HST and other sales taxes under such previous agreement will continue to be in full force and effect and will constitute obligations under this Agreement with respect to the collection and remittance of AIF and associated HST and other sales taxes collected prior to the Commencement Date. For clarity, once the remittance of the AIF and associated HST and other sales taxes held under the previous AIF agreement, as set out herein, are exhausted, (including the Air Carrier's collection of the Administration Cost under the previous AIF agreement) and the audit rights of the Parties thereunder have expired, all of the other obligations under said agreement, with the exception of those that survive termination, will cease as well.

6. TRANSFERS

- 6.1.** Air Carrier will not permit any assignment or other transfer of this Agreement, or any rights arising under or pursuant to this Agreement, in whole or in part without Air Carrier obtaining the prior written consent of GTAA in each instance, which consent may be unreasonably withheld, despite any provision of this Agreement or any statutory provision or other law to the contrary.
- 6.2.** This prohibition against a transfer is construed so as to include a prohibition against any transfer by operation of law.
- 6.3.** No transfer will take place by reason of failure by GTAA to reply to a request by Air Carrier for a consent to a transfer.
- 6.4.** Any transfer not expressly permitted under this Agreement will be null and void and of no force and effect.
- 6.5.** Notwithstanding the foregoing, in the event that Air Carrier desires to effect a sale or transfer of its assets to another air carrier, or is subject to a corporate reorganization, amalgamation or other change that would result in a transfer of this Agreement by operation of law, GTAA will, on the request of Air Carrier, forthwith issue to the proposed transferee an agreement substantially in the form of this Agreement and will afford to the proposed transferee all the rights, duties and obligations accorded Air Carrier hereunder upon the execution by the proposed transferee of a copy of this Agreement.

7. GENERAL

7.1. Good Faith

The Parties agree to act in good faith in the performance of their obligations under this Agreement.

7.2. Successors

This Agreement and everything herein contained will enure to the benefit of and be binding upon the permitted successors and assigns, as the case may be, of each of the Parties.

7.3. Provisions Separately Valid

If any covenant, obligation, agreement, term or condition of this Agreement or the application thereof to any Person or circumstances will, to any extent, be invalid, unenforceable or illegal, the remainder of this Agreement or the application of such covenant, obligation, agreement, term or condition to persons or circumstances other than those in respect of which it is held invalid, unenforceable or illegal, will not be affected thereby and each covenant, obligation, agreement, term or condition of this Agreement will be separately valid and enforceable to the fullest extent permitted by law.

7.4. Entire Agreement

This Agreement will be deemed to constitute the entire agreement between the Parties with respect to the subject matter hereof and will supersede all previous negotiations, representations, communications and documents in relation hereto made by any Party to this Agreement (including any prior agreements regarding AIF between the Parties). No amendment to this Agreement will be effective unless in writing and signed by the Parties. No representation or warranty, express, implied or otherwise is made by GTAA to Air Carrier or by Air Carrier to GTAA except as expressly set out in this Agreement.

7.5. Notices

- 7.5.1.** Whenever in this Agreement it is required or permitted that a Notice, demand or request (a “Notice”) be given or served by either Party to or on the other, such Notice will be in writing and will be validly given or sufficiently communicated if forwarded by registered mail, postage prepaid (except during a postal disruption or threatened postal disruption), personal delivery, email or other similar means of electronic communication as follows:

To GTAA:

Greater Toronto Airports Authority
3111 Convair Drive, 2nd Floor
Mississauga, Ontario
L5P 1B2
Attention: President and Chief Executive Officer
EMAIL: Legal.notice@gtaa.com
PHONE: (416) 776-3344

with a copy to the General Counsel

To Air Carrier:

1263343 Alberta Inc., (dba Lynx Air)
3215 12th Street NE
Calgary, AB T2E 7S9
Attention: Shelly Loree, Senior Revenue Accountant

- 7.5.2.** Any Notice delivered personally will be deemed to have been validly and effectively given on the calendar day of such delivery if delivered before 4:00 p.m. on a Business Day or on the next Business Day if delivered on a non-Business Day or after 4:00 p.m. on the previous Business Day. Any Notice sent by registered mail (except during a postal disruption or threatened postal disruption) will be deemed to have been validly and effectively given on the third Business Day following the date of mailing. Any Notice sent by means of electronic communication will be deemed to have been validly and effectively given on the calendar day it was sent if sent before 4:00 p.m. on a Business Day or on the next Business Day if sent on a non-Business Day or after 4:00 p.m. on the previous Business Day.

7.5.3. Such addresses may be changed from time to time by either Party giving Notice as above provided.

7.6. No Partnership or Joint Venture

The Parties expressly disclaim any intention to create a partnership, joint venture or joint enterprise. Nothing contained in this Agreement, nor any acts of any Party taken in conjunction hereunder, will constitute or be deemed to constitute a partnership, joint venture or principal/agency relationship in any way or for any purpose except where Air Carrier is acting as an agent for GTAA under this Agreement solely with respect to the collection of Deposits from each Enplaned Passenger (except for any Exempt Passengers and any other applicable exceptions set out herein), and the related disclosure obligations herein. Except as expressly set forth herein, neither Party will have the authority to act for, or assume any obligations or responsibility on behalf of, the other Party.

7.7. Competition Act

No provision of this Agreement is intended to apply or to be enforceable to the extent that it would give rise to any offence under the *Competition Act* of Canada or any statute that may be substituted therefor.

7.8. Surviving Obligations

Notwithstanding the expiration or termination of this Agreement, certain provisions contain inherently continuing obligations or rights and will therefore survive the expiration or termination of this Agreement. This will include Section 2.2.5, Section 2.4 (and all other provisions relating to the remittance of all Deposits (but only as they pertain to Deposits collected but not yet remitted pursuant to the terms of this Agreement and prior to the expiration or termination of this Agreement), Section 2.5. (but only as it pertains to the application of the Administration Cost in respect of Deposits collected but not yet remitted to GTAA as at the expiration or termination of this Agreement), Section 2.6 (subject to the terms of that Section), Article 3 (but only for Events of Default that occurred prior to expiration or termination of this Agreement), Article 4, Article 5, and this Article 7 and all definitions and rules of interpretation set out in Article 1 applicable to the foregoing.

7.9. No Waiver

Save as otherwise expressly set out in this Agreement, no waiver of any provision of this Agreement will be binding unless in writing and signed by the Party which will be bound by such waiver. No indulgence by a Party or other failure by a Party to exercise its rights will constitute a waiver of such Party's rights to insist on performance in full and in a timely manner of all covenants in this Agreement. Waiver of any provision will not be deemed to waive the same provision thereafter or any other provision of this Agreement at any time.

7.10. Language

The Parties hereto have required that the present agreement and all deeds, documents and Notices relating thereto be drafted in the English language. Les Parties aux présentes ont

exigé que le présent contrat et tout autre contrat, document et avis afférant ou ancillaire aux présentes soient rédigés en langue anglaise.

7.11. No Implied Obligations

No implied terms or obligations of any kind by or on behalf of either of the Parties will arise from anything in this Agreement. The express covenants and agreements herein contained and made by the Parties are the only covenants and agreements upon which any rights against the Parties may be founded.

7.12. Construed As Covenants

All of the provisions, terms, conditions and stipulations of this Agreement will be construed as covenants. Each of the Parties hereby covenant in favour of the other to observe and perform in accordance with the provisions, terms, conditions and stipulations set out in this Agreement.

7.13. Time of the Essence

Time is of the essence of this Agreement and every part thereof.

7.14. Preparation of Agreement

Notwithstanding the fact that this Agreement has been drafted by GTAA, any doubt or ambiguity in the meaning, application or enforceability of any provision of this Agreement will not be construed or interpreted against GTAA or in favour of Air Carrier when interpreting such provision by virtue of such fact.

7.15. Electronic Execution

Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such Party.

7.16. Other Documents

Each Party will execute such further and other documents and instruments and do such further and other things as may be reasonably necessary or desirable to implement, carry out and give full effect to the provisions and intent of this Agreement and carry out its provisions.

7.17. Counterparts

This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered will be an original, and all of which counterparts will together constitute one and the same instrument.

7.18. Third Party Beneficiaries

This Agreement is entered into solely between, and may be enforced only by, the Parties. This Agreement will not be deemed to create any obligations of GTAA or Air Carrier to any third party or create any rights in third parties, including any Enplaned Passengers.

7.19 Confidentiality

- 7.19.1.** Either Party may disclose Confidential Information to the receiving Party in connection with the performance of its obligations under this Agreement. The receiving Party will use Confidential Information only for the purposes of performing its obligations under this Agreement (the “**Purpose**”). Except with the prior written authorization of the disclosing Party, the receiving Party will not directly or indirectly provide any other person with access to or use of Confidential Information or make use of Confidential Information other than for the Purpose. Providing access includes disclosure, sale, copying, dissemination, publishing, broadcasting or reproduction by any means whatsoever. Notwithstanding the foregoing, Air Carrier may disclose Confidential Information to those of its representatives or to the ACC pursuant to Section 2.2.4 to whom disclosure is required for the Purpose, but only after any such representative or ACC member has agreed to confidentiality obligations identical in principle with those in this Agreement. Air Carrier will be liable for any disclosure by its ACC representatives of any Confidential Information contrary to this Section 7.19.1.
- 7.19.2.** The Parties acknowledge that Confidential Information is highly sensitive and strictly confidential and a valuable asset of the disclosing Party and is and at all times will remain the exclusive property of the disclosing Party and the confidentiality of the same will be protected by the receiving Party. The Parties acknowledge that disclosure of Confidential Information other than as provided in this Agreement will cause damage to the disclosing Party. The provisions of this Section 7.19 will be enforceable by injunctive relief without further need for the disclosing Party to show irreparable harm from any breach.
- 7.19.3.** Upon written request from the disclosing Party or upon termination of this Agreement, the receiving Party will immediately return to the disclosing Party all Confidential Information in its possession or subject to its control and will cease any further use thereof upon the first to occur of: (i) written request of the disclosing Party regarding its Confidential Information; or (ii) termination or expiry of the Term of this Agreement. With the prior written consent of the disclosing Party, the receiving Party will, in lieu of the foregoing, destroy all Confidential Information, and any copies thereof, in its possession and certify to the disclosing Party in writing that it has done so.
- 7.19.4.** If the receiving Party is required to disclose Confidential Information of the disclosing Party pursuant to a court order, subpoena, search warrant, summons or other operation of applicable law, prior to disclosing Confidential Information the receiving Party will, if permitted by applicable law and if it is reasonable and practical in the circumstances, give reasonable notice to the disclosing Party of such order so as to allow the disclosing Party an opportunity to object to or limit such production.
- 7.19.5.** This Section 7.19 will survive the termination or expiry of this Agreement for a period of 10 years after termination of this Agreement for any reason.

7.20. Applicable Laws

This Agreement will be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties will be governed by, the laws applicable in

the Province of Ontario. The Parties agree to be bound by the non-exclusive jurisdiction of the courts of the Province of Ontario.

