



**ANNUAL INFORMATION FORM  
FOR THE FINANCIAL YEAR  
ENDED DECEMBER 31, 2020**

**March 17, 2021**

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## EXPLANATORY NOTES

The information in this Annual Information Form is stated as at December 31, 2020, unless otherwise indicated.

Unless otherwise indicated in this Annual Information Form, “Aimia”, “we”, “us”, “our”, or “the Corporation” refers to Aimia Inc., and, where the context requires, its Subsidiaries and associated companies.

For an explanation of the capitalized terms and expressions and certain defined terms, please refer to the *Glossary of Terms* set out in Schedule “A” of this Annual Information Form. Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to \$ are to Canadian dollars.

### FORWARD-LOOKING STATEMENTS

Aimia is entirely dependent upon the operations and financial condition of its Subsidiaries and investee companies. The earnings and cash flows of Aimia are affected by certain risks. For a description of those risks, please refer to the section “Risks and Uncertainties Affecting the Business.”

This Annual Information Form includes forward-looking statements within the meaning of applicable securities laws. These statements relate to analyses and other information that are based on forecasts of future results or events and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to strategies, expectations, planned operations or future actions.

These forward-looking statements are identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions.

Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts, predictions or forward-looking statements cannot be relied upon due to, among other things, changing external events and general uncertainties of the business and its corporate structure. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, business and industry disruptions related to natural disasters, security issues and global health crises particularly as they might affect the airline, travel and hospitality sectors, risks and uncertainties related to Aimia's investment in PLM arising from Aeromexico's Chapter 11 filings, the execution of the strategic plan, investment risks, including in connection with how and when to deploy and invest Aimia's considerable cash and other liquid assets, holding company liquidity risk, investment partnerships risks, airline industry changes and increased airline costs, reliance on key personnel, market price and trading volume of the common shares and preferred shares, uncertainty of dividend declarations and/or payments on either common shares or preferred shares, passive foreign investment company risk, limitation on utilization of tax losses, technological disruptions and inability to use third-party software and outsourcing, regulatory matters related to privacy, foreign operations, interest rate and currency fluctuations, legal proceedings, audit by tax authorities, as well as the other factors identified throughout this Annual Information Form and throughout Aimia's public disclosure records on file with the Canadian securities regulatory authorities. The forward-looking statements contained herein represent Aimia's expectations as of March 17, 2021, and are subject to change after such date. However, Aimia disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations. See “Risks and Uncertainties Affecting the Business.”

## CORPORATE STRUCTURE

### NAME, ADDRESS AND INCORPORATION

Aimia Inc. (the “**Corporation**”) was incorporated on May 5, 2008, under the *Canada Business Corporations Act* (as amended from time to time, the “**CBCA**”). The Corporation is the successor to Aeroplan Income Fund following the completion of the reorganization of Aeroplan Income Fund from an income trust structure to a corporate structure by way of a court-approved plan of arrangement under the CBCA on June 25, 2008, and a reorganization of its corporate structure on December 29 and 30, 2008.

On January 19, 2010, the Corporation’s articles of incorporation were amended to create the cumulative rate reset preferred shares, Series 1 (the “**Series 1 Preferred Shares**”) and the cumulative floating rate preferred shares, Series 2 (the “**Series 2 Preferred Shares**”). On May 19, 2010, the Corporation’s articles of incorporation were amended to grant voting rights, in certain limited circumstances, to holders of Preferred Shares. On January 15, 2014, the Corporation’s articles of incorporation were further amended to create the cumulative rate reset preferred shares, Series 3 (the “**Series 3 Preferred Shares**”) and the cumulative floating rate preferred shares, Series 4 (the “**Series 4 Preferred Shares**”). See the section “Description of Capital Structure” for a summary of the material terms of the Series 1 Preferred Shares, Series 2 Preferred Shares, Series 3 Preferred Shares and Series 4 Preferred Shares.

The registered and head office of Aimia is located at 176 Yonge Street, Suite 06-128, Toronto, Ontario, Canada, M5C 2L7.

### INTERCORPORATE RELATIONSHIP

The table below shows Aimia’s main Subsidiaries, where they are incorporated or registered, and the percentage of voting securities that Aimia beneficially owns or directly or indirectly exercises control or direction over. Aimia has other Subsidiaries, but they have not been included in the table because each represents 10% or less of our total consolidated assets and 10% or less of our total consolidated operating revenues for the year ended December 31, 2020. These other Subsidiaries together represented 20% or less of our total consolidated assets and 20% or less of our total consolidated operating revenues for the year ended December 31, 2020.

<b>Subsidiary</b>	<b>Where Is it Incorporated or Registered</b>	<b>Percentage of Voting Securities that Aimia Holds at March 24, 2021</b>
Aimia Holdings UK Limited	UK	100%
Aimia Holdings UK II Limited	UK	100%
Aimia Holdings US Inc.	US	100%
Aimia Proprietary Loyalty Canada Inc.	Canada	100%
Mittleman Investment Management LLC	US	100%

## GENERAL DEVELOPMENT OF THE BUSINESS

### HISTORY

On February 1, 2018, Aimia announced that it had sold the Nectar loyalty program and related assets (including the Nectar trademarks, Aimia's Intelligent Shopper Solutions U.K. and Intelligent Research businesses and a 50% equity stake in its i2c joint venture with Sainsbury's) to J Sainsbury plc. ("Sainsbury's") for gross consideration of approximately \$105 million (£60 million). Along with the sale of the Nectar business, Aimia also transferred to Sainsbury's approximately \$183 million (£105 million) of cash providing coverage against the Nectar redemption liability. In connection with the transaction, Aimia reduced its overall debt level with a \$100 million repayment on the Credit Facility made at closing and the overall size of the Credit Facility was reduced to \$208 million. In addition, Aimia agreed to certain amendments to the Credit Facility.

On November 26, 2018, Aimia announced that it had entered into a definitive share purchase agreement with Air Canada for the purchase by Air Canada of all of the issued and outstanding share capital of Aimia Canada Inc. for an all cash purchase price of \$450 million on a cash-free, debt-free basis (the "**Aeroplan Sale**"). The Corporation also announced that Aimia's Board of Directors had formed a special committee of independent directors for the purpose of reviewing and evaluating the Corporation's future strategic direction, including as a leading player in loyalty management, and receiving and considering Management recommendations with respect thereto.

On December 24, 2018, Aimia announced that the Aeroplan Sale cleared the applicable regulatory requirements, and on January 8, 2019, Aimia announced that shareholders voted to approve the Aeroplan Sale, as well as the reduction of the stated capital of the Corporation's common shares (the "**Common Shares**") to an aggregate of no less than \$1,000,000. On January 10, 2019, Aimia announced the completion of the Aeroplan Sale, for gross transaction proceeds of \$497 million, after favourable initial closing adjustments of \$47 million. The Corporation also announced that it had used approximately \$308 million of the Aeroplan Sale proceeds to repay and terminate the Corporation's credit facility and to defease and redeem all of Aimia's outstanding senior secured notes. A further \$100 million of the proceeds were deposited into a restricted, interest-bearing account jointly controlled by Aimia and Air Canada to reflect uncertainty around potential future indemnity obligations related to an ongoing tax audit (the "**Aeroplan Restricted Funds**"). On June 3, 2019, the Corporation announced that it and Air Canada had finalized all post-closing adjustments, resulting in the payment by Air Canada to the Corporation of \$19 million, bringing the total purchase price to \$516 million.

On February 14, 2019, Aimia completed the sale of its investment in Fractal Analytics for cash consideration of \$9.8 million (US \$7.4 million).

On March 28, 2019, Aimia announced that its Board of Directors through a special committee of independent directors (the "**Special Committee**") concluded its previously announced evaluation of the Corporation's future strategic direction and capital allocation priorities. Under the new strategic direction, Aimia would evolve its positioning within the growing loyalty and travel markets through a combination of organic growth and sector-focused M&A. The strategic business plan would build on Aimia's strong existing platforms, unparalleled industry expertise and experience, ability to drive operational improvement as well as its excellent liquidity, ready-to-use capital and long-term approach.

On March 28, 2019, Aimia also announced that its Board of Directors approved a substantial issuer bid of up to \$150 million (the "**\$150 Million SIB**") to repurchase a portion of the Corporation's outstanding common shares for cancellation. The \$150 Million SIB expired on May 21, 2019, and 34,883,702 common shares were repurchased by the Corporation for cancellation.

On June 3, 2019, Aimia received approval from the TSX and announced its intention to repurchase for cancellation up to 8,879,302 of its common shares during the period from June 6, 2019 to June 5, 2020, through a Normal Course Issuer Bid program (the "**2019 NCIB**").

On August 26, 2019, Aimia announced the sale of approximately half of its investment in Cardlytics Inc. and sold the remainder of its stake over the course of the month of October, 2019.

On November 18, 2019, Aimia announced that its Board of Directors approved concurrent but separate substantial issuer bids to repurchase for cancellation (i) up to \$62.5 million of its common shares (the "**\$62.5 Million Common SIB**"), (ii) up to \$31.25 million of its Series 1 Preferred Shares and its Series 2 Preferred Shares (the "**Series 1&2 Preferred Share SIB**"), and (iii) up to \$31.25 million of its Series 3 Preferred Shares (the "**Series 3 Preferred Share SIB**", and together with the Series 1&2 Preferred SIB, the "**Preferred Shares SIB**"). The Preferred Shares SIB expired on December 27, 2019, and 1,032,090 Series 1 Preferred Shares, 784,770 Series 2 Preferred Shares and 1,644,737 Series 3 Preferred Shares were repurchased by the Corporation for cancellation. On December 31, 2019, the \$62.5 Million Common SIB expired and 14,705,863 common shares were repurchased by the Corporation for cancellation.

On November 18, 2019, the Corporation announced that it had reached a comprehensive settlement agreement with Mittleman Brothers, LLC providing for the dismissal of all previously disclosed legal proceedings pending between the parties thereto as well as a governance process with a view to reconstituting the Board of Directors no later than February 28, 2020 in advance of the next annual meeting of shareholders. All such legal proceedings between Mittleman Brothers, LLC, the Corporation and its former directors were dismissed and the parties entered into a customary and mutual release agreement. On February 25, 2020, the Corporation announced the reconstitution of the Board of Directors, with the departure of six independent directors and the appointment of six new, non-management directors.

On April 29, 2020, the Corporation announced that following a strategic review process undertaken by the Board of Directors through an ad hoc strategic review committee, the Board of Directors approved a strategy focused on long-term investments in public and private companies, on a global basis, through controlling or minority stakes. In light of the skills required by the change of strategy, the Corporation also announced the appointment of Philip Mittleman as interim Chief Executive Officer of the Corporation.

Also on April 29, 2020, the Corporation announced that it had entered into an agreement with Kognitiv Corporation ("**Kognitiv**") to merge the Corporation's Loyalty Solutions business with Kognitiv in exchange for 12% convertible preferred shares ("**Kognitiv Preferred Shares**") of Kognitiv. Concurrent with the merger transaction, the Corporation would invest an additional approximately \$21 million in Kognitiv Preferred Shares. Following the merger and investment transactions, the Corporation's stake in Kognitiv would be 49%.

