

Management information circular

Notice of 2019 annual and special meeting of shareholders
of common voting shares and variable voting shares

May 7, 2019





March 20, 2019

Dear fellow shareholders,

It is our pleasure to invite you to attend the WestJet Airlines Ltd. 2019 annual and special meeting of shareholders to be held at the WestJet Campus, Fred Ring building, 22 Aerial Place N.E., Calgary, Alberta, T2E 3J1 at 10:00 a.m. (MDT) on Tuesday, May 7, 2019.

The notice of meeting and information circular provide important information regarding the business of the meeting, the resolutions to be voted upon and the voting process, and provide information about the members of the board of directors and executive leadership team, the nominated directors for the year following the meeting, our corporate governance practices and our executive compensation philosophy. We encourage you to review this material and to exercise your right to vote.

As a shareholder, your participation at our annual and special meeting is very important. Following the completion of the formal agenda, our business and operational plans will be reviewed and members of our board of directors and executive team will be available to take your questions. If you are unable to attend the meeting and vote in person, we encourage you to vote by completing and returning your instrument of proxy or voting instruction form, or follow the instructions in such documents to vote electronically.

We would also like to mention that Messrs. Hugh Bolton and Jacques Ménard, who have been members of our board of directors since 2005 and 2011, respectively, will be retiring from our Board of Directors at our annual and special meeting and will not be standing for re-election. On behalf of our board of directors, management, and all employees of WestJet, we thank Messrs. Bolton and Ménard for their dedication and valuable contributions to the Corporation over the years.

A webcast of the meeting will be available on the WestJet's website at westjet.com.

On behalf of the board of directors and management of WestJet, we thank all of our shareholders for your continued support. We look forward to seeing you at the meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Clive Beddoe", with a horizontal line extending to the right.

Clive J. Beddoe
Chair of the Board

A handwritten signature in black ink, appearing to read "Edward Sims", written in a cursive style.

Edward Sims
President and Chief Executive Officer

Notice of annual and special meeting of shareholders of WestJet Airlines Ltd.

Date and time

Tuesday, May 7, 2019 at 10:00 a.m. (MDT)

Place

WestJet Campus, Fred Ring building, 22 Aerial Place N.E., Calgary, Alberta, T2E 3J1

Business of the meeting

The business of the annual and special meeting (the **Meeting**) is:

1. To receive and consider the consolidated financial statements of WestJet Airlines Ltd. (**WestJet**) for the year ended December 31, 2018 and the auditor's report thereon;
2. To fix the number of directors to be elected by shareholders at 11;
3. To elect our directors;
4. To appoint our auditors and to authorize the directors to set their remuneration;
5. To consider and, if deemed advisable, to approve, with or without variation, a special resolution to approve a plan of arrangement under Section 193 of the *Business Corporations Act* (Alberta) to effect amendments to WestJet's Articles of Incorporation (the **Articles**) relating to the voting rights of the Variable Voting Shares and to WestJet's By-Law No. 2005-1;
6. To consider and, if deemed advisable, to approve a special resolution to approve amendments to WestJet's Articles to simplify the structure of WestJet's preferred shares;
7. To consider and, if deemed advisable, to approve an ordinary resolution to confirm certain amendments to WestJet's General By-Law, By-Law No. 1, as set forth in the accompanying information circular;
8. To consider and, if deemed advisable, to approve an ordinary resolution to confirm certain amendments to WestJet's By-Law No. 2, an Advance Notice By-Law, as set forth in the accompanying information circular;
9. To consider, on a non-binding advisory basis, a resolution on WestJet's approach to executive compensation; and
10. To transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The information circular accompanying this notice of meeting provides specific details of the business to be considered at the Meeting.

Record date

Holders (**Shareholders**) of WestJet's common voting shares and variable voting shares (collectively, **Shares**) at the close of trading on the Toronto Stock Exchange on March 20, 2019 (the **Record Date**) are entitled to receive notice of and vote at the Meeting. If you acquire your Shares after the Record Date and wish to vote at the Meeting, you must produce properly endorsed Share certificates or otherwise establish that you own the Shares and request through our transfer agent, AST Trust Company (Canada), at 1-800-387-0825 (toll-free within North America only) or 416-682-3860, not later than ten days before the Meeting, that your name be included in the list of Shareholders entitled to vote at the Meeting.

Voting

It is important to us at WestJet that you exercise your vote at the Meeting. Please complete and sign the instrument of proxy or voting instruction form delivered in connection with the Meeting and mail it to or deposit it with AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, Canada, M1S 0A1, fax 1-866-781-3111 (toll-free within North America only) or 416-368-2502, Attention: Proxy Department or follow the instructions in such documents to vote electronically, or plan to attend the Meeting and vote in person. Even if you plan to attend the Meeting, you may still vote via proxy. In order to be acted upon at the Meeting, validly completed instruments of proxy must be returned by 10:00 a.m. (MDT) on Friday, May 3, 2019, or, if the Meeting is adjourned or postponed, 48 hours prior to such adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays). The Board of Directors of WestJet (the **Board**) may waive, without notice, the time limit for deposit of proxies.

Calgary, Alberta, Canada
March 20, 2019

By Order of the Board of Directors,



Barbara Munroe

Executive Vice President, Corporate Services, General Counsel and
Corporate Secretary

About this Information Circular and related proxy materials

The management (**Management**) of WestJet Airlines Ltd. (**WestJet, we, us, our**, the **Corporation** and other similar expressions) is providing this information circular (**Information Circular**) and related proxy materials to you in connection with our annual and special meeting scheduled to be held at the WestJet Campus, Fred Ring building, 22 Aerial Place N.E., Calgary, Alberta, T2E 3J1 on Tuesday, May 7, 2019 at 10:00 a.m. (MDT) (the **Meeting**). Management is soliciting your proxy for use at the Meeting and any adjournment or postponement thereof.

To encourage your vote, you may be contacted by WestJet's directors, officers, employees, consultants or agents by telephone, email, internet, facsimile, in person or by other means of communication, or by our strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors (**Kingsdale**). In connection with proxy solicitation services, the Corporation expects to pay Kingsdale an estimated fee of approximately \$30,000 for services provided, plus the aggregate amount of the per call fees payable in connection with calls to retail holders of Shares (as defined below).

WestJet may utilize the Broadridge QuickVote™ service to assist beneficial Shareholders (as defined below) with voting their Shares over the telephone. Alternatively, Kingsdale may contact such beneficial Shareholders to assist them with voting their Shares directly over the phone. If you have any questions about the Meeting, please contact Kingsdale by telephone at 1-866-581-0508 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at contactus@kingsdaleadvisors.com.

This Information Circular describes the business of the Meeting, resolutions to be voted on and the voting process, and provides information about the members (**Directors**) of WestJet's Board and executive leadership team, the Directors nominated by WestJet for the year following the Meeting, our corporate governance practices and executive compensation philosophy.

As a holder (**Shareholder**) of common voting shares (**Common Voting Shares**) or variable voting shares (**Variable Voting Shares**) (collectively, **Shares**), you are invited to attend the Meeting. If you are unable to attend in person, you may still vote.

Unless otherwise indicated, the information contained herein is given as at March 20, 2019 and any mention of "dollars" or "\$" refers to Canadian dollars.

Notice-and-access

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators (**CSA**), WestJet has elected to use the "notice-and-access" rules available to reporting issuers to send materials to its non-registered Shareholders. Notice-and-access is more environmentally friendly as it helps reduce paper use and it also decreases the cost of printing and mailing materials.

Non-registered Shareholders are mailed a notice (the **Notice**) along with a voting instruction form. The Notice contains basic information about the Meeting and the matters to be voted on and instructions on how to access and review an electronic copy of this Information Circular and WestJet's 2018 Annual Report or how to request a paper copy. If you would like to receive a paper copy of this Information Circular and WestJet's 2018 Annual Report, please follow the instructions in the Notice. Those non-registered Shareholders who have provided standing instructions to receive paper copies, will be mailed a paper copy of the materials again this year. Materials will be forwarded indirectly to all non-registered Shareholders at the Corporation's expense.

Registered Shareholders will be mailed paper copies of the proxy-related materials, including an instrument of proxy, this Information Circular and WestJet's 2018 Annual Report, as applicable.

All Shareholders who have signed up for electronic delivery of the materials, as applicable, will continue to receive them by email.

Advance notice by-law

In 2014, WestJet adopted By-Law No. 2, an Advance Notice By-Law (the **Advance Notice By-Law**) that establishes a framework for advance notice of nominations of persons for election to the Board. The Advance Notice By-Law sets deadlines for a certain number of days before a Shareholders' meeting for a Shareholder to notify WestJet of his or her intention to nominate one or more directors, and explains the information that must be included with the notice for it to be valid. The Advance Notice By-Law applies at an annual meeting of Shareholders or a special meeting of Shareholders if the election of directors is a matter specified in the notice of meeting, and may be waived by the Board. It does not affect the ability of Shareholders to requisition a meeting or make a proposal under the *Business Corporations Act* (Alberta) (the **ABCA**).