Schedule "A"

List of Air Carrier's Family Carrier Members

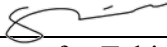
Schedule "B"
Amount of Deposits

Departing Passengers: \$39.55*

Connecting Passengers: \$7.91*

* See Section 2.1.1(d).

This is Exhibit “F” referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Shimon Sherrington

Greater Toronto Airports Authority
Aeronautical Fees
Effective January 1, 2023

General Terminal Charges

Domestic Arrivals (per seat)	\$7.79
Non-Domestic Arrivals (per seat)	\$9.72

Landing Fees

(per 1,000 kg) of maximum permissible takeoff weight, as stated in the aircraft's registration documents (MTOW)

Commercial Aircraft ¹	\$18.97
For all aircraft weights (based on arriving MTOW)	

Business/General Aviation¹

Aircraft in excess of 19,000 kg (flat rate per arriving movement)	\$884.00
Fixed Wing Aircraft 19,000 kg or less (flat rate per arriving movement)	\$884.00
Helicopter (all times)	\$52.00

Apron Fees (Active and Inactive Apron Fee)

Based on aircraft code, see attached Schedule A

Deicing Facility Fee²

Aircraft in excess of 19,000 kg (based on arriving MTOW) (per 1,000 kg)	\$2.41
Aircraft 19,000 kg or less (based on arriving MTOW)	\$60.00

Airport Improvement Fees (AIF)³

Non-Connecting Passenger	\$35.00
Connecting Passenger	\$7.00

Slot Administration Fee (per slot) ⁴	\$1.15
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Reservation Fee for Business/General Aviation (flat rate for a full flight itinerary)	\$6.00
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Other Aeronautical Charges:

Curb Transfer Fee for Assistance of Persons with Disabilities (“PWD”)

Carriers operating at Toronto Pearson either (i) assist PWD using their own staff or ground handlers between the terminal curbside area and check-in counter area, and between the general public arrivals area and the curbside area, or (ii) have the GTAA perform PWD assistance for a fee payable by the carriers to the GTAA. Such fees are established from time to time based on the number of carriers requesting such services and the volume of PWDs.

All amounts are in Canadian dollars.

All above fees do not include applicable taxes (including HST).

October 4, 2022

All weights refer to Maximum Takeoff Weight (MTOW), in kilograms (rounded up to the nearest 1,000 kilograms). Conversion rate 1 kilogram = 2.2046 pounds.

Notes:

1. All flights that operate without approval between 0030 and 0630 will be charged 16 times the applicable landing fee for arrivals and departures. Aircraft which are ICAO Annex 16, Volume 1, Chapter 2 equivalent will not be granted approval.
2. Deicing fees do not include charges for deicing fluid, which is payable to a third-party provider arranged by the air carrier community.
3. The AIF is (i) collected by air carriers on behalf of the GTAA from passengers (with certain exceptions) at the rates posted and (ii) remitted to the GTAA pursuant to a standardized form of AIF agreement between each air carrier and the GTAA. Where an air carrier does not sign its agreement, it must pay an aeronautical fee in lieu of the AIF that would otherwise be collected. The aeronautical fee in lieu of AIF will be at a rate equal to the non-connecting AIF multiplied by the number of seats on each departing aircraft of the air carrier.
4. Applicable to all carriers, based on end state slot holding and invoiced twice annually in April and November; exemption granted to carriers with less than 10 slots per season.

Schedule A

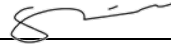
Active Apron Fees – Time Used up to the Maximum Active Time

Aircraft Code	Type of Movement	Rates per 1 minute	Maximum Time to be Charged per Movement (minutes)		
			Arrival (Terminator)	Departure (Originator)	Turn
B or less	<i>Bridged</i>	\$2.59	45	45	90
	<i>Walkout</i>	\$1.33	45	45	90
	<i>Hardstand</i>	\$1.77	45	45	90
C	<i>Bridged</i>	\$3.03	45	60	105
	<i>Walkout</i>	\$1.54	45	60	105
	<i>Hardstand</i>	\$2.05	45	60	105
D	<i>Bridged</i>	\$6.34	90	115	205
	<i>Walkout</i>	\$3.20	90	115	205
	<i>Hardstand</i>	\$4.25	90	115	205
E	<i>Bridged</i>	\$8.16	120	150	270
	<i>Walkout</i>	\$4.08	120	150	270
	<i>Hardstand</i>	\$5.46	120	150	270
F	<i>Bridged</i>	\$10.65	120	150	270
	<i>Walkout</i>	\$5.29	120	150	270
	<i>Hardstand</i>	\$7.06	120	150	270

Inactive Apron Fee – Time in Excess of the Maximum Active Time

Aircraft Code	Rate Per Minute (In excess of active maximum time rate per minute.)
B or less	\$0.28
C	\$0.38
D	\$0.49
E	\$0.67
F	\$0.77

This is Exhibit "G" referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Shimon Sherrington

Greater Toronto Airports Authority
Aeronautical Fees
Effective January 1, 2024

General Terminal Charges

Domestic Arrivals (per seat)	\$ 8.18
Non-Domestic Arrivals (per seat)	\$10.21

Landing Fees

(per 1,000 kg) of maximum permissible takeoff weight, as stated in the aircraft's registration documents (MTOW)

Commercial Aircraft ¹	\$18.97
For all aircraft weights (based on arriving MTOW)	

Business/General Aviation¹

Aircraft in excess of 19,000 kg (flat rate per arriving movement)	\$919.36
Fixed Wing Aircraft 19,000 kg or less (flat rate per arriving movement)	\$919.36
Helicopter (all times)	\$54.00

Apron Fees (Active and Night/Turn Apron Fee)

Based on aircraft code, see attached Schedule A

Deicing Facility Fee²

Aircraft in excess of 19,000 kg (based on arriving MTOW) (per 1,000 kg)	\$2.41
Aircraft 19,000 kg or less (based on arriving MTOW)	\$60.00

Airport Improvement Fees (AIF)³

Non-Connecting Passenger	\$35.00
Connecting Passenger	\$7.00

Slot Administration Fee (per slot)⁴

	\$1.15
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*Effective March 27, 2024 Rate will increase to \$1.22

Reservation Fee for Business/General Aviation (flat rate for a full flight itinerary)	\$6.00
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Other Aeronautical Charges:

Curb Transfer Fee for Assistance of Persons with Disabilities ("PWD")

Carriers operating at Toronto Pearson either (i) assist PWD using their own staff or ground handlers between the terminal curbside area and check-in counter area, and between the general public arrivals area and the curbside area, or (ii) have the GTAA perform PWD assistance for a fee payable by the carriers to the GTAA. Such fees are established from time to time based on the number of carriers requesting such services and the volume of PWDs.

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1. All flights that operate without approval between 0030 and 0630 will be charged 16 times the applicable landing fee for arrivals and departures. Aircraft which are ICAO Annex 16, Volume 1, Chapter 2 equivalent will not be granted approval.
2. Deicing fees do not include charges for deicing fluid, which is payable to a third-party provider arranged by the air carrier community.
3. The AIF is (i) collected by air carriers on behalf of the GTAA from passengers (with certain exceptions) at the rates posted and (ii) remitted to the GTAA pursuant to a standardized form of AIF agreement between each air carrier and the GTAA. Where an air carrier does not sign its agreement, it must pay an aeronautical fee in lieu of the AIF that would otherwise be collected. The aeronautical fee in lieu of AIF will be at a rate equal to the non-connecting AIF multiplied by the number of seats on each departing aircraft of the air carrier.
4. Applicable to all carriers, based on end state slot holding and invoiced twice annually in April and November; exemption granted to carriers with less than 10 slots per season.

Schedule A

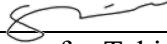
Apron Day Fees – (Time Between 6:30am - 00:30am)

Aircraft Code	Type of Movement	Rates per 1 minute
B or Less	<i>Bridged</i>	\$2.33
	<i>Walkout</i>	\$1.20
	<i>Hardstand</i>	\$1.59
C	<i>Bridged</i>	\$2.73
	<i>Walkout</i>	\$1.39
	<i>Hardstand</i>	\$1.85
D	<i>Bridged</i>	\$5.71
	<i>Walkout</i>	\$2.88
	<i>Hardstand</i>	\$3.83
E	<i>Bridged</i>	\$7.34
	<i>Walkout</i>	\$3.67
	<i>Hardstand</i>	\$4.91
F	<i>Bridged</i>	\$9.59
	<i>Walkout</i>	\$4.76
	<i>Hardstand</i>	\$6.35

Apron Night Fees - (Time Between 00:30am - 6:30am)

Aircraft Code	Rate Per Minute (Night/Turn Time Rate Per Minute)
B or less	\$0.58
C	\$0.68
D	\$1.43
E	\$1.84
F	\$2.40

This is Exhibit “H” referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Shimon Sherrington