On April 29, 2020, the Corporation also announced that it had signed a definitive agreement to acquire Mittleman Brothers, LLC (the "**MB Acquisition**"), which owned Mittleman Brothers Investment Management, an SEC-registered investment adviser that provides discretionary portfolio management to institutional investors and high-net-worth individuals, for a purchase price of \$5 million in cash and 4 million shares of Aimia stock, of which 2,667,667 shares were held back for earnout and performance related targets. On June 19, 2020, the Corporation announced the closing of the MB Acquisition, and the appointment of Philip Mittleman as permanent Chief Executive Officer of the Corporation, and the appointment of Christopher Mittleman as Chief Investment Officer of the Corporation and to the Board of Directors.

On May 28, 2020, the Corporation announced that an injunction application had been filed with the Quebec Superior Court (Civil Division) in the District of Montreal (the “**Court**”) against it and Kognitiv seeking to enjoin the previously announced proposed combination of the Corporation’s Loyalty Solutions business with Kognitiv on the basis that the proposed transaction would allegedly result in breaches of certain non-competition and confidentiality provisions entered into by Aimia in connection with the sale of the Aeroplan program. On June 18, 2020, the Corporation announced that the Court issued a decision in favour of the Corporation dismissing the application for injunctive relief. Having received the favourable decision from the Court, the Corporation and Kognitiv closed the previously announced transaction combining the Corporation’s Loyalty Solutions business with Kognitiv, making Aimia a minority shareholder in Kognitiv.

On June 8, 2020, Aimia received approval from the TSX and announced its intention to repurchase for cancellation up to 6,980,010 of its common shares during the period from June 10, 2020 to June 9, 2021, through a Normal Course Issuer Bid program (the “**2020 NCIB**”).

On June 29, 2020, the Corporation announced that it signed a definitive agreement with Grupo Aeromexico S.A.B. de C.V. (“**Aeromexico**”) reflecting the parties previously announced agreement to make certain changes to the Shareholders Agreement between them and to the commercial agreement (the “**CPSA**”) between Aeromexico and PLM Premier, S.A.P.I. (“**PLM**”), the owner and operator of the Club Premier loyalty program, including: a 20-year extension of the CPSA; a 7-year option granted to Aeromexico to purchase Aimia’s 48.9% interest in PLM at an Adjusted EBITDA multiple of 7.5x, with a minimum purchase price of US\$400 million. As part of the transactions, PLM provided financial support to Aeromexico of US\$100 million in the form of a US\$50 million loan under the existing intercompany loan facility between them, and through pre-purchases of award tickets of US\$50 million.

On July 23, 2020, the Corporation announced that it had received the remaining funds totaling \$67 million out of the Aeroplan Restricted Funds after having fulfilled all of its related legal conditions.

## **THE BUSINESS**

### **OVERVIEW**

Aimia Inc. is a holding company with a focus on long-term investments in public and private companies, on a global basis, through controlling or minority stakes.

The company operates an investment advisory business through its wholly-owned subsidiary Mittleman Investment Management, LLC, and owns a diversified portfolio of valuable investments including a 48.9% equity stake in PLM Premier, S.A.P.I. de C.V. (“**PLM**”), owner and operator of Club Premier, the coalition loyalty program in Mexico that operates the Aeromexico frequent flyer program; a 48.9% equity stake in Kognitiv Corporation (“**Kognitiv**”), a B2B technology growth company enabling collaborative commerce; a 20.0% equity stake in BIGLIFE Sdn Bhd (“**BigLife**”), the operator of BIG Rewards, one of the largest loyalty programs across Asia; a 10.85% stake in Clear Media Limited (100.HK), one of the largest outdoor advertising firms in China; as well as minority stakes in a portfolio of public company securities.

## **STRUCTURE OF THE BUSINESS**

For the year ended December 31, 2020, Aimia, through its own operations and those of its subsidiaries, currently operates two reportable and operating segments, namely Holdings, and Investment Management.

### **HOLDINGS**

Holdings includes Aimia's long-term investments in PLM, BIGLife, Kognitiv and Clear Media Limited, as well as various minority investments in public securities.

### **PLM/ Club Premier**

In December of 1991, Aeromexico launched Club Premier, the first loyalty program for a Mexican airline to promote loyalty among the airline's passengers and attract new customers. In September 2010, in connection with the Corporation's investment in the program, Aeromexico contributed the Club Premier program to PLM, and Aimia became a minority shareholder of PLM. In 2012, Aimia increased its stake in PLM to 48.9% and shares joint control with Aeromexico.

As of December 31, 2019, Club Premier had approximately 7 million members enrolled and is Mexico's largest travel loyalty program.

The members of Club Premier can accumulate Premier Points in several ways, including through air travel and financial card usage. Club Premier charges its accumulation partners a fee per point. These are reported as Gross Billings.

Club Premier is a tiered program, attributing different benefits and redemption offerings depending on the frequency and source of points issuance.

American Express issues co-branded charge cards through which cardholders can accumulate Premier Points based on their charge card purchases. As of December 31, 2019, PLM also had Visa co-branded credit card agreements with Santander in Mexico that runs to 2026. PLM also partners with certain hotels and hotel chains, including Marriott, Hilton, Starwood and IHG, and with Hertz for car rentals under which Club Premier members accumulate Premier Points for each stay or rental. Other partners of the Club Premier program include Uber, G500, Gandhi, Linio, and Palacio de Hierro, among others. Club Premier members may also convert their points accumulated in certain other reward programs into Premier Points.

The accumulation of Premier Points when traveling on Aeroméxico, Aeroméxico Connect or other SkyTeam member airlines or Code-Share airlines is governed under a long term agreement with Aeromexico that extends through 2030.

Club Premier pays redemption partners the cost of rewards for points redeemed. Flight redemptions are the program's most popular redemption, with members able to access Aeromexico, Aeromexico Connect and other SkyTeam member airlines or code-share airlines flights and promotions. Club Premier members can also redeem their Premier Points for stays in thousands of hotels, as well as purchases of items, including electronics, toys and perfumes, through its eStore. Currently, Club Premier members can pay for items with Premier Points in stores such as Gandhi, and Mac Store.

Additionally, Club Premier Corporativo, PLM's corporate B2B loyalty program, offers benefits directly to businesses, allowing them to offer loyalty marketing services superior to other marketing alternatives, using Club Premier Points to attract and retain customers and stimulate demand for their products and services.

PLM continues to look for opportunities to expand the program and introduce innovative ways to generate revenue through the sale of Premier Points.

### **Kognitiv**

Founded in 2008, Kognitiv Corporation (“**Kognitiv**”) enables collaborative commerce through its proprietary technology platform and performance model for leading global brands to build their own peer-to-peer trading networks. In June 2020, Kognitiv and Aimia’s Loyalty Solutions and Intelligent Shopper Solutions companies came together to create a technology-forward business, employing over 500 people across 20 countries worldwide. With 200+ clients and partners in more than 50 markets globally, Kognitiv brings to life a world where brands work together to create new opportunities for less, gain direct access to new audiences, and create network effects.

### **BigLife**

BigLife was incorporated in December 2010. Aimia became a minority shareholder in January 2014. As of December 31, 2019, Aimia owned 20% of BigLife and AirAsia Digital owned 80%. BIG Rewards, the program operated by BigLife, has operations in 10 countries across Asia - Malaysia, Singapore, Thailand, Indonesia, Philippines, India, Hong Kong, China, Japan and Vietnam and has a member base of over 24 million.

BIG Rewards began as an airline loyalty program for AirAsia, and has since grown into a comprehensive lifestyle rewards platform that goes beyond flights, presenting a new, holistic way of rewarding loyal BIG Rewards members, with a diverse range of partners across lifestyle, travel and financial services categories.

### **Clear Media Limited**

Clear Media Limited (“**Clear Media**”) is the largest operator of bus shelter advertising panels in China, with leading market shares more than 70% in top-tier cities, and a broad presence in the fastest growing cities across the country. Clear Media operates the most extensive standardized bus shelter advertising network in mainland China, with a total of more than 59,000 panels covering 24 cities.

## **INVESTMENT MANAGEMENT**

Investment Management includes Mittleman Investment Management LLC (“MIM”), a U.S. Securities and Exchange Commission registered investment adviser that provides discretionary portfolio management to institutional investors and high-net-worth individuals.

### **Mittleman Investment Management**

MIM pursues superior returns through long-term investments in what it deems to be severely undervalued securities, while maintaining its focus on limiting risk. MIM seeks to mitigate risk, which it defines as the probability of the long-term loss of capital, by investing in businesses that are proven franchises with durable economic advantages, evidenced by a well-established track record of substantial free cash flow generation over complete business cycles, and only when the very low valuation at which the investment is made provides a significant margin of safety. MIM employs a concentrated, long-term investment approach, typically holding between 10 and 20 positions. Investments are made globally, with the historical average of foreign holdings representing approximately 50% of the strategy. Unconstrained by capitalization parameters, MIM gravitates towards smaller market cap companies where the firm has identified the greatest disparities between market price and its proprietary estimate of fair value. Large cap companies are also considered, but only when priced attractively enough to warrant inclusion in the

strategy. MIM believes its ability to go wherever the best risk/reward ratios appear to be available, in companies small and large, domestic and international, is a distinct advantage over other investment managers which operate within a more restrictive investment universe.

## **COMPETITION**

Club Premier and BIG Rewards compete with other forms of marketing services and loyalty incentive programs, both traditional coalition and white-label, and on-line.

Kognitiv competes with companies offering business-to-business technology services, including software-as-a-service solutions, e-commerce and marketplace capabilities, trading and exchange technology and loyalty management technology, as well as companies engaged in managed loyalty services, including organizations offering consultancy or program management capabilities, advanced analytics, creative communications, and rewards fulfillment services.

MIM primarily competes with other value-oriented investment advisers that provide discretionary portfolio management to institutional and individual investors. Additionally, MIM competes with all other types of investment advisers and the products they offer both in the U.S. and globally. The markets in which MIM participates are extremely competitive. MIM competes with firms that may have greater financial resources, more favorable financing arrangements, larger research staffs and more securities traders than are available to MIM.

## **EMPLOYEES**

Our business relies on highly skilled employees and our people are at the heart of Aimia's sustainable business over the long-term. Aimia had 18 employees as of December 31, 2020, including MIM employees.

## **FACILITIES**

In Canada, Aimia leases office space in Toronto, Ontario, where its global head offices are located, and in Montreal, Quebec. In the U.S., Aimia's main offices are in Melville, New York. All of the above leases are at market rates.

## **ENVIRONMENTAL**

Aimia is not engaged in any activities that are subject to material environmental risk. Aimia has not identified any existing or potential environmental hazards at any of its leased facilities, nor has it received any inquiry or notice that has resulted, or may reasonably be expected to result in, actual or potential proceedings, claims, lawsuits or losses related to environmental liabilities.

## **IMPACT OF COVID-19 ON THE BUSINESS**

Over the past months, we have seen the major impact that the COVID-19 pandemic is having on human health, the global economy and associated government measures to curb the spread of the virus, which includes varying degrees of self-quarantine and border closures. Aimia has been addressing the COVID-19 situation, working to mitigate the potential impacts on our employees and business. The change in Aimia's corporate strategy to a holding company and our ability to work remotely to perform these activities has enabled Aimia to operate in this difficult environment without significant impact. However, the pandemic is impacting the operations of our investments or certain of their partners to various degrees.

