

News Release

Air Canada Announces Renewal of Shareholder Rights Plan

MONTREAL, May 4, 2020 – Air Canada (TSX: AC) (OTCQX: ACDVF) announced today that its Board of Directors has approved a shareholder rights plan to renew Air Canada's existing rights plan. The renewed rights plan is substantially unchanged from Air Canada's current rights plan. It is not being adopted in response to any specific proposal to acquire control of Air Canada, nor is the Board of Directors aware of any pending or threatened take-over bid for Air Canada. The renewed rights plan is similar to plans recently adopted by other Canadian companies and approved by their shareholders.

The renewed rights plan will ensure that Air Canada and its shareholders continue to receive the benefits associated with Air Canada's current shareholder rights plan, which is due to expire at the close of business on the date immediately following Air Canada's 2020 annual meeting of shareholders. As with the current plan, the renewed rights plan is designed to ensure that all shareholders of Air Canada are treated fairly in connection with any take-over offer or other acquisition of control of Air Canada.

The renewed rights plan will be effective at the close of business on the date immediately following its confirmation and approval by shareholders at Air Canada's annual meeting of shareholders scheduled for June 25, 2020. If so approved, the renewed rights plan will remain in effect until the close of business on the date of Air Canada's annual meeting of shareholders in 2023 and would be renewed in accordance with its terms for an additional period of three years (from 2023 to 2026) provided that the shareholders ratify such renewal at or prior to the annual meeting of shareholders to be held in 2023.

A complete copy of the rights plan will be filed and available on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release includes forward-looking statements within the meaning of applicable securities laws. Forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to guidance, strategies, expectations, planned operations or future actions. Forward-looking statements are identified using terms and phrases such as “preliminary”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions.



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Forward-looking statements, by their nature, are based on assumptions, including those described herein and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including the factors identified in Air Canada's public disclosure file available at www.sedar.com and, in particular, those identified in section 14 "Risk Factors" of Air Canada's First Quarter 2020 MD&A and section 20 "Risk Factors" of Air Canada's 2019 MD&A. The forward-looking statements contained or incorporated by reference in this news release represent Air Canada's expectations as of the date of this news release (or as of the date they are otherwise stated to be made) and are subject to change after such date. However, Air Canada disclaims any intention or obligation to update or revise any forward-looking statements whether because of new information, future events or otherwise, except as required under applicable securities regulations.

About Air Canada

Air Canada is Canada's largest domestic and international airline. Canada's flag carrier is among the 20 largest airlines in the world and in 2019 served over 51 million customers. Air Canada is a founding member of Star Alliance, the world's most comprehensive air transportation network. Air Canada is the only international network carrier in North America to receive a Four-Star ranking according to independent U.K. research firm Skytrax, which also named Air Canada the 2019 Best Airline in North America. For more information, please visit: aircanada.com/media, follow @AirCanada on [Twitter](https://twitter.com/AirCanada) and join Air Canada on [Facebook](https://www.facebook.com/AirCanada).

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