2023 Airline Information						Aeronautical Charges				General Terminal Charges (CTC) & Apron & Check-In Fees						Airport Improvement Fee		TOTAL Aeronautical & General Terminal Per Month
Month	Sector	Aircraft	Seats	MTOW	Arrival Mvmnts	Total Landing Fee	De-icing Surcharge	Total Aeronautical Per Mvmnt	TOTAL Aeronautical Per Month	General Terminal Charges	APRON FEE	CHECK-IN Counter fee Boarding Pass @1.31 / PRT Per Seat	CHECK-IN Counter fee Baggage Tag @1.31 / PRT Per Seat	Total General Terminal, Apron & Check-In Fees per Mvmnt	TOTAL General Terminal, Apron & Check-In Fees per month	Total per AIF Mvmnt @ \$35.00 per Seat	Total AIF per month	TOTAL Aeronautical & General Terminal Per Month
MAR	Domestic	7M8	189	82	21	\$1,555.54	\$197.62	\$1,753.16	\$36,816.36	\$1,472.31	\$318.15	\$247.59	\$247.59	\$2,285.64	\$47,998.44	\$5,622.75	\$118,077.75	\$84,814.80
MAR	Transborder	7M8	189	82	4	\$1,555.54	\$197.62	\$1,753.16	\$7,012.64	\$1,837.08	\$318.15	\$247.59	\$247.59	\$2,650.41	\$10,601.64	\$5,622.75	\$22,491.00	\$17,614.28
APR	Domestic	7M8	189	82	136	\$1,555.54	\$197.62	\$1,753.16	\$238,429.76	\$1,472.31	\$318.15	\$247.59	\$247.59	\$2,285.64	\$310,847.04	\$5,622.75	\$764,694.00	\$549,276.80
APR	Transborder	7M8	189	82	17	\$1,555.54	\$197.62	\$1,753.16	\$29,803.72	\$1,837.08	\$318.15	\$247.59	\$247.59	\$2,650.41	\$45,056.97	\$5,622.75	\$95,586.75	\$74,860.69
MAY	Domestic	7M8	189	82	219	\$1,555.54	\$197.62	\$1,753.16	\$383,942.04	\$1,472.31	\$318.15	\$247.59	\$247.59	\$2,285.64	\$500,555.16	\$5,622.75	\$1,231,382.25	\$884,497.20
MAY	Transborder	7M8	189	82	14	\$1,555.54	\$197.62	\$1,753.16	\$24,544.24	\$1,837.08	\$318.15	\$247.59	\$247.59	\$2,650.41	\$37,105.74	\$5,622.75	\$78,718.50	\$61,649.98
JUN	Domestic	7M8	189	82	203	\$1,555.54	\$197.62	\$1,753.16	\$355,891.48	\$1,472.31	\$318.15	\$247.59	\$247.59	\$2,285.64	\$463,984.92	\$5,622.75	\$1,141,418.25	\$819,876.40
JUN	Transborder	7M8	189	82	13	\$1,555.54	\$197.62	\$1,753.16	\$22,791.08	\$1,837.08	\$318.15	\$247.59	\$247.59	\$2,650.41	\$34,455.33	\$5,622.75	\$73,095.75	\$57,246.41
JUL	Domestic	7M8	189	82	273	\$1,555.54	\$197.62	\$1,753.16	\$478,612.68	\$1,472.31	\$318.15	\$247.59	\$247.59	\$2,285.64	\$623,979.72	\$5,622.75	\$1,535,010.75	\$1,102,592.40
JUL	Transborder	7M8	189	82	13	\$1,555.54	\$197.62	\$1,753.16	\$22,791.08	\$1,837.08	\$318.15	\$247.59	\$247.59	\$2,650.41	\$34,455.33	\$5,622.75	\$73,095.75	\$57,246.41
AUG	Domestic	7M8	189	82	323	\$1,555.54	\$197.62	\$1,753.16	\$566,270.68	\$1,472.31	\$318.15	\$247.59	\$247.59	\$2,285.64	\$738,261.72	\$5,622.75	\$1,816,148.25	\$1,304,532.40
AUG	Transborder	7M8	189	82	13	\$1,555.54	\$197.62	\$1,753.16	\$22,791.08	\$1,837.08	\$318.15	\$247.59	\$247.59	\$2,650.41	\$34,455.33	\$5,622.75	\$73,095.75	\$57,246.41
SEP	Domestic	7M8	189	82	302	\$1,555.54	\$197.62	\$1,753.16	\$529,454.32	\$1,472.31	\$318.15	\$247.59	\$247.59	\$2,285.64	\$690,263.28	\$5,622.75	\$1,698,070.50	\$1,219,717.60
SEP	Transborder	7M8	189	82	51	\$1,555.54	\$197.62	\$1,753.16	\$89,411.16	\$1,837.08	\$318.15	\$247.59	\$247.59	\$2,650.41	\$135,170.91	\$5,622.75	\$286,760.25	\$224,582.07
OCT	Domestic	7M8	189	82	228	\$1,555.54	\$197.62	\$1,753.16	\$399,720.48	\$1,472.31	\$318.15	\$247.59	\$247.59	\$2,285.64	\$521,125.92	\$5,622.75	\$1,281,987.00	\$920,846.40
OCT	Transborder	7M8	189	82	60	\$1,555.54	\$197.62	\$1,753.16	\$105,189.60	\$1,837.08	\$318.15	\$247.59	\$247.59	\$2,650.41	\$159,024.60	\$5,622.75	\$337,365.00	\$264,214.20
\$10,626,997.50																	\$7,700,814.45	

Start Date:	End Date:	Days
26-Mar-23	28-Oct-23	217

Requirement Per Day: **\$48,972.34** **\$35,487.62**

GTAA Aeronautical Fees	
Effective January 1, 2023	
Total Landing Fee:	\$18.97
Deicing Fee:	\$2.41
General Terminal Charges:	
Domestic Arrivals	\$7.79
Non-Domestic arrivals	\$9.72
Aircraft Code C:	\$3.03

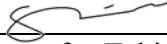
Aeronautical Related Security Deposit Requirement @45Days:	\$	1,596,943
AIF Security Deposit Requirement @30 Days:	\$	1,469,170
TOTAL SECURITY DEPOSIT REQUIREMENT:	\$	3,066,113

LOC 500000

MTOW

	S2023
De-icing Surcharge	2.41
AIF	35
Landing Fee	18.97
International Terminal Fee	9.72
Transborder Terminal Fee	9.72
Domestic Terminal Fee	7.79

This is Exhibit "I" referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Shimon Sherrington



FEBRUARY 16, 2024

Mike Woodward
Chief Financial Officer
1263343 Alberta Inc. dba Lynx Airlines

**Greater Toronto
Airports Authority**
P.O. Box 6031
3111 Convair Drive
Toronto AMF, Ontario
Canada L5P 1B2

P 416.776.3000
F 416.776.7746

GTAA.com

Dear Mr. Woodward,

Re: Notice of Default - Overdue Aeronautical Fees and Charges and Airport Improvement Fees Owning by 1263343 Alberta Inc. dba Lynx Airlines (“Lynx”) relating to Use of Toronto – Lester B. Pearson International Airport (“Toronto Pearson”)

The Greater Toronto Airports Authority (“GTAA”) provides notice that Lynx is in default of its obligations to pay Aeronautical Fees and Charges and Airport Improvement Fees (“AIF”) in respect of its aeronautical activity at Toronto Pearson, in particular:

- a) Failure to pay Aeronautical Fees and Charges (as defined in the [GTAA Rules and Regulations](#)) under Sections 2.34 – 2.37 of The Pearson Standard: Rules and Regulations (the “GTAA Rules”). You received notice and an opportunity to review the GTAA Rules located on Toronto Pearson’s website at <https://www.torontopearson.com/en/operators-at-pearson/the-pearson-standard/rules-and-regulations>.

This Notice of Default constitutes a Notice of Non-Compliance under Section 13 of the GTAA Rules.

- b) Failure to pay the Airport Improvement Fees (“AIF”) as set out below which amounts are overdue and remain unpaid despite the GTAA’s repeated demands for payment. This constitutes an Event of Default under Section 3.1.1 of the AIF Agreement between the GTAA and Lynx, dated January 1, 2023, and
- c) Lynx’s failure to pay the Aeronautical Fees and Charges and AIF which amounts are overdue and remain unpaid despite the GTAA’s repeated demands for payment constitutes an Eligibility Default (as that term is defined in the Airline Partnership Agreement (“APA”) signed by Lynx under paragraph (a) of that definition.

Despite numerous written requests from GTAA to Lynx, starting December 2023, requiring payment of the overdue amounts, Lynx has failed to pay such amounts promptly.



torontopearson.com



Mr. Mike Woodward

Lynx

Page 2 of 3

Overdue and Outstanding Aeronautical Fees and Charges and AIF (CAD\$)

The total amount of the Aeronautical Fees and Charges and AIF owing by Lynx as of the date of this letter is \$2,441,284.71 and is itemized in the table set out below:

As at February 16, 2024

Transaction Number	Transaction Type	Invoice Date	Outstanding Amount
23022956	CHECKIN	12/4/2023	42,708.14
23023011	AL-AERO	12/4/2023	370,461.13
23023113	APRON FEE	12/4/2023	37,141.94
23023472	AL-AERO	12/18/2023	396,587.47
23023582	APRON FEE	12/19/2023	39,781.51
23023818	IT SERVICE	12/22/2023	117.52
24001001	CHECKIN	1/3/2024	57,893.05
24001056	AL-AERO	1/3/2024	457,328.46
24001146	APRON FEE	1/3/2024	44,077.24
24001268	APRON FEE	1/8/2024	3,919.70
			1,450,016.16

AIF

Transaction Number	Transaction Type	Invoice Date	Outstanding Amount
24003311	AIF	2/6/2024	455.62
24003312	AIF	2/6/2024	990,812.93
			991,268.55

**Total
Overdue \$2,441,284.71**

The GTAA hereby demands payment of the total Overdue and Outstanding Aeronautical Fees and Charges and AIF as set out above by **5:00 pm Toronto time on February 21, 2024.**

If the GTAA has not received from Lynx the total overdue and outstanding amount of \$2,441,284.71 CAD by the deadline set out in the immediately preceding paragraph, the GTAA may, without limiting any other remedies available to the GTAA, immediately draw against the Letter of Credit (“LC”) security held by the GTAA for the amount overdue and outstanding without further notice to Lynx.

If the GTAA applies all or any part of the LC security deposit as set out above, this does not alter Lynx’s obligation to maintain and/or replenish a security deposit in accordance with the GTAA’s credit policy in respect of Lynx’s aeronautical activity at Toronto Pearson.



Mr. Mike Woodward
Lynx
Page 3 of 3

The GTAA reserves all rights and remedies available to it including, without limitation, under Section 13.5 of the GTAA Rules, at law, in equity, and under statute to collect any amounts owing by Lynx up to and including seizing and detaining aircraft, all without further notice to you.

Airline Partnership Agreement

On January 9, 2024, the GTAA issued Lynx a Notice of Non-Compliance under the GTAA Rules. Furthermore, Lynx's failure to pay the overdue Aeronautical Fees and Charges and AIF constitutes an Eligibility Default (as described above) under the APA. In addition, this Notice of Default constitutes a further Notice of Non-Compliance under the GTAA Rules.

We remind Lynx that to be eligible to receive Rebates under the APA, Lynx must comply with the terms and conditions of the APA including, without limitation, Section 2 Program Conditions (sections 2.1, 2.2., 2.3 and 2.4), failing which Lynx will not be eligible for Rebates and the GTAA may avail itself of the remedies set out in the APA.

Please direct all communication regarding this Notice of Default to the undersigned.

Yours truly,

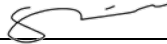
A handwritten signature in black ink that reads "Mark Leung".