Effective March 12, 2019, the Board adopted certain amendments to the Advance Notice By-Law (as amended, the **Amended Advance Notice By-Law**). The amendments: (a) increase the minimum notice period by which a nominating shareholder must provide notice to the Corporation of its intention to nominate Director(s) to the Board from 30 days prior to a shareholders' meeting to 40 days prior to a shareholders' meeting, where notice-and-access is used for delivery of proxy related materials (and otherwise maintain a minimum notice period by which a nominating shareholder must provide notice to the Corporation of its intention to

nominate Director(s) to the Board of 30 days prior to a shareholders' meeting); (b) remove any maximum timeframe applicable to the notice period in which a nominating shareholder must provide notice to the Corporation of its intention to nominate Director(s) to the Board; (c) revise the information that must be included in respect of the proposed nominee Director and the nominating shareholder for the notice to be valid; (d) modernize the manner in which notices must be provided under the by-law; and (e) include other minor amendments of an administrative or clerical nature. See "*Business of the Meeting – 8. Amendments to Advance Notice By-Law*" on page 17 for further information on these amendments. As at the date of this Information Circular, no additional nomination has been received by WestJet.

Change to restriction on foreign ownership

On June 27, 2018, certain amendments to the definition of "Canadian" in subsection 55(1) of the *Canada Transportation Act* (the **CTA**), as amended by provisions of the *Transportation Modernization Act* (Canada), became effective, which had the effect of increasing the permitted level of foreign ownership allowed in respect of Canadian air service providers to 49 per cent from 25 per cent, and introducing two new limitations on voting control with respect to single non-Canadian holders and one or more non-Canadian holders authorized to provide air service in any jurisdiction, in each case either individually or in affiliation with any other person. Pursuant to WestJet's Articles, Canadians hold Common Voting Shares and non-Canadians hold Variable Voting Shares. See "*Restrictions on voting*" on page 3 for further information on voting restrictions and adjustments attached to the Variable Voting Shares as they relate to the Meeting.

Glossary

Terms and abbreviations used in this Information Circular:

2008 ESU Plan	2008 Executive Share Unit Plan
2009 SO Plan	2009 Stock Option Plan
ABCA	<i>Business Corporations Act</i> (Alberta)
AGM	Annual General Meeting
Arrangement	Plan of Arrangement under Section 193 of the ABCA
Articles	Articles of Incorporation
AST	AST Trust Company (Canada)
Board	Board of Directors of WestJet Airlines Ltd.
CASM	Cost per Available Seat Mile, calculated as operating expenses divided by available seat miles. Available seat miles is a measure of total guest capacity, calculated by multiplying the number of seats available for guest use in an aircraft by stage length
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGN Committee	Corporate Governance and Nominating Committee of the Board
CIO	Chief Information Officer
CTA	<i>Canada Transportation Act</i>
Director	Director of the Board
DSU	Deferred Share Unit
EPS	Earnings per Share
ERM	Enterprise Risk Management
ESPP	Employee Stock Purchase Plan
EVP	Executive Vice President
KEP Plan	Key Employee and Pilot Restricted Share Unit Plan
MD&A	Management's Discussion and Analysis of Financial Condition and Operating Results
Meridian	Meridian Compensation Partners
NEO	Named Executive Officer
OPA	Owners' Performance Award
Option	Stock Option
P&C Committee or People and Compensation Committee	People and Compensation Committee of the Board
Profit Share Plan	Employee Profit Sharing Plan
PSU	Performance Share Unit
ROIC	Return on Invested Capital
RSU	Restricted Share Unit
SH&E Committee	Safety, Health and Environment Committee of the Board
Share	Common Voting Share or Variable Voting Share
SEDAR	System for Electronic Document Analysis and Retrieval
SEDI	System for Electronic Disclosure by Insiders
SOG	Share Ownership Guidelines
STIP	Short Term Incentive Plan
TSX	Toronto Stock Exchange
VP	Vice President
WEA	WestJet Employee Association

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Voting information

What will I be voting on?

You will be voting on the following eight matters at the Meeting:

1. To fix the number of Directors to be elected by Shareholders at 11;
2. To elect our Directors;
3. To appoint our auditors and authorize the Directors to set their remuneration;
4. To consider and, if deemed advisable, to approve, with or without variation, a special resolution to approve a plan of arrangement under Section 193 of the ABCA to effect amendments to WestJet's Articles relating to the voting rights of the Variable Voting Shares and to WestJet's By-Law No. 2005-1 (**By-Law 2005-1**);
5. To consider and, if deemed advisable, to approve a special resolution to approve amendments to WestJet's Articles to simplify the structure of WestJet's preferred shares;
6. To consider and, if deemed advisable, to approve an ordinary resolution to confirm certain amendments to WestJet's General By-Law, By-Law No. 1 (**By-Law No. 1**), as set forth in this Information Circular;
7. To consider and, if deemed advisable, to approve an ordinary resolution to confirm certain amendments to WestJet's By-Law No. 2, an Advance Notice By-Law (the **Advance Notice By-Law**), as set forth in this Information Circular; and
8. To consider, on a non-binding advisory basis, WestJet's approach to executive compensation.

Who can vote?

Shareholders of record at the close of trading on the TSX on March 20, 2019 (the **Record Date**) are entitled to vote at the Meeting. To vote any Shares you acquire subsequent to the Record Date, you must, not later than ten days before the Meeting:

- (a) request through our transfer agent AST, at 1-800-387-0825 (toll-free within North America only) or 416-682-3860, that we add your name to the voting list; and
- (b) produce properly endorsed Share certificates or otherwise establish that you own the Shares.

How many votes are required to approve matters?

Matters 1, 2, 3, 6, 7 and 8 to be addressed at the Meeting must be approved by a simple majority of at least 50 per cent plus one of the votes cast by Shareholders, and matters 4 and 5 to be addressed at the Meeting must be approved by a special majority of at least $66\frac{2}{3}$ per cent of the votes cast by Shareholders, in each case either by proxy or in person at the Meeting.

How many votes do I have?

Subject to the voting restrictions and adjustments attached to the Variable Voting Shares, as discussed below under "*Restrictions on voting*"; you have one vote for every Share that you own.

How many Shares can vote?

As of the Record Date, WestJet had a total of 113,952,015 issued and outstanding Common Voting Shares and Variable Voting Shares. Each Share confers the right to one vote, subject to voting restrictions and adjustments attached to the Variable Voting Shares, as discussed below under "*Restrictions on voting*". As at December 31, 2018, 82,069,418 Common Voting Shares and 31,879,205 Variable Voting Shares were outstanding.

Except as set forth below, to the knowledge of our Directors and executive officers, as at March 20, 2019, no person or company beneficially owned, or exercised control or direction over, directly or indirectly, voting securities carrying more than ten per cent of the voting rights attached to the Common Voting Shares and Variable Voting Shares and on a combined basis.

Shareholder	Number of Shares	% of Outstanding Shares as at March 20, 2019
Silchester International Investors LLP	19,048,500 ⁽¹⁾	16.72
Letko, Brosseau & Associates Inc.	11,792,387 ⁽²⁾	10.35

Note:

- (1) Based on its alternative monthly report filed on June 5, 2018 pursuant to Part 4 of National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*.
- (2) Based on its alternative monthly report filed on March 9, 2017 pursuant to Part 4 of National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*.

Who counts the votes?

Proxies and votes of Shareholders attending the Meeting are counted by AST, WestJet's transfer agent, who will act as scrutineer of the Meeting. Following the Meeting, a report on the voting results will be filed under WestJet's profile on SEDAR at sedar.com.

What is the deadline for proxy voting?

We encourage you to submit your proxy or voting information form as soon as possible to ensure that your vote is counted. AST must receive proxies no later than 10:00 a.m. (MDT) on Friday, May 3, 2019, or if the Meeting is adjourned or postponed, 48 hours before such adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays). The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting without notice. If you are a non-registered Shareholder exercising voting rights through a nominee, you should consult the voting instruction form from your nominee as they may have different and earlier deadlines.

Restrictions on voting

Why does WestJet have Common Voting Shares and Variable Voting Shares?

WestJet's Articles provide restrictions with respect to subscriptions, issues, transfers or purchases of Common Voting Shares which would cause WestJet to cease to be "Canadian" as defined in the CTA. The applicable provisions of the CTA require that WestJet, as a corporation which indirectly wholly-owns the holder of a domestic license, a scheduled international license and a non-scheduled international license, be Canadian. On June 27, 2018, certain amendments to the definition of "Canadian" in subsection 55(1) of the CTA, as amended by provisions of the *Transportation Modernization Act* (Canada), became effective.

The definition of "Canadian" under Section 55(1) of the CTA may be summarized as follows:

- (a) A Canadian citizen or a permanent resident within the meaning of Subsection 2(1) of the *Immigration and Refugee Protection Act* (Canada),
- (b) A government in Canada or an agent of such a government, or
- (c) A corporation or entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 51 per cent of the voting interests are owned and controlled by Canadians and where
 - (i) no more than 25 per cent of the voting interests are owned directly or indirectly by any single non-Canadian, either individually or in affiliation with another person, and
 - (ii) no more than 25 per cent of the voting interests are owned directly or indirectly by one or more non-Canadians authorized to provide an air service in any jurisdiction, either individually or in affiliation with another person.

The Articles, By-laws and policies of WestJet grant to the Board the powers necessary to give effect to the ownership restrictions. WestJet has also adopted certain policies, procedures and processes in order to monitor the number of its Common Voting Shares owned by Canadians to ensure compliance with the provisions of its Articles, By-laws and the CTA.

