

**CHARTER OF THE  
HUMAN RESOURCES AND  
COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF ACE AVIATION HOLDINGS INC.**

**1. Purpose**

The primary purpose of the Human Resources and Compensation Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of ACE Aviation Holdings Inc. (the “Corporation”) in fulfilling its oversight responsibilities in the field of human resources and compensation as well as succession planning including appointing, training and monitoring of senior management, compensation of officers, organization plans, compensation philosophy as well as such other matters delegated to the Committee by the Board.

**2. Composition and Qualification**

- (a) The Committee shall be comprised of five or more directors as determined by the Board, all of whom shall be independent (as defined under applicable securities laws).
- (b) The members of the Committee shall be appointed by the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are appointed. Unless a Chair and a Secretary are appointed by the Board, the members of the Committee may designate a Chair and a Secretary by a majority vote of all the Committee members.
- (c) The Committee may invite, from time to time, such person as it may see fit to attend its meeting and to take part in discussion and consideration of the affairs of the Committee. However, any such persons invited may not vote at any meeting of the Committee.
- (d) The Board, may, at any time, remove any member of the Committee at its discretion and may accept the resignation of any member of the Committee. Vacancies at any time occurring on the Committee shall be filled by the Board.

**3. Meetings and Procedure**

- (a) The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Such meetings may be held by telephone or by any other mean which enables all participants to communicate with each other simultaneously.

- (b) The Committee may fix its own procedure at meetings and for the calling of meetings except as may be otherwise provided by the Board.
- (c) A quorum for the transaction of business at a Committee meeting shall be a majority of the Committee members. All decisions and recommendations made by the Committee shall be made by a majority vote of the members present at the meeting.
- (d) The Committee shall have the authority to delegate any of its responsibilities to individual members and subcommittees as the Committee may deem appropriate in its sole discretion.
- (e) Notice of meetings shall be given by letter, facsimile, email or telephone not less than 24 hours before the time fixed for the meeting. Notice of meetings shall state the date, the place and the hour at which such meetings will be held and need not be given for each meeting. Members may waive notice of any meeting.
- (f) The minutes of the Committee meetings shall accurately record the significant discussions of, and decisions made by, the Committee, including all recommendations to be made by the Committee to the Board and shall be distributed to Committee members as well as to all the directors of the Corporation, with copies to the Chief Executive Officer of the Corporation.
- (g) The Committee, through its Chairman, shall report to the Board on all proceedings and deliberations of the Committee at the first subsequent meeting of the Board, and at such other times and in such manner as the Board may require or as the Committee in its discretion may consider advisable.
- (h) To carry out its duties, the Committee will have access to independent advisors at the expense of the Corporation as well as having access to data and performance information relative to the Corporation. The Committee shall be free to choose advisors as it deems appropriate. These advisors will be given access to management and the work carried out by management for presentation to the Committee.

#### **4. Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

- (I) Related to Compensation
  - (a) Develop compensation philosophy and guidelines.
  - (b) Review and approve corporate goals, objectives and business performance measures relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals, objectives and business performance measures, and make recommendations to the Board with respect to the Chief Executive

Officer's compensation level based on this evaluation. Business performance measures shall include inter alia financial statement and market based measures, tested relative to plan, the previous year and competitors' organizations.

- (c) Make recommendations to the Board with respect to non-CEO officers' (including officers of subsidiaries) compensation, incentive compensation and equity-based plans.
- (d) Review and make recommendations to the Board with respect to incentive compensation plans and equity based plans and any amendments thereto.
- (e) Review and approve, on behalf of the Board, salary ranges for all positions including Executive Management.
- (f) Administer the stock option plan of the Corporation and to generally oversee the administration thereof.
- (g) Review executive compensation disclosure before public dissemination, including the review of the annual report of senior management compensation for inclusion in the Corporation's Management Proxy Circular, in accordance with applicable rules and regulations.

(II) Organization Plans, Succession Plans, Training

- (a) Review on an ongoing basis management's organization plans and essential elements of succession plans for Executive Management of the Corporation and its non-publicly traded subsidiaries so as to ensure that successors have been identified and that their career development is appropriate in the context of the challenges facing the organization. To this end, the Committee should meet regularly with potential successors to all key positions and the Committee will address the retention of key successors. The Committee shall assure as well that the Chief Executive Officer and other top executive officers retire in accordance with the needs of the Corporation in order to facilitate leadership transition and the retention of the talent necessary to move into key positions on a timely basis.
- (b) Review regularly and approve on behalf of the Board the following:
  - training, monitoring and development of senior officers;
  - senior management organizations and reporting structure;
  - contingency plans in the event of the disability of key executives.
- (c) Review and develop in conjunction with the Governance and Corporate Matters Committee position descriptions for the Board of Directors and for

the Chief Executive Officer including the definition of the limits to management's responsibilities.

(III) Pension Plans

With respect to the Air Canada Executive Pension Plan and the Air Canada Supplemental Executive Retirement Plan, review the plan reorganization, governance structure, fund mission, funding policy, annual contributions and plan amendments, in conjunction with the board of directors of Air Canada.

(IV) Other

Review such other human resources and compensation functions customarily carried out by such committees as well as such other matters which may be referred to it by the Board from time to time.

(V) Self Assessment

- (a) The Committee shall review annually this Charter and any of the Committee's mandate and other documents used by the Committee in fulfilling its responsibilities.
- (b) The Committee shall assess annually the performance of the Committee and each of its members on an annual basis in accordance with performance assessment guidelines formulated by the Committee.

December 14, 2006