Mark Leung

Associate Director, Accounting Services

Cc: Peter Humele, Legal Counsel (GTAA)

This is Exhibit “J” referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)
Shimon Sherrington

GTAA AR Aging Report

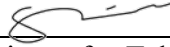
Parameters	
Business Unit	All
Customer Name	All
Customer Account Number	00032718
As on Date	2024-02-22

Business Unit	Customer	Customer Account Number	Transaction Number	Transaction Type	Invoice Date	Outstanding Amount	LOC Application	Remaining Invoice Balance
GTAA	Lynx Air	00032718	23022956	CHECKIN	2023-12-04	42,708.14	-42,708.14	0.00
GTAA	Lynx Air	00032718	23023011	AL-AERO	2023-12-04	370,461.13	-370,461.13	0.00
GTAA	Lynx Air	00032718	23023113	APRON FEE	2023-12-04	37,141.94	-37,141.94	0.00
GTAA	Lynx Air	00032718	23023472	AL-AERO	2023-12-18	396,587.47	-396,587.47	0.00
GTAA	Lynx Air	00032718	23023582	APRON FEE	2023-12-19	39,781.51	-39,781.51	0.00
GTAA	Lynx Air	00032718	23023818	IT SERVICE	2023-12-22	117.52	-117.52	0.00
GTAA	Lynx Air	00032718	24001001	CHECKIN	2024-01-03	57,893.05	-57,893.05	0.00
GTAA	Lynx Air	00032718	24001056	AL-AERO	2024-01-03	457,328.46	-457,328.46	0.00
GTAA	Lynx Air	00032718	24001146	APRON FEE	2024-01-03	44,077.24	-44,077.24	0.00
GTAA	Lynx Air	00032718	24001268	APRON FEE	2024-01-08	3,919.70	-3,919.70	0.00
GTAA	Lynx Air	00032718	24001553	AL-AERO	2024-01-18	412,479.91	-412,479.91	0.00
GTAA	Lynx Air	00032718	24001675	APRON FEE	2024-01-19	44,852.28	-44,852.28	0.00
GTAA	Lynx Air	00032718	24001836	IT SERVICE	2024-01-24	117.52	-117.52	0.00
GTAA	Lynx Air	00032718	24003175	AL-AERO	2024-02-05	317,690.57	-317,690.57	0.00
GTAA	Lynx Air	00032718	24003271	APRON FEE	2024-02-05	54,321.95	-54,321.95	0.00
GTAA	Lynx Air	00032718	24003311	AIF	2024-02-06	455.62	-455.62	0.00
GTAA	Lynx Air	00032718	24003312	AIF	2024-02-06	990,812.93	-122,387.55	868,425.38
GTAA	Lynx Air	00032718	24003352	CHECKIN	2024-02-06	46,345.37	-46,345.37	0.00
GTAA	Lynx Air	00032718	24003626	AL-AERO	2024-02-19	341,926.81	-341,926.81	0.00
GTAA	Lynx Air	00032718	24003726	APRON FEE	2024-02-20	70,781.51	-70,781.51	0.00
GTAA	1263343 Alberta Inc	00032804	24002285	RENT	02/01/2024	4,369.71	-4,369.71	0.00
GTAA	Lynx Air	00032718	24004642	AL-AERO	2024-02-29	164,041.79	-164,041.79	0.00
GTAA	Lynx Air	00032718	24004647	APRON FEE	2024-02-29	34,002.20	-34,002.20	0.00
GTAA	Lynx Air	00032718	24005102	CHECKIN	2024-03-04	34,005.84	-34,005.84	0.00
GTAA	Lynx Air	00032718	24004649	SLOT FEE	2024-02-29	2,106.49	-2,106.49	0.00
GTAA	Lynx Air	00032718	24004645	IT SERVICE	2024-03-25	98.72	-98.72	0.00
GTAA	Lynx Air	00032718	24004659	AIF	2024-03-04	130.18	0.00	130.18
GTAA	Lynx Air	00032718	24004660	AIF	2024-03-04	791,025.31	0.00	791,025.31
					Total	4,759,580.87	-3,100,000.00	1,659,580.87

Total LOC Application

-3,100,000.00

This is Exhibit “K” referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Shimon Sherrington

GTAA AR Aging Report

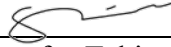
Parameters	
Business Unit	All
Customer Name	All
Customer Account Number	00032718
As on Date	2024-02-22

Business Unit	Customer	Customer Account Number	Transaction Number	Transaction Type	Invoice Date	Outstanding Amount	Payment Application	Remaining Invoice Balnce
GTAA	Lynx Air	00032718	24004643	AL-AERO	2024-02-29	75,310.00	-75,310.00	0.00
GTAA	Lynx Air	00032718	24004646	IT SERVICE	2024-02-29	18.80	-18.80	0.00
GTAA	Lynx Air	00032718	24004648	APRON FEE	2024-02-29	25,595.74	-25,595.74	0.00
GTAA	Lynx Air	00032718	24004650	SLOT FEE	2024-02-29	87.07	-87.07	0.00
GTAA	Lynx Air	00032718	24004661	AIF	2024-03-04	260.35	-260.35	0.00
GTAA	Lynx Air	00032718	24004662	AIF	2024-03-04	131,559.12	-80,991.76	50,567.36
GTAA	Lynx Air	00032718	24005103	CHECKIN	2024-03-04	5,520.28	-5,520.28	0.00
GTAA	Lynx Air	00032718	24005865	IT SERVICE	2024-03-25	117.52	0.00	117.52
GTAA	1263343 Alberta Inc	00032804	24005784	RENT	2024-03-25	4,369.71	0.00	4,369.71
GTAA	1263343 Alberta Inc	00032804	24005785	RENT	2024-04-01	4,369.71	0.00	4,369.71
					Total	247,208.30	-187,784.00	59,424.30

Total Prepayment Application

-187,784.00

This is Exhibit “L” referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Shimon Sherrington



February 23, 2024

Sent Via Courier

ATB Financial
Calgary Campus
3699 63 Ave NE
Calgary, Alberta, T3J 0G7

**Greater Toronto
Airports Authority**

P.O. Box 6031
3111 Convar Drive
Toronto AMF, Ontario
Canada L5P 1B2

P 416.776.3000
F 416.776.7746

GTAA.com

Attention: Trade Finance Banking Operations

Reference: Irrevocable Standby Letter of Credit No. 3546141
Full Drawing Amount: CAD\$3,100,000
Original Date of Issue: April 12, 2022
Date of last Amendment: June 5, 2023
Applicant: 1263343 Alberta Inc.

The understated, an authorized officer of the Greater Toronto Airports Authority, the Beneficiary of the above referenced Irrevocable Standby Letter of Credit No. 3546141 issued April 12, 2022, as amended from time to time, advises that the Beneficiary is entitled to receive payment under the Irrevocable Standby Letter of Credit No. 3546141 issued April 12, 2022 as amended from time to time, in the full amount of CAD\$3,100,000 and hereby instructs you to transfer immediately to the Beneficiary the sum of CAD\$3,100,000 only to the Beneficiary's account with CIBC, Main Branch, Commerce Court Toronto, Ontario. The wire details to be used is as follows:

Bank: Canadian Imperial Bank of Commerce, Main Branch, Toronto, ON, M5L 1G9
Account Name: Greater Toronto Airports Authority - General Revenue
Transit Number: 00002
Account Number: 36-57817
Swift Code: CIBCCATT
Bank Code: 010
Routing Code: 001000002



torontopearson.com



Please advise upon receipt of this written demand.

Yours truly,

A handwritten signature in blue ink, appearing to read "John Peellegoda".

John Peellegoda
Treasurer

GREATER TORONTO AIRPORTS AUTHORITY

Encl/

IRREVOCABLE STANDBY LETTER OF CREDIT**ISSUED BY**

Name: ATB Financial

Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7**BENEFICIARY**Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
P.O. Box 6031
Toronto, AMF, Ontario, L5P 1B2**LETTER OF CREDIT NO.** 3546141**DATE OF ISSUE:** April 12, 2022**EXPIRY DATE:** April 12, 2023**APPLICANT**Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2**AMOUNT** Aggregate amount not to exceed \$500,000.00 CAD

1. We, the undersigned ATB Financial, ("the Financial Institution") hereby establish and issue an Irrevocable Letter of Credit No. 3546141 ('Irrevocable Letter of Credit') in favour of the Beneficiary for the account of our client, Lynx Air (the "Applicant") in the amount of: CAD Five Hundred Thousand Dollars (\$500,000.00) which may be drawn upon by the Beneficiary by presentation to the Financial Institution of a written demand addressed to us at our office located at 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Experience Operations; specifically stating the number of the Letter of Credit, the amount to be drawn and the date of issue of the Credit, for payment signed by an authorized officer of the beneficiary indicating that the Beneficiary is entitled to receive payment under this letter of credit. The original Letter of Credit and any amendments attached thereto.

2. Upon presentation of the written demand for payment, the Financial Institution shall pay in five (5) business days the amount demanded of this Irrevocable Letter of Credit to the Beneficiary without:

- Inquiring about the validity or sufficiency of the demand or right of the Beneficiary to make the demand;
- Recognizing a claim by any person; AND
- Making any reference to the state of accounts as between the Financial Institution and the Applicant.

3. This Irrevocable Letter of Credit expires on the 12th day of April 2023, subject to the following:

This Irrevocable Letter of Credit shall be deemed to be automatically extended without any formal amendment for one year from the above stated expiration date or any future expiry date unless, not less than ninety (90) days prior to any such expiration date, the Financial Institution notifies the Beneficiary in writing that the Financial Institution elects not to extend this Irrevocable Letter of Credit for any further period. In which event, the beneficiary may demand for payment before the expiry date, the Financial Institution shall pay the Beneficiary, a Bill of Exchange in the amount of this Irrevocable Letter of Credit less the amount of any previous drawings by the Beneficiary on such Irrevocable Letter of Credit

4. Partial drawings are permitted under this Irrevocable Letter of Credit where a written demand for payment is presented by the Beneficiary, signed by its authorized official, indicating entitlement to receive partial payment under this Irrevocable Letter of Credit. The provision of Section 2 above shall apply similarly to any demand for any partial drawings. The amount so drawn under this clause shall be subtracted from the face amount of this Irrevocable Letter of Credit and shall be endorsed on the reverse side of this Irrevocable Letter of Credit. The aggregate amount available under this Credit at any time shall be the Credit Amount, less the aggregate amount of all partial drawings previously paid to the Beneficiary at such time.

This irrevocable Letter of Credit or Irrevocable Letter of Guarantee bears the following reference number of the Financial Institution: 3546141

Unless otherwise stated this credit is subject to the Uniform Customs and Practice for Documentary Credits 2007 Revision, I.C.C. Publication Number 600 For matters not covered by this publication, the laws of the Province of Ontario and the laws of Canada shall govern, and any dispute or claim shall be settled in the Canadian court system.


ATB Financial

Christopher Neil

DocuSigned by:

1F226AF4B1154A1...
Authorized signature

Cheyenne Monnier

DocuSigned by:

A31A11B8C2184AB...
Authorized signature

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Experience Operations quoting the letter of credit reference number quoted above. Phone inquiries regarding this credit should be directed to our Trade Finance Experience Operations Team : 1 877- 651-0844. Hours of Operation: 8:00 a.m. MST to 4:00 p.m. MST

ATB Financial

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Amendment Number: 0001

ISSUED BY

Name: ATB Financial
Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7

LETTER OF CREDIT NO. 3546141

DATE OF ISSUE: Apr 12, 2022

AMENDMENT DATE: Mar 17, 2023

BENEFICIARY

Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
P.O. Box 6031
Toronto, AMF, ON L5P 1B2

APPLICANT

Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2

At the request of the Applicant, we, ATB Financial, hereby amend the irrevocable standby Letter of Credit issued in your favour as follows:

- The amount of the Letter of Credit has been increased from \$500,000.00 CAD to \$950,000.00 CAD

All other terms and conditions on the credit remain unchanged.

This amendment forms part of the irrevocable standby Letter of Credit and must be attached thereto.

ATB Financial

Name: Jessica Olthuis

DocuSigned by:
Jessica Olthuis
7A7CB4EC42CA4B2...

Signature:

Name: Cheyenne Monnier

DocuSigned by:
Cheyenne Monnier
A31A11B8C2184AB...