## **PLM**

The PLM coalition program has been impacted by COVID-19. The most significant impact has been on Aeromexico, the airline partner of PLM due to unprecedented border closures and travel restrictions. As the activities of Aeromexico are reduced, the cash inflows of PLM are reduced given lower points accumulation by the program members who accumulate on Aeromexico flights. In addition, the pandemic has impacted business and consumer credit card spending which has lowered impacted cash inflows. Partially offsetting these impacts are lower cash outflows due to a significant reduction in points redemption by the program members with respect to airline rewards and cost cutting initiatives put in place by PLM to mitigate the lower levels of operating margins generated.

On June 30, 2020, Aeromexico commenced proceedings under Chapter 11 of the United States Bankruptcy Code ("Chapter 11") to implement a court supervised financial restructuring, while continuing to serve its customers. At this time, the financial restructuring of Aeromexico is still ongoing and it is too early to assess the final outcome for the receivables from Aeromexico that PLM holds. However, a \$15.4 million (US\$11.5 million) expected credit loss provision has been recorded in the results of PLM related to certain unsecured receivables from Aeromexico in the twelve months ended December 31, 2020, which impacted Aimia's share of net earnings from PLM.

In October 2020, the United States Bankruptcy Court approved on a final basis Aeromexico's Debtor-in-possession ("DIP") financing facility for up to US\$1.0 billion, consisting of a senior secured Tranche 1 facility of US\$200.0 million, and a senior secured Tranche 2 facility of US\$800.0 million. In addition, the airline has since renegotiated terms with its suppliers, including aircraft lessors, and with its unionized labor forces to improve its cost structure and liquidity.

As long as various travel restrictions remain in place, Aimia anticipates reduced cash flows and net earnings for PLM compared to pre-pandemic levels as a result of the reduced air travel demand and capacity of Aeromexico. While Aimia cannot predict the full impact or exact timing for when these adverse conditions may improve, Aimia does not expect these conditions to be permanent. As such, Aimia does not expect the long-term profitability of the program to be affected significantly at this time.

Please refer to the 2020 MD&A for more details.

## **BigLife**

The BIG Rewards coalition program has been impacted by COVID-19. The pandemic has significantly impacted the business of AirAsia Group Berhad, the anchor airline partner of the BIG Rewards program and majority shareholder of the BigLife joint venture due to unprecedented border closures and travel restrictions. It has also significantly affected AirAsia X, the long haul carrier operating under the AirAsia banner and a program partner of BIG Rewards. As the activities of AirAsia are reduced, the cash inflows of BigLife are reduced given lower points accumulation by the program members who accumulate on AirAsia flights. In addition, the pandemic has impacted businesses and consumers credit card spending which has adversely impacted cash inflows of the program. Partially offsetting these impacts are lower cash outflows due to a significant reduction in points redemption by the program members with respect to airlines rewards and cost cutting initiatives put in place by BigLife to mitigate the lower levels of operating margins generated.

Both airline partners have announced financing plans to facilitate an injection of fresh equity in light of the liquidity constraints faced during these adverse conditions. At this time, AirAsia Berhad has raised MYR300.0 million in debt and undertook a private placement initiative for the issuance of up to 20%

of the total number of issued shares of the company. The first and second tranches of that private placement was completed with AirAsia Berhad raising approximately MYR337.0 million. Aimia participated in the second tranche of the private placement and subscribed for 35.6 million of common shares for an amount of \$9.4 million (US\$7.5 million).

Aimia anticipates reduced cash flows for BIGLIFE compared to pre-pandemic levels as a result of the reduced travel air demand and capacity of AirAsia Berhad and AirAsia X due to updated travel restrictions, which includes, but not limited to, the reinstatement of the Malaysian Government Movement Control Order in January and February 2021.

Please refer to the 2020 MD&A for more details.

### **Kognitiv**

The Loyalty Solutions activities that Aimia contributed into Kognitiv did not experience a significant reduction in business caused by COVID-19 mainly because of its diversified portfolio of clients, its business model centered around subscription-based loyalty platforms and its ability to deliver loyalty services to customers remotely. However, Kognitiv's services provided to the travel and hospitality industries have been impacted by the travel restrictions and border closures.

Please refer to the 2020 MD&A for more details.

### **Clear Media**

Clear Media's revenues began to decline substantially in February 2020 amid the outbreak of COVID-19 which further slowed China's economic growth, negatively impacted customers' advertising spend and reduced demand for advertising space. In its March 17, 2021 Annual Results Announcement, Clear Media indicated that its revenue bottomed in March 2020 (prior to Aimia's investment in Clear Media) and that its revenue had been recovering in the second quarter of 2020. The recovery in total monthly revenue continued in the third and fourth quarter of 2020. Total revenue in the fourth quarter of 2020 also slightly exceeded the level of the same period in the prior year. Clear Media further indicated that, in the absence of any significant recurrence of COVID-19 pandemic or adverse macro-economic development, the 2021 total revenue is expected to be materially more than in 2020.

Please refer to the 2020 MD&A for more details.

## **RISKS AND UNCERTAINTIES AFFECTING THE BUSINESS**

For a discussion of the risks and uncertainties to which the results of operations and financial condition of Aimia are subject, please see the section entitled "*Risks and Uncertainties Affecting the Business*" included in Aimia's Management's Discussion and Analysis of Financial Condition and Results of Operations for the years ended December 31, 2020 and 2019 (the "**2020 MD&A**").

## **DESCRIPTION OF CAPITAL STRUCTURE**

The authorized capital of Aimia consists of (i) an unlimited number of Common Shares issuable in series, (ii) an unlimited number of preferred shares (the "**Preferred Shares**") issuable in series.

The summary below of the rights, privileges, restrictions and conditions attaching to the securities of Aimia does not purport to be complete and is subject to, and qualified by reference to, Aimia's articles and by-laws.

## COMMON SHARES

Each Common Share shall entitle the holder thereof to one (1) vote at all meetings of shareholders of Aimia (the “**Shareholders**”) (except meetings at which only holders of another specified class of shares are entitled to vote, pursuant to the provisions of the CBCA).

The holders of Common Shares shall be entitled to receive, as and when declared by the directors of Aimia, subject to the rights, privileges, restrictions and conditions attaching to the Preferred Shares and to any other class of shares ranking senior to the Common Shares, dividends which may be paid in money, property or by the issue of fully paid shares in the capital of Aimia.

In the event of the liquidation, dissolution or winding-up of Aimia, whether voluntary or involuntary, or other distribution of assets of Aimia among Shareholders for the purpose of winding up its affairs, subject to the rights, privileges, restrictions and conditions attaching to the Preferred Shares and to any other class of shares ranking senior to the Common Shares, the holders of Common Shares shall be entitled to receive the remaining property of Aimia. In the event of an insufficiency of property and assets to pay in full the amounts which the holders of Common Shares are entitled to receive upon such liquidation, dissolution or winding-up, the holders of Common Shares shall participate rateably among themselves in accordance with the amounts to which they are respectively entitled upon such liquidation, dissolution or winding-up.

## PREFERRED SHARES

The directors of Aimia may, at any time and from time to time, issue the Preferred Shares in one (1) or more series, each series to consist of such number of shares as may, before issuance thereof, be determined by the directors. The directors may from time to time fix, before issuance, the designation, rights, privileges, preferences, restrictions, conditions and limitations attaching to the Preferred Shares of each series, the whole subject to the issuance of a certificate of amendment in respect of articles of amendment in the prescribed form to designate a series of shares.

The holders of the Preferred Shares shall not be entitled to receive notice of, nor to attend or vote at meetings of the shareholders of Aimia other than (i) as provided for in the CBCA, and (ii) as have been provided for in the rights, privileges, restrictions and conditions attached to the Series 1 Preferred Shares, the Series 2 Preferred Shares, the Series 3 Preferred Shares and the Series 4 Preferred Shares, or as may be provided for in the rights, privileges, restrictions and conditions attached to any series of preferred shares created by the board of directors of Aimia (the “**Board of Directors**”), but in such cases, voting rights shall be attached to the preferred shares of such series if, and only if, Aimia fails to pay a certain number of dividends, as set out in such rights, privileges, restrictions and conditions.

The holders of the Preferred Shares shall be entitled to receive, as and when declared by the directors of Aimia, in preference and priority to any dividends on the Common Shares of Aimia and any other shares of Aimia ranking junior to the Preferred Shares, dividends which may be paid in money, property or by the issue of fully paid shares in the capital of Aimia.

In the event of the liquidation, dissolution or winding-up of Aimia or other distribution of assets of Aimia among Shareholders for the purpose of winding-up its affairs, the holders of the Preferred Shares shall, before any amount shall be paid to or any property or assets of Aimia distributed among the holders of the Common Shares or any other shares of Aimia ranking junior to the Preferred Shares, be entitled to receive an amount equal to the consideration received by Aimia upon the issuance of such shares together

with, in the case of cumulative Preferred Shares, all unpaid cumulative dividends (which, for such purpose, shall be calculated as if such cumulative dividends were accruing from day to day for the period from the expiration of the last period for which cumulative dividends have been paid, up to and including the date of distribution) and, in the case of non-cumulative Preferred Shares, all declared and unpaid non-cumulative dividends, but shall not be entitled to share any further in the distribution of the property or assets of Aimia.

The above restrictions contained in the terms of the Preferred Shares render these shares not ideal for use as a takeover defense. Specifically, the fact that the Preferred Shares are non-voting except in certain limited circumstances where Aimia fails to pay a certain number of dividends make them unlike unconstrained “blank cheque” preferred shares.

### **Series 1 Preferred Shares and Series 2 Preferred Shares**

Holders of the Series 1 Preferred Shares were entitled to receive fixed cumulative preferential cash dividend, as and when declared by the Board of Directors of Aimia, payable quarterly on the last business day of each of March, June, September and December at an annual rate of 6.50%, or \$1.625 per Series 1 Preferred Share, for the initial five-year period ending on March 31, 2015. The dividend rate was reset on March 31, 2015, and again on March 31, 2020, and will be reset every five years thereafter at a rate equal to the sum of the five-year Government of Canada bond yield plus 3.75%. The current annual dividend rate is 4.802%. On March 31, 2015 and on each March 31 every fifth year thereafter, Aimia may, at its option, redeem the Series 1 Preferred Shares in whole or in part by the payment of \$25.00 in cash per Series 1 Preferred Share together with all declared and unpaid dividends to but excluding the date fixed for redemption. The Series 1 Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of the Series 1 Preferred Shares. On February 25, 2020, Aimia announced that it does not intend to exercise its right to redeem all or any number of the currently outstanding Series 1 Preferred Shares on March 31, 2020. As a result of its decision not to redeem all or any number of the Series 1 Preferred Shares, and subject to certain conditions set out in the rights, privileges, restrictions and conditions attaching to such shares, the holders of the Series 1 Preferred Shares had the right to convert all or any number of their Series 1 Preferred Shares, on a one-for-one basis, into Series 2 Preferred Shares on March 31, 2020. On March 17, 2020, Aimia announced that none of the Series 1 Preferred Shares would be converted into Series 2 Preferred Shares since there would be fewer than 1,000,000 Series 2 Preferred Shares outstanding on March 31, 2020, after having taken into account all Series 1 Preferred Shares tendered for conversion into Series 2 Preferred Shares and all Series 2 Preferred Shares tendered for conversion into Series 1 Preferred Shares.