The Articles currently include provisions which limit the voting power of non-Canadians to 25 per cent or less of the votes cast at meetings of Shareholders. Such limitations align with the definition of "Canadian" prior to the adoption of the amendments in the *Transportation Modernization Act* (Canada). WestJet proposes to make certain amendments to its Articles and to By-Law 2005-1 pursuant to a plan of arrangement under Section 193 of the ABCA to align the restrictions on the level of non-Canadian ownership and control within the Articles with those prescribed by the definition of "Canadian" in Subsection 55(1) of the CTA, as amended by provisions of the *Transportation Modernization Act* (Canada). See "5. Plan of Arrangement to Amend WestJet's Articles of Incorporation and By-Law No. 2005-1". However, for the purposes of the Meeting, WestJet's existing Articles apply and votes cast by Shareholders who are not "Canadian" as defined in the CTA will be limited to 25 per cent in the aggregate.

The Common Voting Shares and the Variable Voting Shares trade on the TSX under the single ticker WJA.

Please note that regardless of how your Shares are held, you must complete the declaration on your instrument of proxy or voting instruction form regarding whether or not the Shares you represent are owned or controlled¹ by a

¹ "Control" means control in any manner that results in control in fact, whether directly or indirectly, through the ownership of securities or otherwise including through a trust, an agreement or arrangement, the ownership of any corporation or otherwise, and, without limiting the generality of the foregoing, a corporation is deemed to be controlled by a person if securities of the corporation to which are attached more than 50 per cent of the votes that may be cast to elect directors of the corporation are held, directly or indirectly, whether through one or more subsidiaries or otherwise, otherwise than by way of security only, by or for the benefit of that person; and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the corporation; and a partnership is deemed to be controlled by a person if the person holds an interest in the partnership that entitles the person to receive more than 50 per cent of the profits of the partnership or more than 50 per cent of its assets on dissolution.

“Canadian” for purposes of WestJet’s ownership restrictions. If you do not complete such a declaration, or complete it improperly, the voting rights attached to the Shares you represent will not be counted.

Who can own or control Common Voting Shares?

Common Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians. Any Common Voting Share beneficially owned or controlled, directly or indirectly, by a person who is not a Canadian is automatically converted to a Variable Voting Share.

What is the voting right attached to a Common Voting Share?

Each Common Voting Share confers the right to one vote at all meetings of our Shareholders.

Who can own or control Variable Voting Shares?

Variable Voting Shares may only be beneficially owned or controlled, directly or indirectly, by non-Canadians. Therefore, any Variable Voting Share owned or controlled, directly or indirectly, by a person who is Canadian is automatically converted to a Common Voting Share.

What is the voting right attached to a Variable Voting Share?

Variable Voting Shares carry one vote per Variable Voting Share held, except where (a) the number of issued and outstanding Variable Voting Shares exceeds 25 per cent of the total number of all issued and outstanding Shares, including securities convertible into such Shares and currently exercisable options and rights to acquire such Shares or such convertible securities (or any higher percentage that the Governor in Council may specify pursuant to the CTA), or (b) the total number of votes cast by or on behalf of the holders of Variable Voting Shares at any meeting exceeds 25 per cent (or any higher percentage that the Governor in Council may specify pursuant to the CTA) of the total number of votes that may be cast at such meeting. If either of the above-noted thresholds is surpassed at any time, the number of votes attached to each Variable Voting Share will decrease automatically without further act or formality to equal the maximum permitted vote per Variable Voting Share.

Under the circumstances described in (a) in the immediately preceding paragraph, the Variable Voting Shares as a class cannot carry more than 25 per cent (or any higher percentage that the Governor in Council may specify pursuant to the CTA) of the aggregate of the voting rights attached to all issued and outstanding Shares, including securities convertible into such Shares and currently exercisable options and rights to acquire such Shares or such convertible securities. Under the circumstances described in (b) in the immediately preceding paragraph, the Variable Voting Shares as a class cannot, for a given Shareholders’ meeting, carry more than 25 per cent (or any higher percentage that the Governor in Council may specify pursuant to the CTA) of the total number of votes that can be exercised at the meeting.

If the total number of votes cast by or on behalf of the holders of Variable Voting Shares on any matter on which a vote is to be taken at the Meeting exceeds 25 per cent (or any higher percentage that the Governor in Council may specify pursuant to the CTA) of the aggregate votes that may be cast on such matter, the number of votes attached to each Variable Voting Share will decrease automatically and proportionately such that the total votes attached to the Variable Voting Shares cast on the matter shall not exceed 25 per cent of the aggregate votes.

The constraints described above do not apply to Variable Voting Shares held by a non-Canadian by way of security only, subject to compliance with certain requirements set forth in WestJet’s Articles, or to Variable Voting Shares held by one or more underwriters solely for the purpose of distributing the Variable Voting Shares to the public, or by any person acting in relation to the Variable Voting Shares solely in its capacity as an intermediary in the payment of funds or the delivery of securities, or both, in connection with trades in securities and that provides centralized facilities for the clearing of trades in securities.

WestJet proposes to make certain amendments to its Articles and to By-Law 2005-1 pursuant to a plan of arrangement under Section 193 of the ABCA to align the restrictions on the level of non-Canadian ownership and control with the Articles with those prescribed by the definition of “Canadian” in subsection 55(1) of the CTA, as amended by provisions of the *Transportation Modernization Act* (Canada), which became effective on June 27, 2018. See “*Business of the Meeting – 5. Plan of Arrangement to Amend WestJet’s Articles of Incorporation and By-Law No. 2005-1*”.

How do I vote?

You should first determine whether you are a registered Shareholder or a non-registered Shareholder (also referred to as a beneficial Shareholder).

- You are a registered Shareholder if your name appears on your share certificate or if you hold your Shares under your name on the records of AST.

- You are a non-registered Shareholder if your Shares are not held in your name but are held in the name of a nominee or intermediary such as a bank, trust company, securities broker, trustee or other custodian.

If you have any questions about the Meeting, please contact Kingsdale by telephone at 1-866-581-0508 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at contactus@kingsdaleadvisors.com.

Please note that regardless of how your Shares are held, you must complete the declaration on your instrument of proxy or voting instruction form regarding whether or not the Shares you represent are owned or controlled by a “Canadian” for purposes of our ownership restrictions. If you do not complete such a declaration, or complete it improperly, the voting rights attached to the Shares you represent will not be counted.

I am a registered Shareholder. How do I vote by proxy?

Registered Shareholders have four ways to submit a completed proxy:



On the Internet, by going to the website ASTvotemyproxy.com and following the instructions on the screen. You will need your 13-digit control number found on your instrument of proxy;



By email, by completing and signing the enclosed voting instruction form, scanning (both sides) and emailing it to proxyvote@astfinancial.com;



By fax, by completing and signing the enclosed instrument of proxy and forwarding it (both sides) by fax to 1-866-781-3111 (toll-free within North America only) or to 416-368-2502; or



By mail, by completing and signing the enclosed instrument of proxy (both sides) and mailing it in the envelope provided.

You can use the enclosed instrument of proxy, or any other appropriate proxy form, to appoint your proxyholder and to indicate how you want your Shares voted. The persons named in the enclosed instrument of proxy are Directors or officers of WestJet. **However, you can choose another person to be your proxyholder, including someone who is not a Shareholder.** If you choose this option, indicate the name of the person you are appointing in the space provided on the instrument of proxy. If you complete another form of proxy, you must still complete the required declaration regarding whether or not the Shares you represent are owned or controlled by a “Canadian” for the purposes of WestJet’s ownership restrictions. You may vote by proxy even if you plan to attend the Meeting. **The Shares represented by your instrument of proxy will be voted or withheld from voting in accordance with your instructions indicated on the instrument of proxy and if you specify a choice with respect to any matter to be acted on, your Shares will be voted accordingly.**

I am a registered Shareholder. How do I vote in person?

You do not need to do anything except attend the Meeting. You should register with the representatives of AST when you arrive at the Meeting. If you wish to vote Shares registered in the name of a corporation, the corporation must submit a properly executed proxy to AST by the proxy cut-off time, which appoints you to vote the Shares on behalf of the corporation or otherwise be in a position to provide evidence of your authority to vote on behalf of the corporation at the Meeting.

I hold Shares under WestJet’s ESPP. How do I vote?

Shares purchased by employees under the ESPP (**ESPP Shares**) remain registered in the name of AST, in accordance with the provisions of the ESPP, unless an employee has withdrawn his or her ESPP Shares. **ESPP Shares are voted pursuant to the employee’s directions.**

Employees have four ways to submit a completed voting instruction form for their ESPP Shares:



On the Internet, by going to the website ASTvotemyproxy.com and following the instructions on the screen. You will need your 13-digit control number found on your voting instruction form;

If a voting instruction form has been returned (either via the Internet at ASTvotemyproxy.com, fax or mail), **the Shares represented by your voting instruction will be voted or withheld from voting in accordance with your instructions indicated on the voting instruction form and if you specify a choice with respect to any matter to be acted on, your Shares will be voted accordingly.** ESPP Shares in respect of which a voting instruction form has not been returned (either via the Internet at ASTvotemyproxy.com, fax or mail) will not be voted.