Signature:

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Banking Operations quoting the Letter of Credit reference number quoted above

853

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Amendment Number: 0002

ISSUED BY

Name: ATB Financial
Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7

LETTER OF CREDIT NO. 3546141

DATE OF ISSUE: Apr 12, 2022

AMENDMENT DATE: Mar 28, 2023

BENEFICIARY

Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
PO BOX 6031
Toronto, AMF, ON L5P 1B2

APPLICANT

Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2

At the request of the Applicant, we, ATB Financial, hereby amend the irrevocable standby Letter of Credit issued in your favour as follows:

- The Amount of the Letter of Credit has been increased from \$950,000.00 CAD to \$1,200,000.00 CAD.

All other terms and conditions on the credit remain unchanged.

This amendment forms part of the irrevocable standby Letter of Credit and must be attached thereto.

ATB Financial

Name: Cheyenne Monnier

Name: Joanna Liesemer

Signature:  A31A11B8C2184AB...

Signature:  8643B850A5BA418...

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Banking Operations quoting the Letter of Credit reference number quoted above

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Amendment Number: 0003

ISSUED BY

Name: ATB Financial
Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7

LETTER OF CREDIT NO. 3546141

DATE OF ISSUE: Apr 12, 2022

AMENDMENT DATE: Apr 5, 2023

BENEFICIARY

Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
P.O. Box 6031
Toronto, AMF, ON L5P 1B2

APPLICANT

Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2

At the request of the Applicant, we, ATB Financial, hereby amend the irrevocable standby Letter of Credit issued in your favour as follows:

- The amount of the Letter of Credit has been increased from \$1,200,000.00 CAD to \$1,450,000.00 CAD

All other terms and conditions on the credit remain unchanged.

This amendment forms part of the irrevocable standby Letter of Credit and must be attached thereto.

ATB Financial

Name: Joanna Liesemer

Signature:  8643B850A5BA418...

Name: Cheyenne Monnier

Signature:  A31A11B8C2184AB...

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Banking Operations quoting the Letter of Credit reference number quoted above

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Amendment Number: 0004

ISSUED BY

Name: ATB Financial
Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7

LETTER OF CREDIT NO. 3546141

DATE OF ISSUE: Apr 12, 2022

AMENDMENT DATE: Apr 12, 2023

BENEFICIARY

Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
P.O. Box 6031
Toronto, AMF, ON L5P 1B2

APPLICANT

Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2

At the request of the Applicant, we, ATB Financial, hereby amend the irrevocable standby Letter of Credit issued in your favour as follows:

- The amount of the Letter of Credit has been increased from \$1,450,000.00 CAD to \$1,700,000.00 CAD

All other terms and conditions on the credit remain unchanged.

This amendment forms part of the irrevocable standby Letter of Credit and must be attached thereto.

ATB Financial

Name: Joanna Liesemer

Name: Cheyenne Monnier

DocuSigned by:
Joanna Liesemer
Signature: 8643B850A5BA418...

DocuSigned by:
Cheyenne Monnier
Signature: A31A11B8C2184AB...

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Banking Operations quoting the Letter of Credit reference number quoted above

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Amendment Number: 0005

ISSUED BY

Name: ATB Financial
Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7

LETTER OF CREDIT NO. 3546141

DATE OF ISSUE: Apr 12, 2022

AMENDMENT DATE: Apr 21, 2023

BENEFICIARY

Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
P.O. Box 6031
Toronto, AMF, ON L5P 1B2

APPLICANT

Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2

At the request of the Applicant, we, ATB Financial, hereby amend the irrevocable standby Letter of Credit issued in your favour as follows:

- The amount of the Letter of Credit has been increased from \$1,700,000.00 CAD to \$1,950,000.00 CAD

All other terms and conditions on the credit remain unchanged.

This amendment forms part of the irrevocable standby Letter of Credit and must be attached thereto.

ATB Financial

Name: Cheyenne Monnier

Name: Joanna Liesemer

Signature: 
A31A11B8C2184AB...

Signature: 
8643B850A5BA418...

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Banking Operations quoting the Letter of Credit reference number quoted above

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Amendment Number: 0006

ISSUED BY

Name: ATB Financial
Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7

LETTER OF CREDIT NO. 3546141

DATE OF ISSUE: Apr 12, 2022

AMENDMENT DATE: Apr 28, 2023

BENEFICIARY

Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
P.O. Box 6031
Toronto, AMF, ON L5P 1B2

APPLICANT

Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2

At the request of the Applicant, we, ATB Financial, hereby amend the irrevocable standby Letter of Credit issued in your favour as follows:

- The amount of the Letter of Credit has been increased from \$1,950,000.00 CAD to \$2,200,000.00 CAD

All other terms and conditions on the credit remain unchanged.

This amendment forms part of the irrevocable standby Letter of Credit and must be attached thereto.

ATB Financial

Name: winona pidperyhora

Name: Bonnie Olthuis

Signature:

DocuSigned by:
Winona Pidperyhora
8AF4DEBC4D1541D...

Signature:

DocuSigned by:
Bonnie Olthuis
56A6A0D9644D45A...

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Banking Operations quoting the Letter of Credit reference number quoted above

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Amendment Number: 0007

ISSUED BY

Name: ATB Financial
Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7

LETTER OF CREDIT NO. 3546141

DATE OF ISSUE: Apr 12, 2022

AMENDMENT DATE: May 8, 2023

BENEFICIARY

Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
P.O. Box 6031
Toronto, AMF, ON L5P 1B2

APPLICANT

Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2

At the request of the Applicant, we, ATB Financial, hereby amend the irrevocable standby Letter of Credit issued in your favour as follows:

- The amount of the Letter of Credit has been increased from \$2,200,000.00 CAD to \$2,450,000.00 CAD

All other terms and conditions on the credit remain unchanged.

This amendment forms part of the irrevocable standby Letter of Credit and must be attached thereto.

ATB Financial

Name: Joanna Liesemer

Name: Cheyenne Monnier

Signature:  8643B850A5BA418...

Signature:  A31A11B8C2184AB...

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Banking Operations quoting the Letter of Credit reference number quoted above

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Amendment Number: 0008

ISSUED BY

Name: ATB Financial
Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7

LETTER OF CREDIT NO. 3546141

DATE OF ISSUE: Apr 12, 2022

AMENDMENT DATE: May 16, 2023

BENEFICIARY

Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
P.O. Box 6031
Toronto, AMF, ON L5P 1B2

APPLICANT

Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2

At the request of the Applicant, we, ATB Financial, hereby amend the irrevocable standby Letter of Credit issued in your favour as follows:

- The amount of the Letter of Credit has been increased from \$2,450,000.00 CAD to \$2,700,000.00 CAD

All other terms and conditions on the credit remain unchanged.

This amendment forms part of the irrevocable standby Letter of Credit and must be attached thereto.

ATB Financial

Name: Cheyenne Monnier

Name: Joanna Liesemer

Signature: 
A31A11B8C2184AB...

Signature: 
8643B850A5BA418...

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Banking Operations quoting the Letter of Credit reference number quoted above

853

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Amendment Number: 0009

ISSUED BY

Name: ATB Financial
Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7

LETTER OF CREDIT NO. 3546141

DATE OF ISSUE: Apr 12, 2022

AMENDMENT DATE: May 24, 2023

BENEFICIARY

Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
P.O. BOX 6031
Toronto, AMF, ON L5P 1B2

APPLICANT

Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2

At the request of the Applicant, we, ATB Financial, hereby amend the irrevocable standby Letter of Credit issued in your favour as follows:

- The Amount of the Letter of Credit has been increased from \$2,700,000.00 CAD to \$2,950,000.00 CAD.

All other terms and conditions on the credit remain unchanged.

This amendment forms part of the irrevocable standby Letter of Credit and must be attached thereto.

ATB Financial

Name: Cheyenne Monnier

Name: Joanna Liesemer

Signature: 
A31A11B8C2184AB...

Signature: 
8643B850A5BA418...

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Banking Operations quoting the Letter of Credit reference number quoted above

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

Amendment Number: 0010

ISSUED BY

Name: ATB Financial
Address: Calgary Campus
3699 63 Ave NE, Calgary,
AB T3J 0G7

LETTER OF CREDIT NO. 3546141

DATE OF ISSUE: Apr 11, 2022

AMENDMENT DATE: Jun 5, 2023

BENEFICIARY

Name: Greater Toronto Airports Authority
Address: Toronto Pearson International Airport
P.O. BOX 6031
Toronto, AMF, ON L5P 1B2

APPLICANT

Name: 1263343 Alberta Inc.
Address: 119 - 1440 Aviation Park NE
Calgary, AB T2E 7E2

At the request of the Applicant, we, ATB Financial, hereby amend the irrevocable standby Letter of Credit issued in your favour as follows:

- The Amount of the Letter of Credit has been increased from \$2,950,000.00 CAD to \$3,100,000.00 CAD.

All other terms and conditions on the credit remain unchanged.

This amendment forms part of the irrevocable standby Letter of Credit and must be attached thereto.

ATB Financial

Name: Cheyenne Monnier

Name: winona pidperyhora

Signature:

DocuSigned by:
Cheyenne Monnier
A31A11B8C2184AB...

Signature:

DocuSigned by:
Winona Pidperyhora
8AF4DEBC4D1541D...

Please direct all correspondence or inquiries regarding this Letter of Credit to ATB Financial, Calgary Campus, 3699 63 Ave NE, Calgary, AB T3J 0G7 ATTN: Trade Finance Banking Operations quoting the Letter of Credit reference number quoted above

This is Exhibit “M” referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)
Shimon Sherrington

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8
416.362.2111 MAIN
416.862.6666 FACSIMILE

OSLER

Toronto

March 5, 2024

Shawn Irving
Direct Dial: 416.862.4733
sirving@osler.com

Montréal

Sent by Electronic Mail (rvandemosselaer@osler.com)

Calgary

Osler, Hoskin & Harcourt LLP
Suite 2700, Brookfield Place
225 – 6th Avenue S.W.
Calgary, Alberta T2P 1N2

Ottawa

Vancouver

New York

Dear Mr. Van de Mosselaer:

In the Matter of a Plan of Compromise or Arrangement of Lynx Air Holdings Corporation and 1263343 Alberta Inc. dba Lynx Air – Airport Improvement Fee Trust

We act for the Greater Toronto Airports Authority (the “GTAA”). We are aware that on February 22, 2024, Lynx Air Holdings Corporation and 1263343 Alberta Inc. dba Lynx Air (collectively “Lynx Air”) sought and obtained an initial order (as subsequently amended and restated, the “ARIO”) under the *Companies’ Creditors Arrangement Act* (“CCA”).

As you may know, 1263343 Alberta Inc. (dba Lynx Air) and the GTAA are parties to the Greater Toronto Airports Authority Airport Improvement Fee Agreement (the “AIF Agreement”), dated January 1, 2023. The AIF Agreement sets out, among other things, the requirement that the Airport Improvement Fee (“AIF”) charged by the GTAA to Enplaned Passengers (as defined in the AIF Agreement) be collected and held by Lynx Air on behalf of GTAA and remitted back to the GTAA.