Holders of the Series 2 Preferred Shares will be entitled to receive quarterly floating rate cumulative preferred cash dividends, as and when declared by the Board of Directors of Aimia, payable on the last business day of each of March, June, September and December in each year. On any Series 2 Conversion Date (as hereinafter defined) on and after March 31, 2020, Aimia may, at its option, redeem the Series 2 Preferred Shares in whole or in part by the payment of \$25.00 in cash per Series 2 Preferred Share together with all declared and unpaid dividends to but excluding the date fixed for redemption. On any date after March 31, 2015, that is not a Series 2 Conversion Date (as hereinafter defined), Aimia may, at its option, redeem all or any part of the outstanding Series 2 Preferred Shares by the payment of an amount in cash of \$25.50 per Series 2 Preferred Share together with all declared and unpaid dividends to but excluding the redemption date. The Series 2 Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of the Series 2 Preferred Shares. On February 25, 2020, Aimia announced that it does not intend to exercise its right to redeem all or any number of the currently outstanding Series 2 Preferred Shares on March 31, 2020. As a result of its decision not to redeem all or any number of the Series 2 Preferred Shares, and subject to certain conditions set out in the rights, privileges, restrictions and conditions attaching to such shares, the holders of the Series 2 Preferred Shares had the right to convert all

or any number of their Series 2 Preferred Shares, on a one-for-one basis, into Series 1 Preferred Shares on March 31, 2020. On March 17, 2020, Aimia announced that all of the Series 2 Preferred Shares would be converted into Series 1 Preferred Shares, since there would be fewer than 1,000,000 Series 2 Preferred Shares outstanding on March 31, 2020, after having taken into account all Series 2 Preferred Shares tendered for conversion into Series 1 Preferred Shares.

In the event of the liquidation, dissolution or winding-up of Aimia or any other distribution of assets of Aimia among its Shareholders for the purpose of winding-up its affairs, subject to the prior satisfaction of the claims of all creditors of Aimia and of holders of shares of Aimia ranking prior to the Series 1 Preferred Shares and the Series 2 Preferred Shares, the holders of Series 1 Preferred Shares and Series 2 Preferred Shares will be entitled to payment of an amount equal to \$25.00 per share, plus an amount equal to all declared and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted and withheld by Aimia), before any amount may be paid or any assets of Aimia are distributed to the registered holders of any shares ranking junior to the Series 1 Preferred Shares and the Series 2 Preferred Shares. After payment of such amounts, the holders of Series 1 Preferred Shares and Series 2 Preferred Shares will not be entitled to share in any further distribution of the assets of Aimia.

Subject to applicable law, holders of Series 1 Preferred Shares and Series 2 Preferred Shares, in their capacity as holders thereof, will not be entitled to receive notice of, or to attend or to vote at, any meeting of Aimia's Shareholders, unless and until Aimia fails to pay dividends for any eight quarters. In the event that Aimia has not paid the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, on the Series 1 Preferred Shares or the Series 2 Preferred Shares, as applicable, at the applicable dividend rate for such shares, the holders of shares of the relevant series will be entitled to receive notice of and to attend meetings of Shareholders of Aimia, other than meetings at which only holders of another specified class or series are entitled to vote, and to vote together with all of Aimia's other Shareholders entitled to vote at such meetings on the basis of one vote for each Series 1 Preferred Share or Series 2 Preferred Share held, as applicable. The voting rights of the holders of shares of the relevant series will forthwith cease upon payment by Aimia of all accrued but unpaid dividends on the shares of such series until such time as Aimia may again fail to pay the applicable dividend for any further eight quarters, in which case such voting rights will become effective again.

The Series 1 Preferred Shares and Series 2 Preferred Shares will rank on parity with all other Preferred Shares of Aimia and will rank prior to the Common Shares as to the payment of dividends and the distribution of the assets of Aimia in the event of the dissolution, liquidation or winding-up of the Corporation or any other distribution of the assets of Aimia for the purpose of winding-up its affairs.

The Series 1 Preferred Shares and Series 2 Preferred Shares are not currently rated by any rating agency.

### **Series 3 Preferred Shares and Series 4 Preferred Shares**

Holders of the Series 3 Preferred Shares were entitled to receive fixed cumulative preferential cash dividend, as and when declared by the Board of Directors of Aimia, payable quarterly on the last business day of each of March, June, September and December at an annual rate of 6.25%, or \$1.5625 per Series 3 Preferred Share, for the initial five-year period to but excluding March 31, 2019. The dividend rate was reset on March 31, 2019, and every five years thereafter at a rate equal to the sum of the five-year Government of Canada bond yield plus 4.20%. The current annual dividend rate is 6.01%. On March 31, 2019, and on each March 31 every fifth year thereafter, Aimia may, at its option, redeem the Series 3 Preferred Shares in whole or in part by the payment of \$25.00 in cash per Series 3 Preferred Share together with all declared and unpaid dividends to but excluding the date fixed for redemption. The Series 3 Preferred

Shares do not have a fixed maturity date and are not redeemable at the option of the holders of the Series 3 Preferred Shares. Holders of Series 3 Preferred Shares will have the right, at their option, to convert all or any of their Series 3 Preferred Shares into Series 4 Preferred Shares, on the basis of one Series 4 Preferred Share for each Series 3 Preferred Share, subject to certain conditions, on March 31, 2019, and on March 31 every fifth year thereafter. On February 25, 2019, Aimia announced that it does not intend to exercise its right to redeem all or any number of the currently outstanding Series 3 Preferred Shares on March 31, 2019. As a result of its decision not to redeem all or any number of the Series 3 Preferred Shares, and subject to certain conditions set out in the rights, privileges, restrictions and conditions attaching to such shares, the holders of the Series 3 Preferred Shares had the right to convert all or any number of their Series 3 Preferred Shares, on a one-for-one basis, into Series 4 Preferred Shares on April 1, 2019. On March 19, 2019, Aimia announced that none of the Series 3 Preferred Shares would be converted into Series 4 Preferred Shares since fewer than 1,000,000 Series 3 Preferred Shares were tendered for conversion during the conversion notice period.

Holders of the Series 4 Preferred Shares will be entitled to receive quarterly floating rate cumulative preferred cash dividends, as and when declared by the Board of Directors of Aimia, payable on the last business day of each of March, June, September and December in each year. On any Series 4 Conversion Date (as hereinafter defined) on and after March 31, 2024, Aimia may, at its option, redeem the Series 4 Preferred Shares in whole or in part by the payment of \$25.00 in cash per Series 4 Preferred Share together with all declared and unpaid dividends to but excluding the date fixed for redemption. On any date after March 31, 2019, that is not a Series 4 Conversion Date (as hereinafter defined), Aimia may, at its option, redeem all or any part of the outstanding Series 4 Preferred Shares by the payment of an amount in cash of \$25.50 per Series 4 Preferred Share together with all declared and unpaid dividends to but excluding the redemption date. The Series 4 Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of the Series 4 Preferred Shares. Holders of Series 4 Preferred Shares will have the right, at their option, on March 31, 2024, and on each March 31 every fifth year thereafter (each such date a “**Series 4 Conversion Date**”), to convert, subject to certain conditions, all or any of their Series 4 Preferred Shares, into Series 3 Preferred Shares, on the basis of one Series 3 Preferred Share for each Series 4 Preferred Share.

In the event of the liquidation, dissolution or winding-up of Aimia or any other distribution of assets of Aimia among its Shareholders for the purpose of winding-up its affairs, subject to the prior satisfaction of the claims of all creditors of Aimia and of holders of shares of Aimia ranking prior to the Series 3 Preferred Shares and the Series 4 Preferred Shares, the holders of Series 3 Preferred Shares and Series 4 Preferred Shares will be entitled to payment of an amount equal to \$25.00 per share, plus an amount equal to all declared and unpaid dividends up to but excluding the date fixed for payment or distribution (less any tax required to be deducted and withheld by Aimia), before any amount may be paid or any assets of Aimia are distributed to the registered holders of any shares ranking junior to the Series 3 Preferred Shares and the Series 4 Preferred Shares. After payment of such amounts, the holders of Series 3 Preferred Shares and Series 4 Preferred Shares will not be entitled to share in any further distribution of the assets of Aimia.

Subject to applicable law, holders of Series 3 Preferred Shares and Series 4 Preferred Shares, in their capacity as holders thereof, will not be entitled to receive notice of, or to attend or to vote at, any meeting of Aimia’s Shareholders, unless and until Aimia fails to pay dividends for any eight quarters. In the event that Aimia has not paid the dividends accrued and payable for any eight quarters, whether or not consecutive and whether or not such dividends have been declared, on the Series 3 Preferred Shares or the Series 4 Preferred Shares, as applicable, at the applicable dividend rate for such shares, the holders of shares of the relevant series will be entitled to receive notice of and to attend meetings of Shareholders of Aimia, other than meetings at which only holders of another specified class or series are entitled to vote, and to vote together with all of Aimia’s other Shareholders entitled to vote at such meetings on the basis of one

vote for each Series 3 Preferred Share or Series 4 Preferred Share held, as applicable. The voting rights of the holders of shares of the relevant series will forthwith cease upon payment by Aimia of all accrued but unpaid dividends on the shares of such series until such time as Aimia may again fail to pay the applicable dividend for any further eight quarters, in which case such voting rights will become effective again.

The Series 3 Preferred Shares and Series 4 Preferred Shares will rank on parity with all other Preferred Shares of Aimia and will rank prior to the Common Shares as to the payment of dividends and the distribution of the assets of Aimia in the event of the dissolution, liquidation or winding-up of the Corporation or any other distribution of the assets of Aimia for the purpose of winding-up its affairs.

The Series 3 Preferred Shares and Series 4 Preferred Shares are not currently rated by any rating agency.

## RATINGS

Aimia is not currently rated by any rating agency.