The voting instruction form must be used with respect to ESPP Shares. In the event that you hold any Shares other than ESPP Shares, you must separately follow the appropriate



By email, by completing and signing the enclosed voting instruction form, scanning (both sides) and emailing it to proxyvote@astfinancial.com;



By fax, by completing and signing the enclosed voting instruction form and forwarding it by fax (both sides) to 1-866-781-3111 (toll-free within North America only) or to 416-368-2502; or



By mail, by completing and signing the enclosed voting instruction form (both sides) and mailing it in the envelope provided.

voting requirements with respect to those Shares. No instrument of proxy is to be completed with respect to ESPP Shares unless you have withdrawn such Shares from the ESPP and you hold a Share certificate with respect thereto.

You can appoint a person other than AST to be your proxyholder. This person does not have to be a Shareholder. If you choose this option, indicate the name of the person you are appointing in the space provided on the voting instruction form (or on the Internet). Complete your voting instructions, and date and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting for your vote to count.

I hold Shares under WestJet's ESPP. How do I vote in person?

If you hold Shares under WestJet's ESPP and wish to vote in person at the Meeting, please fill in your name in the space provided on the voting instruction form sent to you by AST (or the Internet at astvotemyproxy.com). In so doing, you are instructing AST to appoint you as proxyholder. Then follow the execution and return instructions provided by AST. It is not necessary to otherwise complete the form, as you plan to vote in person at the Meeting.

I am a non-registered Shareholder. How do I vote?

If you are a non-registered Shareholder, you should have received the Notice from your nominee, together with a voting instruction form. Voting instruction forms include instructions on how to vote on the Internet, or by telephone, fax, mail or email. Please contact your nominee if you did not receive a request for voting instructions in this package. Each nominee has its own signing and return instructions, which you should follow carefully to ensure that your votes are tabulated. Your nominee is required to seek your instructions as to the manner in which to vote your Shares. If you do not complete a voting instruction form, your nominee cannot vote your Shares.

You can appoint a person or company other than the directors of WestJet named on the voting instruction form as your proxyholder. This person does not have to be a Shareholder. Indicate the name of the person you are appointing in the space provided on the voting instruction form. Complete your voting instructions, and date and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting. If you are a non-registered Shareholder who has voted and want to change your mind and vote in person, contact your nominee to obtain information on the procedure to follow, where possible.

I am a non-registered Shareholder. How do I vote in person?

WestJet does not have access to the names of non-registered Shareholders. Unless your nominee has appointed you as proxyholder, we have no record of your shareholdings or of your entitlement to vote. Therefore, if you are a non-registered Shareholder and wish to vote in person at the Meeting, please fill in your name in the space provided on the voting instruction form sent to you by your nominee. In so doing, you are instructing your nominee to appoint you as proxyholder. Then follow the execution and return instructions provided by your nominee. It is not necessary to otherwise complete the form, as you plan to vote at the Meeting. For further details, contact your nominee directly.

Proxy information

How are proxies solicited?

Proxies are solicited primarily by mail or by any other means Management may deem necessary. Members of Management receive no additional compensation for these services, but are reimbursed for any expenses incurred by them in connection with these services. To encourage your vote, you may be contacted by our strategic shareholder advisor and proxy solicitation agent, Kingsdale. In connection with proxy solicitation services, the Corporation expects to pay Kingsdale an estimated fee of approximately \$30,000 for services provided, plus the aggregate amount of the per call fees payable in connection with calls to retail holders of Shares. Arrangements may also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of Shares registered in the names of these persons, and WestJet may reimburse them for their reasonable transaction and clerical expenses. Costs of solicitation of proxies are borne by WestJet.

WestJet maintains a voluntary program for delivery to Shareholders of the Corporation's documents by electronic means rather than through the traditional mailing of paper copies of such documents. The program offers increased convenience for Shareholders, benefits to the environment and reduced costs for WestJet. If you are a Shareholder and wish to receive your WestJet documents electronically via the Internet, please confirm your consent by completing and returning the accompanying Consent to Electronic Delivery of Documents. If you would like to continue receiving documents by mail, no action is required.

I have elected to vote by proxy. How are my voting rights exercised?

On the instrument of proxy, you have two choices: (a) you can indicate how you want your proxyholder to vote your Shares; or (b) you can let your proxyholder decide for you. If you have specified on the instrument of proxy how you want your Shares to be voted on a particular matter, then your proxyholder must vote your Shares accordingly in the case of either a vote by show of hands or a vote by ballot. If you have chosen to let your proxyholder decide for you, your proxyholder can then vote in accordance with his or her judgment.

Unless contrary instructions are provided, Shares represented by proxies or voting instruction forms received by Management will be voted in accordance with the recommendations of Management in respect of each matter to be presented at the Meeting.

What if there are amendments to the resolutions or if other matters are brought before the Meeting?

The instrument of proxy delivered in connection with the Meeting gives the persons named the authority to use their discretion and judgment in voting on amendments or variations to matters identified in the Notice of Meeting or any other matter duly brought before the Meeting.

As of the date of this Information Circular, Management is not aware of any amendments to the matters set out in the Notice of Meeting or of other matters to be presented at the Meeting. However, if other matters duly come before the Meeting, the persons named on the enclosed instrument of proxy will vote on them in accordance with their judgment, pursuant to the discretionary authority conferred by the instrument of proxy with respect to such matters.

Can I revoke my proxy if I change my mind? If so, how do I revoke my proxy?

You can revoke your proxy at any time before it is exercised. To do this if you are a registered Shareholder, clearly state in writing that you want to revoke your proxy and deliver this written statement to the Corporate Secretary of WestJet at 22 Aerial Place N.E., Calgary, Alberta, Canada, T2E 3J1, no later than 10:00 a.m. (MDT) the last business day before the Meeting, being Monday, May 6, 2019, or to the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or in any other manner permitted by law. If you are a registered Shareholder and have already submitted a proxy and you attend personally at the Meeting at which such proxy is to be voted, you may revoke the proxy at the Meeting and vote in person. Furthermore, if you are a registered Shareholder and you want to change your mind, you may revoke your proxy by providing new voting instructions on a proxy form with a later date, or at a later time if you are voting on the Internet.

If you are a non-registered Shareholder who has voted and you want to change your mind or revoke your proxy, contact your nominee to obtain information on the procedure to follow, where possible.

In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Business of the meeting

1. Financial statements

The consolidated financial statements of WestJet for the year ended December 31, 2018 and the auditor's report thereon have been delivered, either by mail or electronically, to all registered Shareholders and also to non-registered Shareholders who requested such statements. These financial statements will be presented to the Shareholders at the Meeting and no vote is required with respect to this matter.

2. Number of Directors

According to its Articles, WestJet may have between three and 14 Directors. There are presently 13 Directors of WestJet. The term of office of each Director is from the date of the meeting at which he or she is elected or appointed until the next annual meeting of Shareholders or until a successor is elected or appointed. After more than 13 years and seven years, respectively, Messrs. Hugh Bolton and Jacques Ménard will not be standing for re-election as Directors at the Meeting. WestJet has benefitted greatly from the significant contributions, sound business judgment and exceptional commitment of Messrs. Bolton and Ménard. The Board and Management would like to thank Messrs. Bolton and Ménard for their service to WestJet and its Shareholders. The retirement of each of Messrs. Bolton and Ménard will take effect at the conclusion of the Meeting.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution to fix the number of Directors to be elected by Shareholders from time to time at 11. **Unless contrary instructions are indicated on the instrument of proxy or the voting instruction form, the persons designated in the accompanying instrument of proxy or voting instruction form intend to vote FOR fixing the number of Directors to be elected by Shareholders from time to time at 11.**

3. Election of Directors

Management is not aware of any reason why any of the nominees named herein would be unable or unwilling to serve as a Director. However, if a nominee is not available to serve at the time of the Meeting, and unless otherwise specified (including by a Shareholder direction to withhold a vote), the persons designated in the instrument of proxy may vote in favour of a substitute nominee or nominees selected by the Board.

The following are the names of the 11 proposed nominees for election as Directors of WestJet:

- | | | | | | |
|----|-----------------------|----|---------------------|-----|---------------|
| 1. | Clive J. Beddoe | 5. | Brett Godfrey | 9. | Janice Rennie |
| 2. | Brad Armitage | 6. | Allan W. Jackson | 10. | Karen Sheriff |
| 3. | Ron A. Brenneman | 7. | S. Barry Jackson | 11. | Edward Sims |
| 4. | Christopher M. Burley | 8. | Colleen M. Johnston | | |

Detailed information about these nominees is contained in this Information Circular under the heading "*Information concerning Director nominees*" beginning on page 19. All nominees are currently Directors of WestJet.

WestJet maintains a Majority Voting Policy providing that if the votes in favour of the election of an individual Director nominee at the Meeting represent less than a majority of the aggregate Shares voted in favour and withheld from voting for that nominee, the nominee will submit his or her resignation promptly after the Meeting for consideration by the CGN Committee. The CGN Committee will make a recommendation to the Board after reviewing the matter, and the Board's decision to accept or reject the resignation will be made within the timeframe required by the TSX and disclosed to the public. The CGN Committee shall be expected to recommend the resignation to the Board and the Board shall accept such resignation, in each case, except in clearly articulated extenuating circumstances. The nominee will not participate in any CGN Committee or Board deliberations in considering the resignation. The Majority Voting Policy does not apply in circumstances involving contested director elections. The Majority Voting Policy is available in the corporate governance section of WestJet's website at westjet.com.

