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## Air Canada Finalizes Agreements for Liquidity Program with Government of Canada

Air Canada and the Government of Canada have entered into a series of debt and equity financing agreements that will allow Air Canada to access up to approximately \$6 billion in liquidity through the Large Employer Emergency Financing Facility (LEEFF) program, which was created to help sustain companies through the COVID-19 pandemic.

As part of the agreements, Canada's largest domestic and international airline has made certain commitments to refund customers, resume service to nearly all regional communities where service was suspended due to the pandemic, maintain its workforce at or above April 1, 2021, levels and complete the purchase of 33 Airbus A220 aircraft manufactured at Airbus's Mirabel facility in Québec. The agreements also restrict Air Canada's ability to pay dividends, make share buybacks and make certain capital expenditures. Consistent with the LEEFF program, there are also restrictions on compensation payable to certain Air Canada senior executives.

Davies acted for Canada Enterprise Emergency Funding Corporation, a non-agent Crown corporation and wholly owned subsidiary of Canada Development Investment Corporation.

The Davies team that advised on the transaction included [Anthony Spadaro](#), [Jennifer Prieto](#), [Carol Pennycook](#), [Denis Ferland](#), [Sébastien Thériault](#), [Elise Beauregard](#), [Diana Bahous](#) and Talya Kornitzer (Banking and Finance); and [Vincent Mercier](#), [David Wilson](#), [Daniel Pearlman](#) and [Joseph DiPonio](#) (Capital Markets).