## DIVIDENDS AND DISTRIBUTIONS

For each of the three most recently completed financial years, Aimia declared quarterly dividends on its Common Shares, Series 1 Preferred Shares, Series 2 Preferred Shares and Series 3 Preferred Shares as follows:

Date of Dividend Declaration	Amount of Dividend (per Common Share)	Amount of Dividend (per Series 1 Preferred Share)	Amount of Dividend (per Series 2 Preferred Share)	Amount of Dividend (per Series 3 Preferred Share)
February 25, 2019 <sup>(1)</sup>	--	\$1.68750	\$1.79388	\$2.343750
February 25, 2019	--	\$0.28125	\$0.336760	\$0.390625
May 14, 2019	--	\$0.28125	\$0.338570	\$0.375688
August 14, 2019	--	\$0.28125	\$0.342605	\$0.375688
October 28, 2019	--	\$0.28125	\$0.339518	\$0.375688
February 25, 2020	--	\$0.28125	\$0.33670	\$0.375688
May 13, 2020	--	\$0.300125	--	\$0.375688
September 15, 2020	--	\$0.300125	--	\$0.375688
November 11, 2020	--	\$0.300125	--	\$0.375688

- (1) On June 14, 2017, Aimia announced that it had suspended payment of all dividends on its Common Shares and its Series 1 Preferred Shares, Series 2 Preferred Shares and Series 3 Preferred Shares, including payment of the dividends declared on May 10, 2017, and originally scheduled to have been paid on June 30, 2017, based on Aimia's determination that the capital impairment test set forth in paragraph 42(b) of the CBCA would not be satisfied. On February 25, 2019, Aimia announced a reduction in the stated capital account maintained in respect of the Common Shares and the payment on March 29, 2019 of the dividends originally declared on May 10, 2017, to the holders of record at the close of business on June 16, 2017. On February 25, 2019, Aimia also announced the payment on March 29, 2019 of dividends on each of the Series 1 Preferred Shares, Series 2 Preferred Shares and Series 3 Preferred Shares accrued and unpaid since July 1, 2017 (representing accrued dividends on such preferred shares for six quarters), to holders of record at the close of business on March 19, 2019, as well as the payment on March 29, 2019 of the first quarterly dividends in 2019 for each of the Series 1 Preferred Shares, Series 2 Preferred Shares and Series 3 Preferred Shares, in each case payable to holders of record at the close of business on March 19, 2019.

## MARKET FOR SECURITIES

The Common Shares are listed for trading on the TSX under the symbol “AIM”. The Series 1 Preferred Shares are listed for trading on the TSX under the symbol “AIM.PR.A”. The Series 3 Preferred Shares are listed for trading on the TSX under the symbol “AIM.PR.C”.

### TRADING PRICE AND VOLUME

The following table shows the monthly range of high and low closing prices per Common Share, the total monthly volumes, and the average daily volumes of Common Shares traded on the TSX (and other alternative platforms, including Alpha Trading Systems) for the months of January to, and including December 2020, as quoted on Bloomberg.

<b>2020 Month</b>	<b>Price per Common Share Monthly High</b>	<b>Price per Common Share Monthly Low</b>	<b>Common Shares Total Monthly Volume</b>	<b>Common Shares Average Daily Volume</b>
January 2020	3.86	3.30	5,940,000	270,000
February 2020	3.50	3.05	3,220,000	169,474
March 2020	3.44	1.60	9,230,000	419,545
April 2020	2.64	1.85	5,820,000	277,143
May 2020	3.15	2.16	8,900,000	445,000
June 2020	3.06	2.40	9,970,000	453,182
July 2020	3.39	2.92	4,140,000	188,182
August 2020	3.62	3.08	2,650,000	132,500
September 2020	4.25	3.38	4,130,000	196,667
October 2020	4.06	3.42	1,490,000	70,952
November 2020	4.02	3.34	1,960,000	93,333
December 2020	4.22	3.85	2,640,000	125,714

The following table shows the monthly range of high and low closing prices per Series 1 Preferred Share, the total monthly volumes, and the average daily volumes of Series 1 Preferred Shares traded on the TSX (and other alternative platforms, including Alpha Trading Systems) for the months of January to, and including, December 2020, as quoted on Bloomberg.

<b>2020 Month</b>	<b>Price per Series 1 Preferred Share Monthly High</b>	<b>Price per Series 1 Preferred Share Monthly Low</b>	<b>Series 1 Preferred Share Total Monthly Volume</b>	<b>Series 1 Preferred Share Average Daily Volume</b>
January 2020	16.95	16.50	34,389	1,584
February 2020	16.94	14.50	11,468	604
March 2020	15.78	10.25	9,986	454
April 2020	12.74	11.20	5,340	254
May 2020	12.99	11.75	62,140	3,121
June 2020	13.76	13.00	107,004	4,864
July 2020	14.30	13.51	11,149	507
August 2020	14.01	13.25	17,991	900
September 2020	14.46	13.50	10,800	514
October 2020	14.33	13.50	5,982	285
November 2020	14.48	13.50	15,886	756
December 2020	15.00	14.40	14,550	693

The following table shows the monthly range of high and low closing prices per Series 3 Preferred Share, the total monthly volumes, and the average daily volumes of Series 3 Preferred Shares traded on the TSX (and other alternative platforms, including Alpha Trading Systems) for the months of January to, and including, December 2020, as quoted on Bloomberg.

<b>2020 Month</b>	<b>Price per Series 3 Preferred Share Monthly High</b>	<b>Price per Series 3 Preferred Share Monthly Low</b>	<b>Series 3 Preferred Share Total Monthly Volume</b>	<b>Series 3 Preferred Share Average Daily Volume</b>
January 2020	19.60	19.00	73,530	3,342
February 2020	19.47	18.99	33,148	1,745
March 2020	19.17	15.20	38,655	1,757
April 2020	16.99	15.50	44,539	2,121
May 2020	16.75	15.50	20,556	1,028
June 2020	16.76	15.50	130,485	5,931
July 2020	16.75	16.00	23,774	1,081

<b>2020 Month</b>	<b>Price per Series 3 Preferred Share Monthly High</b>	<b>Price per Series 3 Preferred Share Monthly Low</b>	<b>Series 3 Preferred Share Total Monthly Volume</b>	<b>Series 3 Preferred Share Average Daily Volume</b>
August 2020	18.75	15.59	17,077	854
September 2020	18.55	16.00	64,606	3,076
October 2020	18.10	17.01	23,022	1,096
November 2020	18.74	17.07	25,005	1,191
December 2020	18.61	17.80	31,400	1,495

### **PRIOR SALES**

During the financial year ended December 31, 2019, no securities of Aimia that are not listed or quoted on a marketplace were issued.

### **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER**

The following sets out the securities of the Corporation that, to the knowledge of the Corporation, were held in escrow or subject to contractual restrictions on transfer as of December 31, 2020:

<b>Name of Securityholder</b>	<b>Designation of Class</b>	<b>Number of Securities Held in Escrow</b>	<b>Percentage of Class</b>
Christopher Mittleman	Common Shares	485,053	0.52%
Philip Mittleman	Common Shares	430,255	0.47%
David J. Mittleman	Common Shares	398,940	0.43%
Dexter Locke	Common Shares	11,743	0.01%
Lawrence Abramson	Common Shares	77,469	0.02%
Marc Blank	Common Shares	7,557	0.01%
Patrick Hayes	Common Shares	22,670	0.02%
Peter & Karen Locke Living Trust	Common Shares	105,141	0.11%
Robert Deleonardis	Common Shares	15,114	0.02%
Taylor Locke	Common Shares	11,743	0.01%

The above listed Common Shares are held in escrow pursuant to an escrow agreement among the Corporation, Philip Mittleman as sellers' representative, and TSX Trust Company, in connection with the

MB Acquisition. The release of the above listed Common Shares from escrow is subject to the achievement of certain performance thresholds within four (4) years after the closing of the MB Acquisition. In the event the performance thresholds are not achieved within four (4) years after the closing of the MB Acquisition, some or all of the escrowed Common Shares, as determined by the application of a formula included in the transaction agreements, will be returned to the Corporation and cancelled.

## DIRECTORS AND OFFICERS

### DIRECTORS

The articles and by-laws of Aimia provide for the Board of Directors to consist of a minimum of three (3) and a maximum of twelve (12) directors, a minimum of twenty-five (25) percent of whom must be residents of Canada. Each member of the Board of Directors will hold office until the next annual Shareholders meeting or until his or her successor is elected or appointed, unless his or her office is vacated earlier. As at March 17, 2021, the Board of Directors was composed of seven (7) members as set out in the following table.

<u>Name, Municipality and Province of Residence</u>	<u>Position with Aimia</u>	<u>Principal Occupation</u>	<u>Director Since</u>
<b>Karen Basian</b> <sup>(1)(2)</sup> ON, Canada	Director	Corporate Director	February 24, 2020
<b>Sandra Hanington</b> <sup>(2)</sup> ON, Canada	Director	Corporate Director	February 24, 2020
<b>Michael Lehmann</b> NY, USA	Director, President	President, Aimia Inc.	February 24, 2020
<b>Christopher Mittleman</b> NY, USA	Director; Chief Investment Officer	Chief Investment Officer, Aimia Inc.	June 19, 2020
<b>Philip Mittleman</b> NY, USA	Director; Chief Executive Officer	Chief Executive Officer, Aimia Inc.	April 27, 2018
<b>David Rosenkrantz</b> <sup>(1)(2)</sup> Ontario, Canada	Chairman of the Board of Directors	Partner, Patuca Corporation	February 24, 2020
<b>Jordan G. Teramo</b> <sup>(1)</sup> NY, USA	Director	Corporate Director	February 24, 2020

(1) Member of the Audit, Finance and Risk Committee (the “**Audit Committee**”).

(2) Member of the Governance and Human Resources Committee.

## OFFICERS

The following table sets out, as at March 17, 2021, for each of the executive officers, the person's name, province or state and country of residence, position, principal occupation and date of start of office.

<u>Name, Municipality and Province of Residence</u>	<u>Position and Principal Occupation</u>	<u>Executive Officer Since</u>
<b>Steven Leonard</b> Quebec, Canada	Chief Financial Officer	May 6, 2019
<b>Christopher Mittleman</b> NY, USA	Chief Investment Officer, Aimia Inc.; Chief Investment Officer, MIM	June 19, 2020
<b>Philip Mittleman</b> NY, USA	Chief Executive Officer	June 19, 2020 <sup>(1)</sup>
<b>Michael Lehmann</b> NY, USA	President	June 19, 2020
<b>Edouard Dong Vo-Quang</b> Quebec, Canada	General Counsel & Corporate Secretary	April 1, 2018

- (1) Mr. Philip Mittleman was appointed interim Chief Executive Officer on April 29, 2020 and permanent Chief Executive Officer on June 19, 2020.

As at December 31, 2020, the directors and officers of Aimia as a group owned, directly or indirectly, or had control or direction over 3,948,742 Common Shares representing approximately 4.2% of the issued and outstanding Common Shares.

## BIOGRAPHIES

The following are biographies of the directors of Aimia, and the current executive officers of Aimia.

**Karen Basian** has over 25 years of experience in the consumer products and services, financial services, Healthcare and technology sectors. Ms. Basian is currently President of KB Capital Management Inc. (a strategy and advisory services firm) and a partner with 3NP Realty Inc. (a real estate company). She serves on the Board of Directors and as Audit Committee Chair for goeasy Ltd. (TSX:GSY), Newtopia (TSX.V NEWU); and BookJane Inc. (on-demand healthcare staffing). She also serves on the Board of Kognitiv. Previously, Ms. Basian served on the Board and as Audit Committee Chair of The Flowr Corporation (TSX.V FLWR) and was Chief Global Strategy and Business Development Officer for McCain Foods Ltd. An innovative thinker with deep financial acumen and diverse governance experience, Karen was recognized, in 2000 as one of Canada's "Top 40 Under 40" for her work as the CFO & SVP, Corporate Services for 724 Solutions (NASDAQ/TSX). Prior roles include SVP Strategy for Frito-Lay North America; Manager with Bain and Company; and International Tax Specialist with Deloitte. Ms. Basian's community and philanthropic efforts include her advisory work with Baycrest, UHN, Robarts Research Institute and FINCA Canada; and the founding of the Jewish Women's Venture Philanthropy Fund. Ms. Basian is a CPA, CA; an MBA from IMEDE, Lausanne, Switzerland and Honors Business Administration from the University of Western Ontario.