At the Meeting, it is proposed that Shareholders elect each of the nominees listed above to serve as a Director of WestJet and to hold such office until the earlier of the resignation of such Director, our next annual meeting of Shareholders or until his or her successor is elected or appointed. **Unless contrary instructions are indicated on the instrument of proxy or the voting instruction form, the persons designated in the accompanying instrument of proxy or voting instruction form intend to vote FOR the election of each of the above-named nominees.**

4. Appointment of auditors

The auditors of WestJet are KPMG LLP, Chartered Professional Accountants, Calgary, Alberta. KPMG LLP have been WestJet's auditors since January 1996. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution to reappoint KPMG LLP to serve as auditors of WestJet until the next annual meeting of Shareholders and to authorize the Directors to fix their remuneration as such.

Fees payable for the years ended December 31, 2018 and 2017 to KPMG LLP were \$963,650 and \$858,600, respectively, as detailed in the following table:

	2018 (\$)	2017 (\$)
Audit fees ⁽¹⁾	897,250	790,000
Audit-related fees ⁽²⁾	65,000	55,000
Tax fees ⁽³⁾	1,400	13,600
Total	963,650	858,600

Notes:

- (1) Audit fees in 2018 and 2017 were paid for professional services rendered in connection with the audit of our annual consolidated financial statements and the review of our interim consolidated financial statements.
- (2) Audit-related fees for 2018 were paid for professional services rendered in relation to the audit of our passenger facility charge schedules for 2017, and specified procedures performed on WestJet's 2017 Québec Sales and 2017 Ontario Travel Agency Sales and our trust account statements. Audit-related fees for 2017 were paid for professional services rendered in relation to the audit of our passenger facility schedules for 2016, and specified procedures performed on WestJet's 2016 Québec Sales and 2016 Ontario Travel Agency Sales and our trust account statements.
- (3) Tax fees for 2018 include services with respect to indirect tax compliance. Tax fees for 2017 include services with respect to income tax structures, compliance, and reporting requirements.

Unless contrary instructions are indicated on the instrument of proxy or the voting instruction form, the persons designated in the accompanying instrument of proxy or voting instruction form intend to vote FOR the appointment of KPMG LLP, Chartered Professional Accountants, Calgary, Alberta, to serve as auditors of WestJet until the next annual meeting of the Shareholders, and to authorize the Directors to fix their remuneration as such.

5. Plan of Arrangement to Amend WestJet's Articles of Incorporation and By-Law No. 2005-1

Overview

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution (the **Arrangement Resolution**) to approve a plan of arrangement (the **Arrangement**) under Section 193 of the ABCA to effect amendments (the **Amendments**) to the Articles relating to the voting rights of the Variable Voting Shares and to By-Law 2005-1.

The full text of the Arrangement Resolution is set out in Appendix A to this Information Circular.

Reasons for and Background to the Arrangement

WestJet proposes to make the Amendments to align the restrictions on the level of non-Canadian ownership and control within the Articles with those prescribed by the definition of "Canadian" in Subsection 55(1) of the CTA, as amended by provisions of the *Transportation Modernization Act* (Canada) which became effective on June 27, 2018 (the **CTA Amendments**).

Section 61(1)(a) of the CTA includes a condition that an applicant for a domestic service operating licence be a "Canadian", as defined in the statute. Prior to the CTA Amendments, "Canadian" was defined to include "a corporation or other entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 75 per cent, or such lesser percentage as the Governor in Council may by regulation specify, of the voting interests are owned or controlled by Canadians".

The Government of Canada's stated purpose in proposing the CTA Amendments was to attract more foreign investment and encourage growth in the aviation sector by increasing the permitted level of foreign ownership allowed in respect of Canadian air service providers to 49 per cent from 25 per cent. At the same time, the CTA Amendments introduced two new limitations on voting control with respect to single non-Canadian holders and one or more non-Canadian holders authorized to provide air service, in each case either individually or in affiliation with another person. The applicable definition of "Canadian" following the CTA Amendments is now as follows:

A corporation or entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 51 per cent of the voting interests are owned and controlled by Canadians and where

- (i) no more than 25 per cent of the voting interests are owned directly or indirectly by any single non-Canadian, either individually or in affiliation with another person, and
- (ii) no more than 25 per cent of the voting interests are owned directly or indirectly by one or more non-Canadians authorized to provide an air service in any jurisdiction, either individually or in affiliation with another person.

As was the case prior to the CTA Amendments, there is nothing in the CTA that restricts non-Canadians from acquiring shares or voting interests. The CTA does not provide a statutory remedy to act against shareholders who exceed the applicable threshold. Rather, Section 63(1) of the CTA provides that the Canadian Transportation Agency (the **Agency**) shall suspend or cancel the domestic licence of an air service provider where the Agency determines that, in respect of the service for which the licence is issued, the person ceases to meet any of the requirements in the CTA requiring that the carrier meet the definition of Canadian.

WestJet owns, directly or indirectly, all of the issued and outstanding partnership units in WestJet, an Alberta partnership, and all of the issued and outstanding shares of each of WestJet Encore Ltd. and Swoop Inc., each of which is an air service provider that holds a domestic service licence pursuant to the CTA. As a result, and in order to maintain the domestic service licences of such air service providers, WestJet must meet the definition of Canadian.

As described in more detail below under “ – *The Arrangement and Amendments – WestJet’s Current Articles*”, to address this issue as it applied in the CTA prior to the CTA Amendments, the Articles include provisions which require that only Canadians are to own and control Common Voting Shares, and only non-Canadians are to own and control Variable Voting Shares, as well as provisions which cause the automatic conversion of Common Voting Shares owned or controlled by non-Canadians into Variable Voting Shares (and vice versa). The Articles also include a provision which reduces the voting power of Variable Voting Shares (and therefore the voting power of non-Canadian holders in aggregate) to 25 per cent of the aggregate votes attached to all outstanding Shares, or any higher percentage that the Governor in Council may by regulation specify. Accordingly, even if non-Canadians acquire a number of shares in excess of the statutory threshold, the voting power of all non-Canadians will be limited to 25 per cent or any higher percentage that the Governor in Council may by regulation specify.

Following the implementation of the CTA Amendments, Management and the Board considered appropriate measures to ensure that WestJet realized the benefits of potential increased foreign investor interest arising from the increased limit on voting control by non-Canadians generally, while at the same time ensuring that voting control by single non-Canadian Shareholders and one or more non-Canadian holders authorized to provide an air service, in each case either individually or in affiliation with any other person, does not exceed the applicable 25 per cent thresholds. Management noted that while the aggregate 25 per cent limitation on voting power of holders of Variable Voting Shares remains in place under WestJet’s existing Articles, the existing Articles do not have a mechanism for addressing circumstances where a non-Canadian holder of Variable Voting Shares, in affiliation with any other person holding Common Voting Shares, hold in aggregate more than 25 per cent of the voting interests. As noted, if any of the applicable thresholds is exceeded, WestJet may not be considered “Canadian” for the purposes of the CTA and the Agency would be required to suspend or cancel WestJet’s operating licences.

After considering potential alternative approaches and after consulting with legal counsel, Management and the Board determined that the most effective approach to address the changes to the new limitations on voting control by non-Canadians under the CTA Amendments would be to effect the Amendments to the Articles and By-Law 2005-1 through the Arrangement. Specifically, amendments would be made to the Articles to align the voting limitations in the terms of the Variable Voting Shares to the voting limitations in the definition of “Canadian” in the revised Subsection 55(1) of the CTA, together with amendments to By-Law 2005-1 to align the authority of WestJet to require Shareholders to provide information contained therein with the amended Articles. The proposed amendments to the Articles are substantially the same as amendments to the articles which are being proposed by other publicly listed Canadian air service providers or their holding companies, specifically Air Canada, Chorus Aviation Inc. and Transat A.T. Inc. (collectively with WestJet, the **Air Service Provider Group**) at their respective meetings of shareholders in 2019.

The Air Service Provider Group consulted with the Agency to advise it of the proposed amendments to their respective articles and by-laws, as applicable, and confirm that the Agency did not have any objections to the approach or concerns that such approach would not provide an effective mechanism for restricting non-resident ownership and control as contemplated by the amended definition of “Canadian” in the CTA.

At a meeting of the Board on February 5, 2019, the Board unanimously approved the Amendments and the Arrangement, determined that the Arrangement is in the best interests of WestJet and recommended that Shareholders vote in favour of the Arrangement Resolution.

The Arrangement and Amendments

WestJet intends to implement the Amendments by way of a court-supervised and shareholder-approved Arrangement pursuant to Section 193 of the ABCA. The full text of the Arrangement is set forth in Appendix B to this Information Circular. If adopted, the Amendments will enable WestJet to effectively regulate the ownership and voting control of Shares in compliance with the Canadian ownership and control requirements in the CTA.

WestJet's Current Articles

The Articles currently provide for two classes of voting shares, the Common Voting Shares and the Variable Voting Shares.