Paragraph 2.1.1(c) expressly provides that the AIF collected on behalf of the GTAA by Lynx Air are funds or revenues belonging to the GTAA and not Lynx Air. Moreover, Lynx Air is expressly required to hold the AIF in trust for the benefit of the GTAA. As such, the AIF collected by Lynx Air from Enplaned Passengers represent trust funds that do not form part of the debtor’s Property (as that term is defined in the ARIO) and cannot be distributed to Lynx’s creditors or otherwise used as part of the CCA proceeding. An excerpt of the applicable provisions in the AIF Agreement is attached as Schedule “A”. A full copy of the AIF Agreement, which is confidential, is available upon request.

As of February 21, 2024, Lynx Air is holding CAD \$1,710,148.23 million in AIF (the “AIF Monies”) in trust on behalf of the GTAA. GTAA demands that Lynx Air immediately remit the AIF Monies that remain owing to the GTAA, failing which the GTAA intends to bring a payment motion in the CCA proceeding. In the meantime, we expect that Lynx Air will refrain from taking any steps to deplete or use the AIF Monies in any way.

We look forward to hearing from you.

Sincerely,



Shawn Irving
Partner

- cc. FTI Consulting Canada Inc. *in its capacity as Monitor of Lynx Air*
McCarthy Tétrault LLP, *Counsel for the Monitor*
Julie Treleaven, *Osler, Hoskin & Harcourt LLP (Calgary)*
Andrea Campbell, *Greater Toronto Airports Authorities*
Peter Humele, *Greater Toronto Airports Authorities*
Emma Smith, *Osler, Hoskin & Harcourt LLP (Toronto)*

SCHEDULE "A"



GREATER TORONTO AIRPORTS AUTHORITY AIRPORT IMPROVEMENT FEE AGREEMENT

Toronto-Pearson International Airport
P.O. Box 6031, Toronto AMF, Ontario, L5P 1B2

DATE: January 1, 2023 (the "Effective Date")

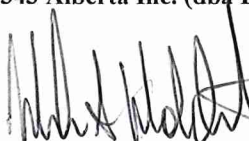
NAME OF CARRIER: 1263343 Alberta Inc. (dba Lynx Air)

As of the Effective Date, each of the Greater Toronto Airports Authority ("GTAA") and 1263343 Alberta Inc. (dba Lynx Air) ("Air Carrier") hereby agree as follows with respect to the imposition by GTAA of an Airport Improvement Fee, the collection of Deposits by Air Carrier from certain passengers and the remittance of Deposits by Air Carrier to GTAA as hereinafter set forth.

Greater Toronto Airports Authority

Per: 
Name: John Peellegoda
Title: Acting Chief Financial Officer

12633343 Alberta Inc. (dba Lynx Air)

Per: 
Name: Michael S. Holditch
Title: Chief Financial Officer

GTAA to evaluate, consult on and ultimately provide a recommendation to the ACC on the technical suitability of all Reviewable Capital Programs; and

“Vice President and Chief Financial Officer” means the GTAA employee holding the position of Vice-President and Chief Financial Officer from time to time and will include any acting Vice-President and Chief Financial Officer and, if the title of the position is changed, the employee who is able to exercise the authority of the Vice President and Chief Financial Officer for the purposes of this Agreement.

- 1.2. Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.
- 1.3. The division of this Agreement into Articles, Sections, Subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement.
- 1.4. The words “hereof”, “herein”, “hereunder” and similar expressions used in any Article or Section of this Agreement relate to the whole of this Agreement and not to that Article or Section only, unless otherwise expressly provided.
- 1.5. Wherever in this Agreement the terms “include”, “includes”, “including” or any derivations thereof are used, such term will be interpreted to mean “including, without in any way limiting the generality of the foregoing,” such that any list following such term will not be construed so as to constitute an exhaustive list of the items so listed.
- 1.6. Except as otherwise indicated herein, at all times during the Term of this Agreement, the Parties will act reasonably in exercising their rights or discretions, making requests, making determinations and performing their duties and obligations under and in connection with this Agreement.

2. AIRPORT IMPROVEMENT FEE

2.1. Imposition and Usage of AIF and Remittance/Collection of Deposits

- 2.1.1 (a) The Parties agree that in general, AIF (specifically excluding amounts to be retained by Air Carrier in respect of the Administration Cost and amounts collected and remitted in respect of HST and other applicable taxes which will be remitted to the relevant authorities) will be used by GTAA for the purpose of Capital Programs and Capital Projects designed in furtherance of the:
 - (i) creation of operational efficiencies that reduce operating cost;
 - (ii) development of operating capacity;
 - (iii) generation of positive cash flow from non-aeronautical revenue sources;
and
 - (iv) other purposes set forth in Section 2.3 hereof,

and for debt service on any Capital Projects or Programs (which, for clarity, include debt service on any capital projects or programs which have been incurred by GTAA prior to the Effective Date of this Agreement).

- (b) During the Term, GTAA intends to impose an AIF in respect of the Enplaned Passengers carried by air carriers (including Air Carrier) operating from the Airport. In consideration of the retention by Air Carrier of the Administration Cost referred in Section 2.5 of this Agreement, Air Carrier will make every commercially reasonable effort to collect, or cause to be collected, the Deposit for and on behalf of GTAA at the time of the sale of a Ticket to each prospective Enplaned Passenger which will be held as a Deposit by Air Carrier and remitted to GTAA as provided in this Agreement.
- (c) Subject to the terms of Section 2.4.2. of this Agreement, each of the Parties acknowledge and agree that: (i) the Deposits collected on behalf of GTAA by Air Carrier from the prospective Enplaned Passengers are funds properly belonging to GTAA and not Air Carrier; and (ii) the Deposits collected by Air Carrier will be held by Air Carrier in trust for the benefit of GTAA. Notwithstanding and without prejudice to the fact that the Deposits will be collected and held by Air Carrier in trust for GTAA, but subject to the terms of Section 2.4.2. of this Agreement, the Parties each acknowledge that such Deposits collected will be commingled in the accounts of Air Carrier with other funds collected during the normal course of business with no obligation to segregate the Deposits from these other funds, and GTAA will be under no obligation at any time to segregate AIF from any other funds it may have.
- (d) Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that, as of January 1, 2023, Air Carrier and all of the other Participating Air Carriers shall be permitted to: continue using the same IATA "ticket tax" code (IATA Code: SQ); reflect on their Tickets the current AIF description; and collect and remit the AIF in the manner currently being used by all of the Participating Air Carriers, and same will not constitute a breach of any obligation of this Agreement. The Participating Air Carriers will work with IATA and the other Canadian airports diligently to develop and publish, through the IATA Ticket Tax Box Service, a new IATA "ticket tax" code and description reflecting the collection of Deposits in the manner otherwise provided herein. After the publication of the new IATA "ticket tax" code, and as set-out therein, Air Carrier will: reflect the new IATA-approved description on their Tickets; and collect and remit the Deposits on the Remittance Forms to accordingly reflect the Deposit mechanism provided herein.

2.1.2. The obligation to collect and remit Deposits will not apply to Exempt Services provided by Air Carrier. In addition, air carriers who carry less than two thousand (2,000) Enplaned Passengers per calendar year will not be required to collect, hold and remit any Deposits, unless GTAA so elects such air carriers to require such collection, holding and remittance.

2.1.3. Any AIF or fee charged by GTAA on Non-Participating Air Carriers in lieu of the AIF imposed by GTAA will be set at a Canadian whole dollar amount per Enplaned Passenger

for Participating Air Carriers or Non-Participating Air Carriers (as the case may be) plus HST and other applicable taxes. In addition, GTAA will also set an AIF in respect of Connecting Passengers for Participating Air Carriers or Non-Participating Air Carriers (as the case may be) which will be set at a Canadian whole dollar amount per Connecting Passenger.

- 2.1.4.** GTAA has the right at any time during the Term to increase or decrease the amount of the AIF payable by Enplaned Passengers as set out herein. GTAA has the right at any time during the Term to increase or decrease the amount of the Deposit to be collected, held in accordance with Section 2.1.1.(b) and remitted by Air Carrier, provided that GTAA will provide at least 90 calendar days prior written Notice to the ACC and to the Participating Air Carriers.
- 2.1.5.** Regardless of which air carrier sells a Ticket to a prospective Enplaned Passenger or which air carrier designator code is on the Enplaned Passenger's Ticket, the Parties acknowledge and agree that the Participating Air Carrier on whom the Enplaned Passenger actually travels will be the party responsible for the remittance of the Deposit for that prospective Enplaned Passenger in accordance with the other provisions of this Agreement, and, if Air Carrier also sold the Ticket to the prospective Enplaned Passenger, Air Carrier will be responsible for the collection of the Deposit for such Enplaned Passenger.
- 2.1.6.** Except as permitted under Section 2.1.2, GTAA will not levy GTAA Rates and Charges, including landing fees and general terminal charges, on any less favourable terms and conditions to Participating Air Carriers and their passengers, having regard to the AIF imposed by GTAA, than are levied on Non-Participating Air Carriers and their passengers, provided that nothing herein will be interpreted or construed so as to limit the unfettered right of GTAA to set GTAA Rates and Charges at such levels as it deems appropriate in its sole discretion or to offer incentive programs from time to time or to set different fees in lieu of AIF rates for Non-Participating Air Carriers than AIF rates for Participating Air Carriers. Air Carrier acknowledges and agrees that the current arrangement (which Air Carrier agrees is compliant with the foregoing) for Non-Participating Air Carriers is that they pay a fee in lieu of the AIF, which is not, and will not be, less than the dollar amount of the AIF, and which is on the basis of the number of seats instead of the number of Enplaned Passengers, and that GTAA may revise such charging and collection methodology in its sole discretion at any time, subject to the limitations stated in this Section 2.1.6.
- 2.1.7.** If, as a result of any of the following events (an "**AIF Legislative Initiative**"):
- (a) any order, directive, legislative initiative, regulatory change and/or binding policy statement issued by a government authority having jurisdiction over the imposition or collection of an AIF by GTAA; or
 - (b) any order or judgment of any court or administrative body of competent jurisdiction,

GTAA is unable to impose an AIF or Participating Air Carriers are unable to collect the Deposits, the obligations of each Party contained in this Agreement will cease, save and except:

- (a) the obligation of Air Carrier to collect Deposits in accordance with Section 2.1.1.(b), up to and including the date upon which the government authority having jurisdiction or the court or administrative body, has issued, promulgated or enacted the AIF Legislative Event (the “**Event Date**”); and
- (b) the obligations of the Parties described in Section 2.5 to the extent of the Deposits collected, held in accordance with Section 2.1.1.(b) and remitted by Air Carrier for the period up to and including the Event Date.