**Sandra Hanington** is the former President & Chief Executive Officer of the Royal Canadian Mint, a \$1.4 billion global manufacturing and marketing business, where she led a multi-year strategic and operational turnaround. Prior to that, she had deep experience in the financial services sector and served in a number of progressively senior roles in Canada and the U.S., culminating as Executive Vice-President and member of the Management Committee of BMO Financial Group. She currently serves as a director for Extendicare, Inc. (TSX: EXE) which provides care to seniors across Canada in long term care homes, retirement homes or through quality home care, and is a member of the Governing Council of the University of Toronto. She previously served on the boards of Canada Mortgage and Housing Corporation, and Symcor, Inc. Ms. Hanington is co-founder and has served as a director of Jack.org, a Canadian youth mental health charity since 2010 and is the recipient of the Meritorious Service Cross from the office of the Governor General for her work with the organization. Ms. Hanington was named by the Women's Executive Network (WXN)<sup>TM</sup> as one of Canada's Top 100 Most Powerful Women three times in a row, from 2007 to 2009 and was inducted into the WXN Hall of Fame in 2010. Ms. Hanington is a licensed professional engineer with a BAsC from the University of Waterloo, an MBA from the Rotman School of Management, University of Toronto, and holds the ICD.D designation.

**Michael Lehmann** has been involved in the Investment business for more than twenty five years, most recently as the Founder and Managing Member of LARC Capital Holdings LLC, a privately held partnership. Prior to launching LARC Capital in 2016, Mr. Lehmann was a Partner and Portfolio Manager at Third Avenue Management, LLC for 18 years, a highly respected SEC-registered Investment Advisor. Mr. Lehmann's responsibilities grew to include Co-Manager of the Third Avenue Value Fund (TAVFX) – Third Avenue's flagship investment product, Lead Manager of Third Avenue Separate Account business, Portfolio Manager of the Global Value Equity product, Co-Lead PM of Third Avenue Balanced Fund and Lead Manager of Third Avenue Variable Series Fund, where the Fund was awarded the Lipper award for best 5-year track record and SOLIS Partners, where he was a Member of the Investment Committee. Earlier in his career, Mr. Lehmann was a Vice President of Gabelli Funds, Inc, an Investment Advisor to the Gabelli Mutual Funds and an Associate Portfolio Manager of private investment portfolios with Mario J. Gabelli. Mr. Lehmann has a Bachelor of Science degree with a primary concentration in Finance and a secondary concentration in Marketing from Fordham University.

**Christopher Mittleman** is the Chief Investment Officer of Aimia, the chair of the Corporation's investment committee and a member of our Board of Directors. Mr. Mittleman also serves as the Chief Investment Officer for Mittleman Investment Management, LLC and directs investment policy, research and portfolio management for the firm. He has provided investment strategy and portfolio management for more than twenty years to clients including high net worth individuals, corporate pension plans, foundations, endowments, and other institutional investors. Mr. Mittleman managed private client portfolios for Spencer Clarke, LLC as Senior Vice President of Investments from 2002 until 2005, when he co-founded Mittleman Investment Management, LLC with his brother, Mr. Phil Mittleman. Prior to that, Mr. Mittleman was an Investment Executive at UBS (PaineWebber) for twelve years. He began his career in 1990 at Shearson Lehman Hutton, after attending Phillips Exeter Academy, and The Pennsylvania State University.

**Philip Mittleman** is the Chief Executive Officer of Aimia, a member of the Corporation's investment committee and a member of our Board of Directors. Mr. Mittleman also serves on the boards of several of the Corporation's portfolio companies including PLM, Kognitiv and BIGLIFE. He was previously the Chief Executive Officer and President for Mittleman Brothers, LLC and its subsidiaries, including Mittleman Investment Management, LLC, a value-oriented SEC-registered investment adviser. Before co-founding Mittleman Brothers in 2005, he was Managing Partner of Blue Hill Ventures LLC and Voltron Ventures LP, which were venture capital funds with investments in a variety of industries. Early stage investments in companies such as rent.com (acquired by Ebay), First International Oil Corp (acquired

by Sinopec), Eyewonder (acquired by Limelight), and Audium (acquired by Cisco), resulted in liquidity events of over US\$1 billion. From 1991 to 1999, he served as Executive Vice President of the Kushner-Locke Company, a Nasdaq-listed entertainment company. He began his career at Kushner-Locke after attending Kent School, and Trinity College.

**Steven (Steve) Leonard** is Chief Financial Officer of Aimia and a member of the Corporation's investment committee. He has been with Aimia since June of 2010 holding executive finance roles and was appointed CFO in May 2019. Prior to joining Aimia, Steve worked at Air Canada, Vivendi and Seagram in senior finance roles. Mr. Leonard has experience in all areas of finance, with particular specialization in transformations, strategic planning and M&A. He has worked within large organizations, in corporate and operating positions, and has international experience working in New York and Paris. Mr. Leonard represents Aimia on the Board of PLM Premier, S.A.P.I. de C.V. He is a graduate of Concordia University and is a Chartered Professional Accountant.

**David Rosenkrantz P. Eng.**, has been involved in the investment industry for over 30 years. He initially joined a private investment banking boutique in 1986 and in 1993 he co-founded Patuca Corporation, a private merchant bank specializing in financing the equity requirements of small-cap, high growth companies. Mr. Rosenkrantz graduated from Carleton University with a Bachelor of Engineering (Civil) degree in 1979 and became a Professional Engineer in 1981, and he also holds an MBA from York University. Mr. Rosenkrantz has broad knowledge of both private and public capital markets. His strengths include board governance and audit committee work, financial structuring, negotiations with lenders, and acquisition negotiations. Mr. Rosenkrantz has held the following positions in public companies over the last 5 years: Chairman of Carfinco Income Fund (TSX:CFN), Canada's largest independent sub-prime auto lender (sold to Banco Santander in 2015); Director and Member of the Audit Committee of NexgenRx Inc. (TSX:NXG), a leading drug adjudication business; and currently Chairman and past Chair of the Audit Committee of Aurora Spine Corporation (TSX-V:ASG), a spinal implant company. He also has other public company experience, including as Director, PreMD Inc. (TSX:PMD, AMEX:PME); Director and past Chairman of the Board of Stellar Pharmaceuticals Inc. (TSX-V:SLX, Q:SLXCF); Lead Director of Medisystem Technologies Inc. (TSX:MDY, acquired by Shoppers Drug Mart Corp.). In addition to the above, Mr. Rosenkrantz has invested in and held board and management positions in several private companies.

**Jordan G. Teramo** has 25 years of experience in leveraged capital structure investing and portfolio management. He was most recently the lead portfolio manager for the long/short credit funds of CIFC Asset Management LLC (CIFC) and a member of the firm's Investment Committee. He possesses a broad range of investment management skills and experience in private and public markets, having invested in the spectrum of securities that make up a corporate capital structure: high yield to investment grade, distressed and stressed credit, fixed and floating rate instruments, bonds, loans, CDS, convertible bonds, equities, and index products. Mr. Teramo also has extensive personal experience investing in real estate debt and equity, litigation finance, early stage equity, venture capital, and consumer loans. Prior to CIFC, Jordan spent over two years at Magnetar capital as a portfolio manager incubating and executing on a unique investment strategy with his team. By design and with the support of Magnetar, Mr. Teramo and the team spun out to launch Anandar Capital where he served as President, Co-Founder and Head of Credit for another two years. Mr. Teramo spent over eight years as a portfolio manager/analyst in the High Yield division of Mackay Shields with the same team, before leaving with that team to launch Brigade Capital Management where he was a founding partner. He spent another five years with the Brigade team as assets grew from US\$125 million to US\$11 billion+ by the end of 2011. Before joining Mackay, Mr. Teramo was an analyst/trader in the Credit Arbitrage group at Goldman, Sachs & Co., joining Goldman from Banco Santander where he was a High Yield/Distressed Debt Analyst. Mr. Teramo currently serves on the LP Advisory Committee of Maxim Capital, a commercial real estate lending firm based in New York City. He

also serves on the LP Advisory Committee for CityRock venture fund (Hatzimemos/Libby), a strategy and venture firm that focuses on high-growth businesses that add value to society. He serves as a Senior Adviser to Stratos Technologies, a Venture development Fund that provides highly structured financial solutions to technology enabled, high growth private businesses. He holds a B.S. in Economics from Cornell University.

*Edouard Dong Vo-Quang* is General Counsel and Corporate Secretary of Aimia. Prior to joining Aimia in 2010, Eddy was an associate at Ropes & Gray LLP in Boston and later at Ogilvy Renault LLP (now Norton Rose Fulbright Canada LLP) in Montreal. He co-chairs the board of directors of Quebec-based non-profit Boscoville, which specializes in the development of innovative programs for front-line interveners working with at-risk youth. Eddy obtained his law degree (BCL/LLB) from the McGill University faculty of law in 2003.

## **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

### **Corporate Cease Trade Orders or Bankruptcies**

To the knowledge of Aimia, (a) no director or executive officer of Aimia is, as at the date hereof, or has been, within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (each an “**Order**”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) and no director or executive of Aimia, and no Shareholder holding a sufficient number of securities of Aimia to affect materially the control of Aimia, is, as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, and (c) no director or executive of Aimia, and no Shareholder holding a sufficient number of securities of Aimia to affect materially the control of Aimia, has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

### **Penalties or Sanctions**

To the knowledge of Aimia, no director or executive officer of Aimia, and no Shareholder holding a sufficient number of securities of Aimia to affect materially the control of Aimia, nor any personal holding company thereof, (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Personal Bankruptcies**

To the knowledge of Aimia, in the last ten years, no director or executive officer of Aimia, and no Shareholder holding a sufficient number of securities of Aimia to affect materially the control of Aimia, nor any personal holding company thereof, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, has become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets or the assets of his or her holding company.

## **CONFLICTS OF INTEREST**

Except as disclosed in the section “Interest of Management and Others in Material Transactions” and elsewhere herein, no director or senior officer of Aimia or other insider of Aimia, nor any associate or affiliate of the foregoing persons, has any existing or potential material conflict of interest with Aimia or any of its Subsidiaries.

## **AUDIT COMMITTEE INFORMATION**

The primary purpose of the Audit Committee is to assist the Board of Directors of Aimia in fulfilling their responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of financial statements.

## **CHARTER OF THE AUDIT COMMITTEE**

The charter of the Audit Committee is set out in Schedule “B” to this Annual Information Form.

## **COMPOSITION OF THE AUDIT COMMITTEE**

The Audit Committee is composed of three members, as follows: Karen Basian, Chair, David Rosenkrantz and Jordan G. Teramo. Each member of the Audit Committee is independent of Aimia (as defined in *National Policy 58-201 – Corporate Governance Guidelines*) and financially literate as required under *Multilateral Instrument 52-110 – Audit Committees*.