Prior to the CTA Amendments, the definition of "Canadian" in the CTA prescribed a maximum 25 per cent level of non-Canadian ownership and control. To address this limitation, WestJet's Articles currently provide as follows:

- the Common Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians;
- the Variable Voting Shares may only be beneficially owned and controlled, directly or indirectly by non-Canadians;
- each outstanding Common Voting Share automatically converts into a Variable Voting Share if such Common Voting Share is or becomes beneficially owned and controlled, directly or indirectly by a person who is not a Canadian;
- each outstanding Variable Voting Share automatically converts into a Common Voting Share if such Variable Voting Share is or becomes beneficially owned and controlled, directly or indirectly, by a Canadian, or if the provisions in the CTA relating to foreign ownership restrictions are repealed and not replaced with similar provisions;
- each Common Voting Share always carries one vote per share; and
- each Variable Voting Share carries one vote per share unless either:
 - the number of issued and outstanding Variable Voting Shares exceeds 25 per cent of the total number of all issued and outstanding Shares; or
 - the total number of votes cast by or on behalf of the holders of Variable Voting Shares at any meeting exceeds 25 per cent of the total number of votes that may be cast at such meeting,

in either of which case, the vote attached to each Variable Voting Share shall decrease automatically and proportionally so that the Variable Voting Shares as a class never carry more than 25 per cent of the aggregate votes attached to all of the issued and outstanding Shares, or of the votes which holders of Shares may be entitled to exercise at any meeting of Shareholders.

Proposed Amendments to the Articles

The CTA Amendments increased the overall maximum level of non-Canadian ownership and control of voting interests in an air service provider to 49 per cent, while also introducing and prescribing maximum ownership levels of 25 per cent respectively for:

- any single non-Canadian, either individually or in affiliation with any other persons, and
- any one or more non-Canadian persons authorized to provide air service in any jurisdiction (in the aggregate), either individually or in affiliation with any other persons.

In response to these new legislative thresholds, the Amendments will:

- increase the current single 25 per cent proportional voting limitation with respect to the Variable Voting Shares as a class to 49 per cent;
- add a 25 per cent voting limitation to any single non-Canadian owner, either individually or in affiliation with any other person; and
- add a 25 per cent aggregate voting limitation to all non-Canadian persons authorized to provide air service, either individually or in affiliation with any other persons.

The Amendments provide for automatic reduction of the voting rights attached to Variable Voting Shares in the event any of the applicable limits are exceeded. In such event, the votes attributable to Variable Voting Shares will be affected as follows:

- *first*, if required, a reduction of the voting rights of any single non-Canadian owner (inclusive of any single non-Canadian owner authorized to provide air service) carrying more than 25 per cent of the votes (the **Stage 1 Reduction**) to ensure that such non-Canadian owners never carry more than 25 per cent of the votes that holders of Shares cast at any meeting of shareholders;

- *second*, if required and after giving effect to the Stage 1 Reduction, a further proportional reduction of the voting rights of all non-Canadian owners authorized to provide an air service to ensure that such non-Canadian owners authorized to provide an air service (the **Stage 2 Reduction**), in the aggregate, never carry more than 25 per cent of the votes that holders of Shares cast at any meeting of shareholders;
- *third*, if required and after giving effect to the Stage 1 Reduction and the Stage 2 Reduction if any, a proportional reduction of the voting rights for all non-Canadian owners as a class (the **Stage 3 Reduction**) to ensure that non-Canadians never carry, in aggregate, more than 49 per cent of the votes that owners of Shares cast at any meeting of shareholders.

A copy of the Articles, as amended by the Amendments, marked to show the changes to the current Articles, is attached as Appendix C to this Information Circular.

Proposed Amendments to By-Law 2005-1

The amendments to By-Law 2005-1 will harmonize the mechanisms with respect to identifying holders of Shares that are held by non-Canadian Shareholders with the proposed amendments to the Articles.

By-Law 2005-1 was adopted originally to assist in facilitating procedures with respect to voting of the Variable Voting Shares. Among other things, By-Law 2005-1 permits the Board to require declarations as to residence of owners of Shares in order to determine whether such holders properly hold Common Voting Shares or Variable Voting Shares.

The amendments to By-Law 2005-1 will expand the nature of the declarations that may be requested to assist WestJet in identifying holders of Variable Voting Shares whose votes may need to be adjusted in accordance with amendments to the Articles. In particular, the amended By-Law 2005-1 will specifically authorize WestJet to require Shareholders to provide information as to their status in respect of the categories of non-Canadian Shareholders, and persons in affiliation with such non-Canadian shareholders, that may be subject to the 25 per cent limits on voting control under the amended Articles.

A copy of By-Law 2005-1, as amended by the Amendments, marked to show the changes to the current By-Law 2005-1, is attached as Appendix D to this Information Circular.

Implementation of the Amendments by way of the Arrangement

The Amendments will be implemented by way of the Arrangement. WestJet determined that the use of a plan of arrangement under Section 193 of the ABCA is the most effective way to achieve Parliament's objectives for the CTA Amendments to increase foreign ownership in Canadian air service providers while simultaneously maintaining Canadian control of such carriers.

Using the amendment provisions of Sections 173 and 176 of the ABCA would import the requirement that dissent rights be provided to holders of Variable Voting Shares under Section 191 of the ABCA. This is not appropriate or necessary in the circumstances of the proposed Amendments, which are required to address a legislative change and do not affect the economic interest of any holders of Variable Voting Shares, and accordingly such rights are not provided pursuant to the Arrangement. In accordance with the Interim Order, holders of Common Voting Shares and Variable Voting Shares will vote together as a single class in respect of the Arrangement Resolution.

In addition, the fact that the Arrangement must be approved by the Alberta Court of Queen's Bench (the **Court**), at both the interim and final stages (see "*Description of the Arrangement – Court Approval*" below) will allow the Court to ensure than an appropriate balancing of rights of all Shareholders, in view of the CTA Amendments, has been achieved.

The Board has unanimously concluded that the Arrangement is in the best interest of WestJet and is fair to all Shareholders and unanimously recommends that all Shareholders vote in favour of the Arrangement Resolution and thereby approve the implementation of the Arrangement.

Board Approval and Recommendation

On February 5, 2019, the Board unanimously approved the Arrangement subject to the receipt of necessary Shareholder and Court approvals, and authorized submission of the Arrangement to the Shareholders for consideration and, following approval by the Shareholders, to the Court for consideration and approval.

The decision to approve the Arrangement was reached by the Board after consideration of many factors, including the following:

- The Amendments contemplated by the Arrangement will provide the most effective means to address the stated purpose of the CTA Amendments in increasing foreign investment in the Canadian air industry while maintaining Canadian control of Canadian air service providers.
- The Amendments contemplated by the Arrangement will provide WestJet with a necessary and effective mechanism for restricting non-resident ownership and control as contemplated by the definition of "Canadian" in the CTA.

- The approach taken in respect of the Amendments to the Articles is substantially the same as that being taken by other publicly-listed air service providers, or their respective holding companies, in Canada.
- Management and the Board considered other potential alternatives to address the foreign ownership restrictions in the CTA and determined that the Amendments contemplated by the Arrangement represent the most effective approach.
- The fact that the implications of any single non-Canadian shareholder or any shareholders authorized to provide air service, individually or in affiliation with any other person, exceeding 25 per cent voting control, without a means to proportionally limit such voting control, include the required suspension or cancellation of WestJet's licences to operate a domestic air service.
- Completion of the Arrangement is subject to approval by at least 66²/₃ per cent of the votes cast by Shareholders.
- Completion of the Arrangement is subject to approval by the Court, which will consider, among other things, the fairness of the Arrangement to all Shareholders.

WestJet has been advised that the directors and officers of WestJet intend to vote all Shares held by them in favour of the Arrangement Resolution.

Description of the Arrangement

If the Arrangement Resolution is passed and the Arrangement is approved by the Court, the effective date of the Arrangement is expected to be May 9, 2019, but may be such other date as may be determined by WestJet. The Arrangement may, at any time before or after the holding of the Meeting and prior to filing the Articles of Arrangement under the ABCA to give effect to the Arrangement, be terminated by the Board without further notice to or action on the part of the Shareholders. Upon such termination, the Arrangement will not proceed.

Conditions to the Arrangement Becoming Effective

In order for the Arrangement to become effective, the following must occur:

- the required approval of the Shareholders shall have been obtained; and
- the final order of the Court (the **Final Order**) shall have been obtained in form and substance satisfactory to WestJet acting reasonably.

Neither of these conditions may be waived. If such conditions are not satisfied, the Arrangement will not be consummated.

Regulatory Matters

Approval of the Arrangement by the Agency is not required; however, WestJet, along with the other members of the Air Service Provider Group, each provided drafts of the documents relating to the Amendments to staff of the Agency. Following discussions with the Agency, on February 4, 2019, staff of the Agency confirmed that it had completed its review of the Amendments and were of the opinion that the Amendments would not affect the Canadian status of WestJet should the Amendments be adopted by WestJet.

Any amendment to the articles of a listed issuer must be pre-cleared with the TSX, and, accordingly, WestJet, along with other members of the Air Service Provider Group, have each provided notice to the TSX regarding the Amendments. On January 25, 2019, the TSX accepted notice of the Amendments, subject to the satisfaction of customary conditions, including its review of the final form of the Amendments and approval of the Amendments by Shareholders.

Required Shareholder Approval

The interim order of the Court dated February 15, 2019 (the **Interim Order**) provides that for the Arrangement to be implemented, the Arrangement Resolution must be passed, with or without variation, by at least 66²/₃ per cent of the votes cast by the holders of Common Voting Shares and Variable Voting Shares, voting together as a single class, present in person or represented by proxy in respect of the Arrangement Resolution at the Meeting.

Unless contrary instructions are indicated on the instrument of proxy or the voting instruction form, the persons designated in the accompanying instrument of proxy or voting instruction form intend to vote FOR the Arrangement Resolution.