2.2. Capital Review Process

2.2.1. Airport Master Plan and Capital Plan

Upon the execution of this Agreement, GTAA will provide to the TSC the most current version of the Airport Master Plan along with its five-year capital plan for the Airport (the “**Capital Plan**”) which will outline and detail (using written descriptions and illustrations) GTAA’s capital budget over the number of years covered by the Capital Plan, and its planned Capital Programs, including Reviewable Capital Programs. For clarity and certainty, and as applicable, the Capital Plan will include the terms related to any Permitted Transit Funding Amount. The Parties acknowledge that the Capital Plan is and will continue to be an evolving document as GTAA’s strategy and capital plans evolve, and accordingly GTAA will provide the TSC on an annual basis with an updated version of its Capital Plan. GTAA and the TSC may review and discuss the Airport Master Plan and the Capital Plan, provided that nothing herein will be construed so as to give the TSC or any Participating Air Carrier the right of consultation (including the Consultation Process) with GTAA with respect thereto.

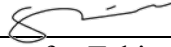
2.2.2. Reporting

(a) Reporting on Airport Master Plan and Capital Plan

GTAA will, on a semi-annual basis (or more frequently if GTAA determines that more frequent reports are warranted to achieve the purposes of this Agreement) provide to the ACC updated information pertaining to:

- (i) Capital Plan impact on debt and debt service levels;
- (ii) Capital Plan impact on operating budget;
- (iii) Amendments to the Capital Plan; and
- (iv) Amendments to the Airport Master Plan.

This is Exhibit "N" referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



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(or as may be)

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March 28, 2024

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(rvandemosselaer@osler.com)

McCarthy Tétrault LLP
421 7 Avenue SW
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Attn: Sean Collins
(scollins@mccarthy.ca)

Ottawa

Vancouver

New York

Dear Sirs:

In the Matter of a Plan of Compromise or Arrangement of Lynx Air Holdings Corporation and 1263343 Alberta Inc. dba Lynx Air – Airport Improvement Fee Trust

As you know, we act for the Greater Toronto Airports Authority (the “GTAA”) in connection with the Lynx Air CCAA proceeding. On March 5, 2024, we wrote to Mr. Van de Mosselaer, counsel to the Applicants, copying FTI Consulting Canada, in its capacity as Monitor of the Applicants, asserting that Lynx Air is holding at least CAD \$1,710,148.23 million (the “AIF Monies”) in trust on behalf of the GTAA and demanding that Lynx Air immediately remit those funds to the GTAA, as they do not form part of the Property of the Applicants. We also asked that the Applicants confirm that the AIF Monies were not being depleted as part of the CCAA proceedings.

To date, we have not received a response to our March 5th letter. We reiterate our demand herein.

In addition, earlier this week, the Applicants served materials in connection with an application to be heard on April 2, 2024 seeking, among other things, an Order approving an Agreement entered into between Lynx Air and The Boeing Company (“Boeing”) dated March 21, 2024 (the “Termination Agreement”). As we understand it, the Termination Agreement purports to terminate an agreement that had previously been entered into between Lynx Air and Boeing in 2015 giving Lynx the right to purchase certain aircraft and lease additional aircraft from Boeing. In exchange for entering into the Termination Agreement, and if approved by the CCAA Court, Boeing has agreed to pay the Applicants an agreed amount of compensation.

It does not appear, based on our review of the materials, that the Applicants will be seeking any form of distribution order in connection with the April 2nd Application. If our understanding is incorrect, please advise forthwith. It is not our intention to interfere with

the April 2nd Application, or the SISP more generally, so long as our clients' rights and claim to the AIF Monies are not in any way prejudiced.

Finally, we understand that Ms Karen Fellowes, KC of Stikeman Elliott LLP has recently been retained on behalf of the Vancouver Airport Authority and certain other airport authorities in Canada who, like the GTAA, assert that Lynx Air is holding unremitted AIF funds in trust on their behalf. We have had some preliminary discussions with Ms Fellowes in relation to these proceedings and our clients' respective claims to funds held in trust by the Applicants. We agree that it would be beneficial to have a meeting with counsel to the Applicants, the Monitor and its counsel to discuss these issues, and to discuss a reasonable timetable for an application before the CCAA Court, if necessary.

In the meantime, we continue to expect that Lynx Air will refrain from taking any steps to deplete or use the AIF Monies in any way.

We look forward to hearing from you.

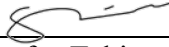
Sincerely,



Shawn Irving
Partner

cc. Deryck Helkaa, Brett Wilson and Dustin Olver, FTI Consulting Canada Inc. *in its capacity as Monitor of Lynx Air*
Walker MacLeod, Pantelis Kyriaskakis and Nathan Stewart, McCarthy Tétrault
Julie Treleaven, *Osler, Hoskin & Harcourt LLP (Calgary)*
Karen Fellowes, KC, *Stikeman Elliott LLP*
Emma Smith, *Osler (Toronto)*

This is Exhibit “O” referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
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April 2, 2024

Tommy Gelbman
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Our Matter Number: 1246361

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New York

Stikeman Elliot LLP
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Calgary, AB T2P 5C5

Attention: Shawn Irving and Karen Fellows, K.C.

Dear Mr. Irving and Ms. Fellows:

**Re: In the matter of the *Companies' Creditors Arrangement Act* proceedings of
1263343 Alberta Inc. dba Lynx Air and Lynx Air Holdings Corporation**

We are in receipt of each of your March 28, 2024 letters requesting payment of Airport Improvement Fees (the “**AIF Monies**”) on behalf of several Canadian airport authorities, and asserting certain amounts to be held in trust by Lynx Air for the benefit of your respective clients.

Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Affidavit of Michael Woodward, dated February 22, 2024.

We respectfully disagree that Lynx Air must remit any AIF Monies to the airport authorities at this time. Our initial review of the asserted trust claims suggests that not all amounts claimed to be AIF Monies held in trust can accurately be characterized as such, especially in light of the substantial amounts paid to several airport authorities in priority to other stakeholders by virtue of the airport authorities having drawn on their irrevocable letters of credit.¹

Lynx Air’s relationship with each airport authority is different, and as such their respective circumstances are different. This letter will set out Lynx Air’s position with respect to AIF Monies generally, and a separate accounting for each airport authority will be provided in

¹ Lynx Air provided security deposits in the form of irrevocable letters of credit to: (i) Greater Toronto Airport Authority, (ii) Vancouver Airport Authority, (iii) Winnipeg Airport Authority Inc., and (iv) Halifax International Airport Authority. These agreements indicate that some or all of the security is for the purpose of paying any outstanding AIF Monies.

due course, based on, *inter alia*, the respective agreements in place, draws on letters of credit, characterization of the outstanding amounts claimed, and the relevant law.

If AIF Monies claimed by the airport authorities are, as a matter of law, held in trust, then the CCAA and the common law governing such trusts will necessarily govern their distribution. As noted by Ms. Fellows, under paragraph 67(1)(a) of the BIA, trust funds do not form part of a debtor's property. We acknowledge this principle applies under the CCAA.² However, when trust property is commingled with a debtors' property, the process of remittance is complex. Moreover, if some of the asserted pre-filing claims have been paid by virtue of the fact that a claimant has drawn on a letter of credit, then two assessments must be made: (i) against which claims does the letter of credit apply and, in turn, (ii) how to characterize the outstanding amounts claimed – i.e., are the amounts in fact held in trust or do they constitute unsecured debt?³ If such outstanding amounts are held in trust as a matter of law and have not, as a matter of fact, been expended (*i.e.*, the trust funds remain identifiable), then the law contemplates three potential distribution methods: (i) the rule in *Clayton's Case*; (ii) the lowest intermediate balance rule; or (iii) the *pro rata* approach.⁴

These issues must be carefully assessed for each airport authority and resolved in due course, by agreement or, if necessary, by way of application. In any event, nothing in today's application affects this analysis.

Once you have had an opportunity to consider the foregoing, and our forthcoming individual assessments, we would be pleased to discuss a potential meeting, to include the Monitor.

Yours truly,



Tommy Gelbman

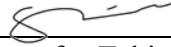
cc: Randal Van de Mosselaer and Julie Treleaven, *Osler, Hoskin & Harcourt LLP*
Sean Collins and Walker MacLeod, *McCarthy Tetrault LLP*
Deryck Helkaa and Dustin Olver, *FTI Consulting Canada Inc.*

² *Century Services Inc v Canada (Attorney General)*, 2010 SCC 60 at paras [23-24](#).

³ *BMP Global Distribution Inc v Bank of Nova Scotia*, 2009 SCC 15 at para [75](#).

⁴ *Easy Loan Corp v Wiseman*, 2017 ABCA 58 at para [28](#).

This is Exhibit "P" referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

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April 12, 2024

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Our Matter Number: 1246361

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Vancouver

New York

Attention: Shawn Irving

**Re: In the matter of the *Companies' Creditors Arrangement Act* proceedings of
1263343 Alberta Inc. dba Lynx Air and Lynx Air Holdings Corporation**

Further to our April 2 and 9, 2024 correspondence, we write to set out the Applicant's position in respect of the GTAA's trust claim over pre-filing Airport Improvement Fees (the "**AIF Monies**") collected by Lynx Air on behalf of the GTAA.

Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the February 22, 2024 affidavit of Michael Woodward.

The Trust Relationship

Lynx Air and the GTAA are parties to a January 1, 2023 Greater Toronto Airports Authority Airport Improvement Fee Agreement (the "**AIF Agreement**"), which Lynx Air accepts created a trust relationship in respect of AIF Monies:

2.1.1(c) the AIF collected on behalf of the GTAA by the Air Carrier from the Enplaned Passengers (excluding the amounts collected by the Air Carrier for itself in respect of the Administration Cost) are funds or revenues properly belonging to the GTAA and not the Air Carrier; and (ii) the AIF collected by the Air Carrier (excluding the amounts collected by the Air Carrier for itself in respect of the Administration Cost) shall be held by the Air Carrier in trust for the benefit of the GTAA. Notwithstanding and without prejudice to the fact that the AIF shall be collected and held by the Air Carrier in trust for the GTAA, the Parties each acknowledge that such AIF collected may be commingled in the accounts of the Air Carrier with other funds collected during the normal course of business.

As such, the AIF Monies collected on behalf of the GTAA did not form part of Lynx Air's property.

Quantum of AIF Monies

Section 5 of the GTAA’s Air Carrier – Application for Entry provides that the Letter of Credit constituted a security deposit “in an amount calculated by the GTAA Finance Controller for Landing Fees, General Terminal Fees, Apron Fees, Check-In Fees and Airport Improvement Fees”. We understand from the revised Schedule A-1 for summer 2023¹ that the Letter of Credit was allocated as follows:

Aeronautical Related Security Deposit Requirement	\$1,596,943	52.08%
AIF Security Deposit Requirement	\$1,469,170	47.92%
Total Security Deposit Requirement	\$3,066,113	

The security deposit was increased to \$3,100,000 in June 2023. On or around March 1, 2024, the GTAA drew on the Irrevocable Standby Letter of Credit (No. 356141) issued in favour of the GTAA on April 12, 2022, in the amount of \$3,100,000, as amended, for the account of Lynx Air (the “**Letter of Credit**”).²

Lynx Air has reviewed its accounting records to calculate pre-filing and post-filing AIF Monies that had been collected and held in trust by Lynx Air as follows:

Pre-Filing	Post-Filing	Letter of Credit Drawn	Total Outstanding AIF Monies
\$1,782,424	\$5,959	(\$3,100,000)	\$0

Lynx Air has made the post-filing AIF remittances to the GTAA to satisfy the latter, and the Letter of Credit was applied against pre-filing AIF Monies in priority over secured and unsecured debt claims. As such, all AIF Monies have been remitted to the GTAA. The remainder of the Letter of Credit – \$1,311,617 – satisfied a portion of the pre-filing debt owed by Lynx Air to the GTAA. Accordingly, any residual amounts claimed by the GTAA constitutes unsecured pre-filing debt.