## **RELEVANT EDUCATION AND EXPERIENCE OF THE AUDIT COMMITTEE MEMBERS**

In addition to each member’s general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

- (i) Karen Basian has over 25 years of experience in the consumer products and services, financial services, Healthcare and technology sectors. Ms. Basian is currently President of KB Capital Management Inc. (a strategy and advisory services firm) and a partner with 3NP Realty Inc. (a real estate company). She serves on the Board of Directors and as Audit Committee Chair for goeasy Ltd. (TSX:GSY), Newtopia (TSX.V NEWU); and BookJane Inc. (on-demand healthcare staffing). She also serves on the Board of Kognitiv. Previously, Ms. Basian served on the Board and as Audit Committee Chair of The Flowr Corporation (TSX.V FLWR) and was Chief Global Strategy and Business Development Officer for McCain Foods Ltd. An innovative thinker with deep financial acumen and diverse governance experience, Karen was recognized, in 2000 as one of Canada’s “Top 40 Under 40” for her work as the CFO & SVP, Corporate Services for 724 Solutions (NASDAQ/TSX). Prior roles include SVP Strategy for Frito-Lay North America;

Manager with Bain and Company; and International Tax Specialist with Deloitte. Ms. Basian's community and philanthropic efforts include her advisory work with Baycrest, UHN, Robarts Research Institute and FINCA Canada; and the founding of the Jewish Women's Venture Philanthropy Fund. Ms. Basian is a CPA, CA; an MBA from IMEDE, Lausanne, Switzerland and Honors Business Administration from the University of Western Ontario.

- (ii) David Rosenkrantz has been involved in the investment industry for over 30 years. He initially joined a private investment banking boutique in 1986 and in 1993 he co-founded Patuca Corporation, a private merchant bank specializing in financing the equity requirements of small-cap, high growth companies. Mr. Rosenkrantz graduated from Carleton University with a Bachelor of Engineering (Civil) degree in 1979 and became a Professional Engineer in 1981, and he also holds an MBA from York University. Mr. Rosenkrantz has broad knowledge of both private and public capital markets. His strengths include board governance and audit committee work, financial structuring, negotiations with lenders, and acquisition negotiations. Mr. Rosenkrantz has held the following positions in public companies over the last 5 years: Chairman of Carfinco Income Fund (TSX:CFN), Canada's largest independent sub-prime auto lender (sold to Banco Santander in 2015); Director and Member of the Audit Committee of NexgenRx Inc. (TSX:NXG), a leading drug adjudication business; and currently Chairman and past Chair of the Audit Committee of Aurora Spine Corporation (TSX-V:ASG), a spinal implant company. He also has other public company experience, including as Director, PreMD Inc. (TSX:PMD, AMEX:PME); Director and past Chairman of the Board of Stellar Pharmaceuticals Inc. (TSX-V:SLX, Q:SLXCF); Lead Director of Medisystem Technologies Inc. (TSX:MDY, acquired by Shoppers Drug Mart Corp.). In addition to the above, Mr. Rosenkrantz has invested in and held board and management positions in several private companies.
- (iii) Jordan G. Teramo has 25 years of experience in leveraged capital structure investing and portfolio management. He was most recently the lead portfolio manager for the long/short credit funds of CIFC Asset Management LLC (CIFC) and a member of the firm's Investment Committee. He possesses a broad range of investment management skills and experience in private and public markets, having invested in the spectrum of securities that make up a corporate capital structure: high yield to investment grade, distressed and stressed credit, fixed and floating rate instruments, bonds, loans, CDS, convertible bonds, equities, and index products. Mr. Teramo also has extensive personal experience investing in real estate debt and equity, litigation finance, early stage equity, venture capital, and consumer loans. Prior to CIFC, Jordan spent over two years at Magnetar capital as a portfolio manager incubating and executing on a unique investment strategy with his team. By design and with the support of Magnetar, Mr. Teramo and the team spun out to launch Anandar Capital where he served as President, Co-Founder and Head of Credit for another two years. Mr. Teramo spent over eight years as a portfolio manager/analyst in the High Yield division of Mackay Shields with the same team, before leaving with that team to launch Brigade Capital Management where he was a founding partner. He spent another five years with the Brigade team as assets grew from US\$125 million to US\$11 billion+ by the end of 2011. Before joining Mackay, Mr. Teramo was an analyst/trader in the Credit Arbitrage group at Goldman, Sachs & Co., joining Goldman from Banco Santander where he was a High Yield/Distressed Debt Analyst. Mr. Teramo currently serves on the LP Advisory Committee of Maxim Capital, a commercial real estate lending firm based in New York City. He also serves on the LP

Advisory Committee for CityRock venture fund (Hatzimemos/Libby), a strategy and venture firm that focuses on high-growth businesses that add value to society. He serves as a Senior Adviser to Stratos Technologies, a Venture development Fund that provides highly structured financial solutions to technology enabled, high growth private businesses. He holds a B.S. in Economics from Cornell University.

#### **PRE-APPROVAL POLICIES AND PROCEDURES**

The Audit Committee reviews and approves the nature of all non-audit services, as permitted by securities legislation and regulations, to be provided by Aimia’s external auditor prior to the commencement of such work.

The Audit Committee also reviews a report from the external auditor of all relationships between the external auditor and its related entities and Aimia and its related entities, including all work performed and fees paid for such work of a non-audit nature, that in the external auditor’s professional judgment may reasonably be perceived to bear on its objectivity and independence and confirming that in the external auditor’s professional judgment it is independent of Aimia, and discusses this report with the external auditor in order to evaluate the objectivity and independence of the external auditor. The Audit Committee will also review steps taken by the external auditor to address any findings in any of the foregoing reviews.

#### **AUDIT FEES**

PricewaterhouseCoopers LLP has served as auditors of Aimia since June 25, 2008 and as auditors of Aeroplan Income Fund since the initial public offering pursuant to its prospectus dated June 22, 2005.

Fees paid for the years ended December 31, 2020, and December 31, 2019, to PricewaterhouseCoopers LLP and its subsidiaries are \$1,349,497 and \$2,314,008, respectively, as detailed below:

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Audit fees	\$791,995	\$1,598,453
Audit-related fees	\$45,072	\$151,731
Tax fees	\$512,430	\$563,823
All other fees	\$0	\$0
	<u>\$1,349,497</u>	<u>\$2,314,008</u>

The nature of each category of fees is described below.

Audit fees. Audit fees include all fees incurred in respect of audit services, being professional services rendered for the annual audit and quarterly review of Aimia’s financial statements and for services that are normally provided in connection with statutory and regulatory filings or engagements.

Audit-related fees. Audit-related fees include audit or attest services related to non-statutory audit-related obligations and other related services.

Tax fees. Tax fees include fees incurred in connection with general tax and compliance advice.

All other fees. All other fees refer to all fees not included in audit fees, audit-related fees and tax fees.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

For information relating to the proceedings and regulatory actions in which Aimia is involved, please see the section entitled “*Contingent Liabilities and Guarantees*” included in the 2020 MD&A at page 30.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

To the knowledge of Aimia, none of the directors, executive officers or other insider, as applicable, of (i) Aimia or (ii) any associate or affiliate of the persons referred to in (i), has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect Aimia or any of its Subsidiaries.

## **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for the Common Shares is AST Trust Company at its principal offices in Montreal, Toronto, Vancouver, Calgary and Halifax.

## **MATERIAL CONTRACTS**

Except for those contracts entered into in the ordinary course of business, Aimia and/or its Subsidiaries, as the case may be, did not enter into any material contracts (i) before the most recently completed financial year that are still in effect at the current time, with the exception of the Share Purchase Agreement, dated November 26, 2018, among Aimia, Air Canada and Aimia Canada Inc; or (ii) during the financial year ended December 31, 2020, with the exception of (a) the Transaction Agreement, dated May 30, 2020, among the Corporation, Alaska Holdings Inc., Kognitiv and Kognitiv Holdings, and (b) the Share Purchase Agreement, dated May 30, 2020, between the Corporation and Alaska Holdings Inc., as amended on June 18, 2020.

## **INTERESTS OF EXPERTS**

PricewaterhouseCoopers LLP are the auditors of Aimia and have advised that they are independent with respect to Aimia within the meaning of the Code of Ethics of Chartered Professional Accountants.

## **ADDITIONAL INFORMATION**

Additional information relating to Aimia may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including, without limitation, directors’ and officers’ remuneration and indebtedness and principal Shareholders, is included in Aimia’s information circular for its most recent annual meeting of Shareholders that involved the election of directors.

Additional financial information is provided in the audited consolidated financial statements and management’s discussion and analysis of Aimia for the year ended December 31, 2020.

Aimia will, upon request to the Corporate Secretary of Aimia, 1010 Sainte-Catherine W., 03-151, Montreal, Québec, H3B 5L1, provide to any person or company, the documents specified below:

- (a) when Aimia is in the course of a distribution of its securities under a short form prospectus, or has filed a preliminary short form prospectus in respect of a proposed distribution of its securities:
- (i) one copy of Aimia's latest annual information form, together with one copy of any document, or the pertinent pages of any document, incorporated therein by reference;
  - (ii) one copy of the comparative consolidated financial statements of Aimia for the most recently completed financial year for which financial statements have been filed, together with the auditors' report thereon, and one copy of any interim consolidated financial statements of Aimia for any period after its most recently completed financial year;
  - (iii) one copy of the information circular of Aimia in respect of its most recent annual meeting of Shareholders that involved the election of directors or one copy of any annual filing prepared instead of that information circular, as appropriate; and
  - (iv) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under subparagraphs (i) to (iii); or
- (b) at any other time, Aimia shall provide to any person or company one copy of any of the documents referred to in items (i), (ii) and (iii) of paragraph (a) above, provided that Aimia may require the payment of a reasonable charge if the request is made by a person or company who is not a holder of Aimia's securities.

## SCHEDULE A

### AUDIT, FINANCE AND RISK COMMITTEE CHARTER

#### 1. Structure and Qualifications

The Audit, Finance and Risk Committee (the “**Committee**”) shall be composed of not less than three directors, all of whom shall meet the independence, experience and other membership requirements under applicable laws, rules and regulations, as determined by the Board of Directors (the “**Board**”) of Aimia Inc. (the “**Corporation**”). The members of the Committee shall have no relationships with management, the Corporation and its related entities that in the opinion of the Board may interfere with their independence. In addition, a Committee member shall not receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Corporation or any of its related parties or subsidiaries. The members of the Committee shall possess the mix of characteristics, experiences and skills to provide an appropriate balance for the performance of the duties of the Committee and in particular each member of the Committee shall be “financially literate”. 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 of the Corporation 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. The Board may remove, at any time, 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.

#### 2. Procedure

- (a) A quorum of the Committee shall be a majority of the members, and a majority of the members present shall be required to pass a resolution or make a recommendation of the Committee. The Chair and the members of the Committee shall be appointed annually by the Board.
- (b) The Committee shall meet at least quarterly at the call of the Chair of the Committee.
- (c) An “in-camera” session of the members of the Committee shall be held as part of each meeting of the Committee.
- (d) Meetings may be held in person or by telephone or by any other means which enables all participants to communicate with each other simultaneously.
- (e) The Committee may fix its own procedure at meetings and for the calling of meetings except as may be otherwise provided by the Board.
- (f) Notice of meetings shall be given by letter, facsimile, email or telephone not less than 24 hours before the time fixed for the meeting other than in extraordinary circumstances. Notice of meetings shall state the date, the place and the hour at which such meetings will be held. Members may waive notice of any meeting.
- (g) 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, with copies to the Chairman of the Board and Chief Executive Officer of the Corporation.