Court Approval

Interim Order

On February 15, 2019, the Court granted the Interim Order facilitating the calling and holding of the Meeting and prescribing the conduct of the Meeting and other matters. The Interim Order is attached as Appendix E to this Information Circular.

Final Order

The ABCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement, and if the Arrangement Resolution is approved by Shareholders at the Meeting in the manner required by the Interim Order, WestJet will apply to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled for May 9, 2019 at 10:00 a.m. (Calgary time), or as soon thereafter as counsel may be heard, at the Court of Queen's Bench of Alberta in Calgary, 601 5th Street S.W., Calgary, Alberta. At the hearing, any Shareholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon WestJet on or before 12:00 p.m. (Calgary time) on May 1, 2019, a notice of intention to appear setting out their address for service and indicating whether such Shareholder or other interested party intends to support or oppose the application or make submissions thereat, together with a summary of the position such Shareholder or other interested party intends to advocate before the Court and any evidence or materials which such party intends to present to the Court. Service of such notice shall be effected by service upon the solicitors of WestJet: Blake, Cassels & Graydon LLP, 855 – 2nd Street S.W., Suite 3500, Bankers Hall East Tower, Calgary, Alberta T2P 4J8, Canada, Attention: David Tupper/Ross Bentley. See the Notice of Application in respect of the Final Order attached as Appendix F to this Information Circular.

WestJet has been advised by its counsel that the Court has broad discretion under the ABCA when making orders with respect to the Arrangement and that the Court, in hearing the application for the Final Order, will consider, among other things, the fairness and reasonableness of the Arrangement to the Shareholders and any other interested party as the Court determines appropriate, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, WestJet may determine not to proceed with the Arrangement.

6. Amendments to Articles of Incorporation Regarding Preferred Shares

Overview

The Articles of the Corporation currently authorize an unlimited number of the following classes of shares: Common Voting Shares, Variable Voting Shares, Non-Voting Shares, issuable in series, First Preferred Shares, issuable in series, Second Preferred Shares, issuable in series, and Third Preferred Shares, issuable in series. As at December 31, 2018, there were 82,069,418 Common Voting Shares, 31,879,205 Variable Voting Shares, nil Non-Voting Shares, nil First Preferred Shares, nil Second Preferred Shares and nil Third Preferred Shares issued and outstanding.

In addition to the amendments to the Articles contemplated in connection with the Arrangement as described in the preceding section, the Board is proposing that the Corporation amend its Articles to consolidate the Corporation's preferred shares into a single class. The preferred shares would still be issuable in series, with the specific terms of any series of preferred shares to be designated by the Board at the time the series is issued; however, the number of preferred shares authorized would be limited to a maximum number.

Specifically, the proposed amendments to the Articles would: (a) cancel the Second Preferred Shares and the Third Preferred Shares, of which there are no issued or outstanding shares, in their entirety; (b) redesignate the authorized First Preferred Shares as "Preferred Shares", and change the rights, privileges, restrictions and conditions presently attached to the First Preferred Shares to the rights, privileges, restrictions and conditions as set forth in Appendix G to this Information Circular; and (c) change the maximum number of Preferred Shares that the Corporation is authorized to issue from an unlimited number to 56,750,000 Preferred Shares, issuable in series, with the total number of Common Voting Shares and Variable Voting Shares, in aggregate, which may be issued on conversion or exchange of Preferred Shares limited to 22,750,000 (collectively, the **Preferred Share Amendments**).

A copy of the provisions of the Articles relating to WestJet's authorized preferred shares, as amended by the Preferred Share Amendments, marked to show the changes to the current Articles, is attached as Appendix G to this Information Circular.

Preferred Share Amendments to the Articles

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve a special resolution authorizing the Preferred Share Amendments pursuant to Sections 173(1)(h), (e) and (c) of the ABCA.

Rationale for Amendments, Board Approval and Recommendation

The Preferred Share Amendments are primarily motivated by the Board's desire to modernize the preferred share structure of the Corporation to conform to best corporate governance practices and published guidelines of major proxy advisory firms. Proxy advisory firms have expressed concerns regarding the potential dilutive effect of "blank cheque" preferred shares, which can be issued in series by approval of the Board with such rights and restrictions as are determined by the Board at the time a series is designated. Although WestJet has no present intention to issue preferred shares, the Board does consider that it is advisable and in the best

interests of WestJet to maintain the potential flexibility for future financing transactions by retaining a class of preferred shares. The Board does not intend to use the Preferred Shares for anti-takeover purposes.

Proxy advisory firms have indicated that they will recommend in favour of proposals to create a reasonably limited number of preferred shares in certain circumstances, and have advised that they consider a reasonable number to be: (a) if the authorized preferred shares may be assigned conversion rights or voting rights when issued, no more than 20 per cent of the outstanding common shares as of record date; and (b) if the authorized preferred shares prohibit the assignment of conversion, voting or any other right attached which could dilute or negatively impact the outstanding common shares or the rights of common shareholders when such preferred shares are issued, no more than 50 per cent of the outstanding common shares. The proposed Preferred Share Amendments reduce the number of preferred shares that WestJet can issue and bring WestJet's preferred share structure in line with proxy advisory firm guidelines.

The Preferred Share Amendments have been conditionally approved by the Board, subject to Shareholder approval. Approval of the Preferred Share Amendments requires the approval of the Shareholders by special resolution, being at least $66\frac{2}{3}$ per cent of the votes cast by Shareholders on the resolution. If the resolution is not approved by the requisite number of Shareholders, the Articles will not be amended.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following special resolution:

"BE IT RESOLVED, as a special resolution of the shareholders of WestJet Airlines Ltd. (the **Corporation**) that:

1. pursuant to Section 173(1)(h) of the *Business Corporations Act* (Alberta) (the **Act**), the Articles of Incorporation of the Corporation be amended by cancelling the Second Preferred Shares and the Third Preferred Shares, of which there are no issued or outstanding shares, in their entirety;
2. pursuant to Section 173(1)(e) of the Act, the Articles of Incorporation of the Corporation be amended by redesignating the authorized First Preferred Shares as "Preferred Shares", and changing the rights, privileges, restrictions and conditions presently attached to the First Preferred Shares to the rights, privileges, restrictions and conditions as set forth in Appendix G to the information circular of the Corporation dated March 20, 2019; and
3. pursuant to Section 173(1)(c) of the Act, the Articles of Incorporation of the Corporation be amended by changing the maximum number of Preferred Shares that the Corporation is authorized to issue from an unlimited number to 56,750,000 Preferred Shares, issuable in series, or, if the Preferred Shares may be convertible into Common Voting Shares, Variable Voting Shares or another series of Preferred Shares, a maximum number of 22,750,000 Common Voting Shares and Variable Voting Shares, in aggregate, may be issuable upon conversion of all series of Preferred Shares; and
4. any one director or officer of the Corporation be and is hereby authorized and directed to execute and deliver all such documents and instruments, including articles of amendment of the Corporation and to do all such other things and take such other actions as may be necessary or desirable to give effect to these resolutions; and
5. without further approval of the shareholders of the Corporation, the board of directors of the Corporation be and is hereby authorized to determine the timing of implementation, or abandon or postpone the amendments described herein, at their discretion."

The Board has unanimously concluded that the Preferred Share Amendments are in the best interest of WestJet and unanimously recommends that all Shareholders vote in favour of the special resolution and thereby approve the Preferred Share Amendments.

Unless contrary instructions are indicated on the instrument of proxy or voting instruction form, the persons designated in the accompanying instrument of proxy or voting instruction form intend to vote FOR the special resolution to approve the amendments to the Articles.

7. Amendments to By-Law No. 1

Overview

On June 20, 1995, the Board adopted By-Law No. 1, a by-law relating generally to the conduct of the business and affairs of the Corporation. Effective March 12, 2019, the Board adopted certain amendments to By-Law No. 1 (as amended, **Amended By-Law No. 1**).

The following is a summary of Amended By-Law No. 1 and is qualified by reference to the full text of Amended By-Law No. 1. A copy of Amended By-Law No. 1, marked to show changes to By-Law No. 1, is attached as Appendix H to this Information Circular. The full text of Amended By-Law No. 1 is also available on our website at westjet.com and has been filed with the Canadian Securities Administrators under WestJet's profile on SEDAR at www.sedar.com.

Amended By-Law No. 1

The amendments:

- increase the quorum requirements for meetings of shareholders from a requirement that two or more persons entitled to vote at the meeting be present and not less than 10 per cent of the outstanding shares of the Corporation which may be voted at the meeting be represented to a requirement that two or more persons entitled to vote at the meeting be present and not less than 25 per cent of the outstanding shares of the Corporation which may be voted at the meeting be represented;
- remove the reference to the term "resident Canadian", which was not defined in By-Law No. 1, and clarify that the definition of "Canadian" in Amended By-Law No. 1 is the definition of that term in the CTA;
- clarify that, until changed in accordance with the ABCA, the Board shall consist of such number of Directors as is fixed by the Articles, or where the Articles specify a variable number, shall consist of such number of Directors as is not less than the minimum nor more than the maximum number of Directors provided in the Articles and as shall be fixed from time to time by resolution of the shareholders;
- remove language limiting the shareholders' right to remove a Director where a Director was elected by employees or creditors of the Corporation pursuant to the Articles or a unanimous shareholder agreement;
- remove cross-references to specific sections of the ABCA which are no longer applicable, modernize the manner in which notices must be provided under the by-law; and
- include other minor amendments of an administrative or clerical nature,

all as set forth in the full text of the Amended By-Law No. 1, which is attached as Appendix H to this Information Circular, marked to show changes to By-Law No. 1.