¹ Email and attachments from Nadia Roopchand to Mike Woodward dated March 24, 2023.

² Letter from MLT Aikins LLP dated February 28, 2024, regarding ATB Financial’s release of the Letter of Credit funds to the GTAA.

Based on the foregoing, we respectfully disagree that Lynx Air currently holds any AIF Monies in trust for the GTAA. Indeed, the Letter of Credit has served to put the GTAA in an advantageous position vis-à-vis other Lynx Air creditors because all AIF Monies have been remitted, and a significant portion of unsecured debt was paid. To allocate the Letter of Credit differently would put the GTAA in a far more advantageous position vis-à-vis other creditors, which result would have no support under the CCAA or the common law.

We remain open to meeting with you should the GTAA continue to take a different position having considered the foregoing.

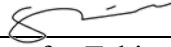
Yours truly,



Tommy Gelbman

cc: Randal Van de Mosselaer and Julie Treleaven, *Osler, Hoskin & Harcourt LLP*
Sean Collins and Walker MacLeod, *McCarthy Tetrault LLP*
Deryck Helkaa and Dustin Olver, *FTI Consulting Canada Inc.*

This is Exhibit “Q” referred to in the affidavit of Jason Boyd sworn before me over videoconference in accordance with the *Administering Oath or Declaration Remotely Regulation*, O. Reg 431/20, on May 24, 2024, while I was located in the City of Toronto, in the Province of Ontario, and the affiant was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

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New York

Dear Sirs:

In the Matter of a Plan of Compromise or Arrangement of Lynx Air Holdings Corporation and 1263343 Alberta Inc. dba Lynx Air – Airport Improvement Fee Trust

We write in response to Mr. Gelbman's letter dated April 12, 2024.

In the April 12 letter, Lynx Air advised that while it accepted that the AIF Agreement created a trust relationship in respect of monies collected by Lynx Air from Enplaned Passengers at Pearson on behalf of the GTAA (“**AIF amounts**”), it was Lynx Air's position that all AIF amounts have been remitted to the GTAA and that no further AIF amounts are owing. To support this assertion, Lynx Air asserts that the letter of credit issued by ATB Financial to secure various obligations owing to the GTAA, including Aeronautical Fees and Charges and AIF monies to be collected, which was drawn upon by the GTAA (as amended, the “**Letter of Credit**”), was applied by the GTAA against the pre-filing AIF amounts such that no such amounts remain outstanding and subject to a trust in favour of the GTAA.

The GTAA respectfully disagrees. The GTAA, not Lynx Air, is entitled to determine how to apply the Letter of Credit to outstanding amounts secured by that instrument, in its sole discretion. Section 5 of the GTAA's Air Carrier – Application for Entry (the “**Air Carrier Agreement**”) required Lynx Air to post a letter of credit as a security deposit “in an amount calculated by the GTAA Finance Controller for Landing Fees, General Terminal Fees, Apron Fees, Check-In Fees and Airport Improvement Fees”. The Air Carrier Agreement does not specify how the letter of credit is to be allocated to amounts that are owing by Lynx Air to the GTAA and that are secured by the letter of credit. Additionally, the revised Schedule A-1 for summer 2023 (“**Schedule A-1**”) sets out the minimum letter of credit security deposit requirements for Lynx Air in respect of Aeronautical Fees and Charges

and AIF, but does not stipulate how any letter of credits or security deposits must be allocated.

That GTAA has full discretion with respect to how to apply the Letter of Credit in the event of a default by Lynx Air is expressly confirmed under section 2.38 of The Pearson Standard: Rules and Regulations¹ (the “**GTAA Rules**”), to which Lynx Air is required to comply. The GTAA Rules, which bind all Air Carriers pursuant to the Air Carrier Agreement, expressly permits the GTAA to apply any security deposit submitted, in this case through the Letter of Credit, towards overdue amounts of Aeronautical Fees and Charges *or* under any other agreements. Section 2.38 states:

Air Carriers must submit a security deposit in a form and amount determined by the GTAA’s Finance Controller and detailed in the GTAA’s Air Carrier – Application for Entry prior to commencing operations. The GTAA may apply the security deposit towards overdue amounts of Aeronautical Fees and Charges or to cover costs associated with violations of the GTAA Rules or under any other agreements. [emphasis added]

Moreover, section 13.5.4 of the GTAA Rules provides that failure by the Airport User (in this case, Lynx Air) to address a “Notice of Non-Compliance” may result in “any other actions that are appropriate and necessary in the circumstances and at the sole discretion of the GTAA.” A Notice of Non-Compliance is defined within the GTAA Rules Glossary as “[a] document issued by the GTAA that explains the nature and scope of non-compliance with the GTAA Rules, including any required steps to address or remedy the non-compliance, as well as the timeframe for those steps and remedies to be undertaken.”

On February 16, 2024, the GTAA issued Lynx Air a default notice (the “**Notice of Default**”) regarding, among other things, Lynx Air’s failure to pay the GTAA Aeronautical Fees and Charges as set out under sections 2.34 – 2.37 of the GTAA Rules. The Notice of Default demanded payment of the total overdue and outstanding Aeronautical Fees and Charges and AIF by February 21, 2024. The Notice of Default constitutes a Notice of Non-Compliance which empowers the GTAA to take any actions that are appropriate and necessary in the circumstances and at the sole discretion of the GTAA in order to address a Notice of Non-Compliance.²

¹ Under section 3(3) of the Air Carrier Agreement, Lynx Air agreed to observe and be bound by the terms of the GTAA Rules and the directives issued by the GTAA.

² GTAA Rules, section 13.5.4.

Given Lynx Air failed to cure the default by February 21, 2024, on or around March 1, 2024, the GTAA drew on the Letter of Credit in the amount of CAD \$3,100,000. As it was entitled to do, the GTAA applied the Letter of Credit first to outstanding Aeronautical Fees and Charges, which totaled CAD \$2,977,156.83 as of that date. A detailed breakdown of how the Letter of Credit was applied to Aeronautical Fees and Charges is attached as Schedule “A”. The GTAA then applied the remaining CAD \$122,843.17 of the Letter of Credit to outstanding AIF amounts. However, significant AIF amounts remain owing.

Lynx’s position that the GTAA was required to apply the Letter of Credit in a manner that it deems reasonable does not reflect the bargain between the parties and deprives the GTAA of the protection that it bargained for.

More specifically, although the AIF amounts were also potentially secured by the Letter of Credit, the GTAA expressly bargained for additional protection for the AIF in the AIF Agreement, through a trust mechanism. This reflects the fact that AIF amounts were collected from Passengers and do not belong to the Lynx Air. The AIF amounts are not a debt of Lynx Air; they are monies collected by Lynx Air on behalf of the GTAA for administrative convenience and are required to be remitted in full to the GTAA, regardless of whether the Letter of Credit also secured this obligation. To date, the balance of the AIF amounts remains unremitted.

It is not up to Lynx Air to determine how to apply the Letter of Credit or to require the GTAA to use the Letter of Credit to cancel Lynx’s trust obligations, leaving the unpaid Aeronautical Fees and Charges unsecured. In fact, the Letter of Credit creates an independent relationship between the issuer and the GTAA, which is consistent with the GTAA’s position that it is fully within its discretion to determine how to apply it. Nor is there any unfairness in this position, as asserted in the April 12 letter. To the contrary, it is Lynx Air’s position that is unfair, as it leaves the GTAA unsecured in a material amount, contrary to the parties’ bargain and the terms on which Lynx Air was granted access to Toronto Pearson Airport.

Based on the above, the GTAA continues to assert a trust claim over all AIF amounts that were collected by Lynx Air on behalf of the GTAA and which remain unpaid and demands that these trust funds be remitted to the GTAA immediately.

We are amenable to attending a meeting between the Applicants, the Monitor, and their respective counsel to address this issue, and to discuss a reasonable timetable for GTAA’s application before the CCAA Court, if necessary.

We look forward to hearing from you.

Sincerely,



Shawn Irving
Partner

cc. Deryck Helkaa, Brett Wilson and Dustin Olver, FTI Consulting Canada Inc. *in its capacity as Monitor of Lynx Air*
Walker MacLeod, Pantelis Kyriaskakis and Nathan Stewart, McCarthy Tétrault
Julie Treleaven, *Osler, Hoskin & Harcourt LLP (Calgary)*
Karen Fellowes, KC, *Stikeman Elliott LLP*
Emma Smith, *Osler (Toronto)*

Toronto

SCHEDULE “A”

Montréal

Calgary

Ottawa

Vancouver

New York

Transaction Number	Transaction Type	Invoice Date	Outstanding Amount (CAD Dollars)
23022956	CHECKIN	2023-12-04	42,708.14
23023011	AL-AERO	2023-12-04	370,461.13
23023113	APRON FEE	2023-12-04	37,141.94
23023472	AL-AERO	2023-12-18	396,587.47
23023582	APRON FEE	2023-12-19	39,781.51
23023818	IT SERVICE	2023-12-22	117.52
24001001	CHECKIN	2024-01-03	57,893.05
24001056	AL-AERO	2024-01-03	457,328.46
24001146	APRON FEE	2024-01-03	44,077.24
24001268	APRON FEE	2024-01-08	3,919.70
24001553	AL-AERO	2024-01-18	412,479.91
24001675	APRON FEE	2024-01-19	44,852.28
24001836	IT SERVICE	2024-01-24	117.52
24003175	AL-AERO	2024-02-05	317,690.57
24003271	APRON FEE	2024-02-05	54,321.95
24003352	CHECKIN	2024-02-06	46,345.37
24003626	AL-AERO	2024-02-19	341,926.81
24003726	APRON FEE	2024-02-20	70,781.51
24004642	AL-AERO	2024-02-29	164,041.79
24004647	APRON FEE	2024-02-29	34,002.20
24005102	CHECKIN	2024-03-04	34,005.84
24004649	SLOT FEE	2024-02-29	2,106.49
24004645	IT SERVICE	2024-03-25	98.72
24002285	RENT	02/01/2024	4,369.71

Transaction Number	Transaction Type	Invoice Date	Outstanding Amount (CAD Dollars)
		Total LOC Applied to Aeronautical Fees and Charges	2,977,156.83