- (h) The Committee, through its Chair, 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.

### **3. Objectives**

- (a) The objectives of the Committee are as follows:
  - (i) To assist the Board in the discharge of its responsibility to monitor the component parts of the Corporation's financial reporting and audit process.
  - (ii) To maintain and enhance the quality, credibility and objectivity of the Corporation's financial reporting and to satisfy itself and oversee management's responsibility as to the adequacy of the supporting systems of internal financial and accounting controls.
  - (iii) To assist the Board in its oversight of the independence, qualifications and appointment of the external auditor.
  - (iv) To monitor the performance of the internal financial and accounting controls and of the internal and external auditors.
  - (v) To provide independent communication between the Board and the internal auditor and the external auditor.
  - (vi) To facilitate in-depth and candid discussions between the Committee and management and the external auditor regarding significant issues involving judgment and impacting quality of controls and reporting.
  - (vii) To monitor and discuss management's identification and handling of significant risks.

### **4. Duties**

To achieve its objectives, the Committee shall:

- (a) Monitor and review the quality and integrity of the Corporation's accounting and financial reporting process through discussions with management, the external auditor and the internal auditor. This will include a review of the annual and quarterly financial statements and accompanying notes and Management's Discussion and Analyses ("MD&As") to be filed with regulatory authorities and provided to shareholders of the Corporation, and financial statements and other financial disclosure included in earnings press releases and other similar documents. These reviews will include:
  - (i) discussions with management and the external auditor and a consideration of the report by the external auditor to the Committee of matters related to the conduct of an audit;
  - (ii) discussions with the external auditor respecting the auditor's judgment regarding both the acceptability and quality of the financial statements including the critical accounting policies and practices used by management in their preparation, alternative treatments and disclosures of financial information within generally accepted accounting principles that have been considered by management and their ramifications, the selection of changes in significant accounting policies, the method used to account for significant unusual transactions, the effect of significant accounting policies in controversial or emerging

areas, the degree of aggressiveness or conservatism, as the case may be, of the accounting policies adopted by the Corporation, the process used by management in formulating particularly significant accounting estimates and the basis for the external auditor's conclusions regarding the reasonableness of those estimates;

- (iii) a review of significant adjustments arising from an audit;
  - (iv) a review of disagreements with management over the application of accounting policies as well as any disclosure in the financial statements;
  - (v) a review of all material off-balance sheet transactions and other relationships with non-consolidated entities that may have a material current or future effect on the financial condition of the Corporation including their disclosure or lack thereof in the applicable quarterly or annual financial statements;
  - (vi) a review of the external auditor's suggestions for improvements to the Corporation's operations and internal controls;
  - (vii) a review of the nature and size of unadjusted errors of a non-trivial amount; and
  - (viii) the selection of, and changes in, accounting policies and consideration of the appropriateness of such selections and changes.
- (b) Review with management and the external auditor and, if considered appropriate, approve for recommendation to the Board the release of the Corporation's annual or quarterly financial statements, as applicable, accompanying notes, related MD&A and earnings press releases.
  - (c) Review with management, the external auditor and legal counsel, the Corporation's procedures to ensure compliance with applicable laws and regulations, and any significant litigation, claim or other contingency, including tax assessments, that would have a material effect upon the financial position or operating results of the Corporation and the disclosure or impact on the results of these matters in the quarterly and annual financial statements.
  - (d) Meet with the external auditor to review and approve their audit plan, with particular emphasis on risk factors which could lead to a material misstatement of the financial statements, the scope and timing of the audit and the assumptions and decisions that have been made in developing the plan.
  - (e) Review and approve estimated audit and audit-related fees and expenses for the current year. Pre-approve any significant additional audit and audit-related fees over the estimated amount. Review and approve audit and audit-related fees and expenses for the prior year. The authority for the determination and payment of fees to the external auditor rests solely and exclusively with the Committee. The Corporation shall ensure that funding is available to the Committee for payment of compensation to the external auditor.
  - (f) Review and approve, or delegate to a member of the Committee the responsibility to review and approve and subsequently report to the Committee, the nature of all non-audit services, as permitted by securities legislation and regulations, to be provided by the external auditor prior to the

commencement of such work. Implement from time to time a process in connection with non-audit services performed by the external auditor.

- (g) Review a report from the external auditor, if deemed appropriate by the Committee, of all relationships between the external auditor and its related entities and the Corporation and its related entities, including all work performed and fees paid for such work of a non-audit nature, that in the external auditor's professional judgment may reasonably be perceived to bear on its objectivity and independence and confirming, or otherwise, that in the external auditor's professional judgment it is independent and discuss this report with the external auditor in order to evaluate the objectivity and independence of the external auditor.
- (h) Receive reports on any consultations between management and other public accountants respecting accounting principles to be applied in preparing the quarterly or annual financial statements, and on any incidents involving fraud or illegal acts of which management, the internal audit department or the external auditor become aware. In this regard, review the relevant control procedures with management to ensure that such matters are adequately guarded against.
- (i) At least once each year, meet privately with management to assess the performance of the external auditor.
- (j) Meet privately with the external auditor at each regularly scheduled Committee meeting, amongst other things, to understand any restrictions placed on them or other difficulties encountered in the course of the audit, including instructions on the scope of their work and access to requested information and the level of co-operation received from management during the performance of their work and their evaluation of the Corporation's financial, accounting and audit personnel and systems.
- (k) Evaluate the performance of the external auditor, and if so determined, recommend that the Board either take steps to replace the external auditor or provide for the reappointment of the external auditor by the shareholders of the Corporation.
- (l) Regarding the services provided by the internal audit function, the Committee shall:
  - (i) review and approve annually the internal audit plan and planned scope for the internal audit program, its objectives, and the resources required to attain these objectives;
  - (ii) periodically review and approve the mandate, reporting relationships and resources of the internal audit function;
  - (iii) review the objectivity, qualifications, adequacy and experience of the internal audit team and approve the appointment, dismissal or replacement of the head of the internal audit department and/or the co-sourced internal audit team, as applicable;
  - (iv) periodically throughout each year review the reports of the internal audit function; and
  - (v) review the working relationship between the internal audit function and the external auditor, and between the internal audit function and management.
- (m) Obtain from both the internal audit function and the external auditor the major audit findings and internal control recommendations reported during the period under review, the response of management to those recommendations, and review the follow-up performed by management and

the internal audit department in order to monitor whether management has implemented an effective system of internal accounting control.

- (n) Review significant emerging accounting and reporting issues, including recent professional and regulatory pronouncements, and assess their impact on the Corporation's financial statements.
- (o) Review policies and procedures for the receipt, retention and treatment of complaints received by the Corporation from employees, shareholders of the Corporation and other stakeholders regarding accounting issues and financial reporting, internal controls and internal or external auditing matters. The Committee should be satisfied that sufficient controls are in place to ensure that all such complaints can be received anonymously and with an appropriate degree of confidentiality and that potential employee informants are aware of the process that is in place. The Committee should also be satisfied that processes are in place to ensure that all such complaints, regardless of significance, are presented to the Committee.
- (p) Review policies for approval of senior management expenses.
- (q) Review the process relative to the periodic certifications by the Chief Executive Officer and the Chief Financial Officer of the Corporation in respect of financial disclosures, the existence of any significant deficiencies in the design or operation of internal controls which could adversely affect the ability to record, process, summarize and report financial data and any significant changes in internal controls or changes to the environment in which the internal controls operate, including corrections of material deficiencies and weaknesses.
- (r) Review and approve all related party transactions as such term is defined from time to time in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as may be amended from time to time.
- (s) Whenever it may be appropriate to do so, retain and receive advice from experts, including independent legal counsel and independent public accountants, and conduct or authorize the conduct of investigations into any matters within the scope of the responsibility of the Committee as the Committee may consider appropriate. The Corporation shall ensure that funding is available to the Committee in respect of the aforementioned activities.
- (t) Report regularly to the Board on the activities, findings and conclusions of the Committee.
- (u) Review this Charter on an annual basis and recommend to the Board any changes to it that the Committee considers advisable.
- (v) Complete a self-assessment annually to determine how effectively the Committee is meeting its responsibilities.
- (w) Perform such other functions as may be delegated from time to time by the Board.
- (x) Review the process for the rotation of the lead audit partner, the concurring partner and any other audit engagement team partner.
- (y) Set policies for the hiring of partners and employees or former partners and employees of present and former external auditors.

## 5. Other

### (a) **Public Disclosure**

- (i) The Committee shall review and approve the Public Disclosure Policy and any changes related thereto and ensure consistency with current developments and best practices; and
- (ii) Where practicable, management will review with the Committee or the Chair of the Committee draft news releases to be disseminated to the public related to earnings warnings or financial results which are expected by management to be material in relation to the market price of any of the Corporation's securities.

### (b) **Risk Identification and Management**

The Committee shall make all reasonable efforts to identify and address material financial and other risks to the business and affairs of the Corporation and its subsidiaries, including contingent liabilities and IT system contingency plans and make recommendations in that regard to the Board. The Committee shall review and discuss with management, the internal audit department and the external auditor all major financial risk exposures and the steps management has taken to monitor/control those exposures, in particular in relation to derivatives, foreign currency exposure, hedging and insurance. The Committee shall be entitled, from time to time, to retain experts and consultants to assist the Committee with the discharge of such mandate. The Committee shall have the discretion in the discharge of these duties to address risks to the Corporation's and its subsidiaries' revenues and costs, as well as potentially corrupt or other practices that may lead to loss or depreciation of business reputation.

### (c) **Corporate Authorizations Policies**

The Committee shall:

- (i) Periodically review and approve policies relative to the financial control, conduct, regulation and administration of the Corporation and its subsidiaries;
- (ii) Periodically review any administrative resolutions adopted from time to time pertaining to the establishment of procedures relative to commitment and transaction authorizations, the determination of the officers or other persons by whom any instrument in writing or document is to be executed and the manner of execution thereof; and
- (iii) Review, monitor and approve any other financial expenditure policies that would affect the Corporation's and its subsidiaries' financial condition or reputation.

### (d) **Pension Plans.**

The Committee shall:

- (i) review on an annual basis the accounting treatment for the Corporation's pension plans;
- (ii) review and recommend for Board approval pension plan funding changes;
- (iii) review and approve the asset investment strategy for the Corporation's pension plans; and

- (iv) review on an annual basis reports focusing on the performance, funded status, and other relevant issues relating to the Corporation's pension plans.

## **6. Responsibilities**

Nothing contained in the above mandate is intended to assign to the Committee the Board's responsibility to ensure the Corporation's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the directors or the members of the Committee. Even though the Committee has a specific mandate and its members have financial experience and expertise, it is not the duty of the Committee to plan or conduct audits, or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

Such matters are the responsibility of management and the external auditor. Members of the Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to the non-audit services provided by the external auditor.