Rationale for Amendments, Board Approval and Recommendation

Amended By-Law No. 1 is in effect until it is confirmed, confirmed as amended, or rejected by Shareholders at the Meeting. If confirmed, it will continue in effect. If Amended By-Law No. 1 is not confirmed by Shareholders at the Meeting, it will cease to be effective. Accordingly, Shareholders are being asked to confirm Amended By-Law No. 1 at the Meeting so that Amended By-Law No. 1 can continue in effect.

The Corporation believes that Amended By-Law No. 1 reflects recent developments and shareholder expectations as to good corporate governance and conforms with the published guidelines of major proxy advisory firms. Among other things, the amendments require that a higher percentage of shares be represented in person or by proxy at a meeting before business can be conducted at the meeting, ensuring a meaningful number of shareholders consider and approve matters at shareholder meetings.

The resolution to confirm Amended By-Law No. 1 is as follows:

"BE IT RESOLVED, as an ordinary resolution of the shareholders of WestJet Airlines Ltd. (the **Corporation**) that:

1. Amended By-Law No. 1 of the Corporation, in the form adopted by the board of directors of the Corporation effective March 12, 2019, in the form attached as Appendix H to the information circular of the Corporation dated March 20, 2019, be and is hereby confirmed as a by-law of the Corporation; and
2. any officer or director of the Corporation be and is hereby authorized to take such actions as such officer or director may determine to be necessary or advisable to implement the foregoing resolution, such determination to be conclusively evidenced by the taking of any such actions. "

The resolution must be passed, with or without amendment, by not less than a majority of votes cast by Shareholders who vote in person or by proxy in respect of the resolution at the Meeting. No Shareholders are excluded from voting in respect of the resolution.

The Board has unanimously concluded that Amended By-Law No. 1 is in the best interest of WestJet and unanimously recommends that all Shareholders vote in favour of the ordinary resolution and thereby confirm Amended By-Law No. 1.

Unless contrary instructions are indicated on the instrument of proxy or voting instruction form, the persons designated in the accompanying instrument of proxy or voting instruction form intend to vote FOR the ordinary resolution to confirm the Amended By-Law No. 1.

8. Amendments to the Advance Notice By-Law

Overview

On February 4, 2014, the Board adopted the Advance Notice By-Law. Effective March 12, 2019, the Board adopted the Amended Advance Notice By-Law.

The following is a summary only of the amendments effected by the Amended Advance Notice By-Law and is qualified by reference to the full text of the Amended Advance Notice By-Law. A copy of the Amended Advance Notice By-Law, marked to show changes to the Advance Notice By-Law, is attached as Appendix I to this Information Circular. The full text of the Amended Advance Notice By-Law is also available on our website at westjet.com and has been filed with the Canadian Securities Administrators under WestJet's profile on SEDAR at www.sedar.com.

Amended Advance Notice By-Law

The amendments:

- increase the minimum notice period by which a nominating shareholder must provide notice to the Corporation of its intention to nominate director(s) to the Board from 30 days prior to a shareholders' meeting to 40 days prior to a shareholders' meeting, where notice-and-access is used for delivery of proxy related materials (and otherwise maintain a minimum notice period by which a nominating shareholder must provide notice to the Corporation of its intention to nominate director(s) to the Board of 30 days prior to a shareholders' meeting);
- remove any maximum timeframe applicable to the notice period in which a nominating shareholder must provide notice to the Corporation of its intention to nominate director(s) to the Board;
- revise the information that must be included in respect of the proposed nominee director and the nominating shareholder for the notice to be valid; and
- modernize the manner in which notices must be provided under the by-law, and include other minor amendments of an administrative or clerical nature,

all as set forth in the full text of the Amended Advance Notice By-Law, which is attached as Appendix I to this Information Circular, marked to show changes to the Advance Notice By-Law.

Rationale for Amendments, Board Approval and Recommendation

The Corporation believes that the Amended Advance Notice By-Law conforms to current best practices for corporate governance and the published guidelines of major proxy advisory firms.

The Amended Advance Notice By-Law is in effect until it is confirmed, confirmed as amended, or rejected by Shareholders at the Meeting. If confirmed, it will continue in effect. If the Amended Advance Notice By-Law is not confirmed by Shareholders at the Meeting, it will cease to be effective. Accordingly, Shareholders are being asked to confirm the Amended Advance Notice By-Law at the Meeting so that the Amended Advance Notice By-Law can continue in effect.

The resolution to confirm the Amended Advance Notice By-Law is as follows:

"BE IT RESOLVED, as an ordinary resolution of the shareholders of WestJet Airlines Ltd. (the **Corporation**) that:

1. the Corporation's Amended Advance Notice By-Law, in the form adopted by the board of directors of the Corporation effective March 12, 2019, in the form attached as Appendix I to the information circular of the Corporation dated March 20, 2019, be and is hereby confirmed as a by-law of the Corporation; and
2. any officer or director of the Corporation be and is hereby authorized to take such actions as such officer or director may determine to be necessary or advisable to implement the foregoing resolution, such determination to be conclusively evidenced by the taking of any such actions."

The resolution must be passed, with or without amendment, by not less than a majority of votes cast by Shareholders who vote in person or by proxy in respect of the resolution at the Meeting. No Shareholders are excluded from voting in respect of the resolution.

The Board has unanimously concluded that the Amended Advance Notice By-Law is in the best interest of WestJet and unanimously recommends that all Shareholders vote in favour of the ordinary resolution and thereby confirm the Amended Advance Notice By-Law.

Unless contrary instructions are indicated on the instrument of proxy or voting instruction form, the persons designated in the accompanying instrument of proxy or voting instruction form intend to vote FOR the ordinary resolution to confirm the Amended Advance Notice By-Law.

9. Advisory vote on executive compensation

WestJet is providing its Shareholders with an opportunity to cast an advisory vote on the Corporation's approach to executive compensation, as disclosed under the heading "*Executive compensation discussion and analysis*" beginning on page 39.

Unless contrary instructions are indicated on the instrument of proxy or the voting instruction form, the persons designated in the accompanying instrument of proxy or voting instruction form intend to vote FOR the following resolution:

"BE IT RESOLVED that, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the Shareholders accept the approach to executive compensation disclosed in the Corporation's Management Information Circular dated March 20, 2019."

As this is an advisory vote, the results will not be binding upon the Board or the Corporation. However, the Board will take the results of the advisory vote into account, as appropriate, when considering future executive compensation policies, procedures and decisions and in determining whether there is a need to significantly increase its engagement with shareholders on executive compensation matters.

Information concerning Director nominees

Director nominees

The following information relating to the Director nominees is based partly on our records and partly on information received from each nominee.

All Director nominees have held the principal occupations identified below for not less than five years except as otherwise indicated. Each Director elected at the Meeting will hold office until the earlier of the resignation of such Director, our next annual meeting of Shareholders or until his or her successor is elected or appointed.

Clive J. Beddoe



Age: 72
Calgary, Alberta, Canada

Chair

Director since:
June 21, 1995

Independent

Mr. Clive Beddoe is the Chair of the Board of WestJet, President of The Hanover Group of Companies (a private investment company) and the Chair of the Board of SQI Diagnostics Inc. (a publicly-traded diagnostics company). Mr. Beddoe, a successful entrepreneur, brings to WestJet a strong background in financial planning and strategic management. Mr. Beddoe was a private pilot and had been licensed to fly numerous types of aircraft. It was through this keen interest in aircraft that he became involved with the formation of WestJet.

Mr. Beddoe is a co-founder of WestJet and served as President until September 2006 and the CEO until September 2007, at which point he became the Executive Chairman. On February 10, 2009, Mr. Beddoe relinquished his role as Executive Chairman of WestJet in favour of acting solely as Chair of the Board. Mr. Beddoe has been the recipient of honorary degrees from the University of Calgary and Wilfred Laurier University and was appointed the 2010/2011 Jarislowsky Resident Fellow in Business Management at the Haskayne School of Business at the University of Calgary. In 2012, Mr. Beddoe was inducted into the Canadian Business Hall of Fame and, in 2013, was inducted into the Calgary Business Hall of Fame.

Membership ⁽¹⁾	2018 attendance		Other public company directorships in the past 5 years ⁽²⁾
Board (Chair)	9 of 9	100%	<ul style="list-style-type: none"> SQI Diagnostics Inc. (TSXV)
SH&E	4 of 4		

Share ownership⁽³⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽⁴⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	791,925	8,741	800,666	14,411,988	1,000,000	Yes
2017	791,925	6,465	798,390	21,045,560	1,000,000	Yes

Voting results of 2018 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	47,246,697	3,780,132	51,026,829
Percentage of votes	92.59%	7.41%	100%

Brad Armitage



Age: 49
Halifax, Nova Scotia,
Canada

Director since:
February 6, 2017

Non-Independent

Mr. Brad Armitage is the Chair of the WestJet Employee Association (**WEA**). He first joined WestJet in 2011 as a Customer Service Agent and in 2012, he joined WEA as a representative in Halifax, Nova Scotia. Mr. Armitage has been an active member of WEA, last holding the position of Secretary before his appointment to Chair in January 2017. Prior to WestJet, he worked mainly in federal and provincial politics, advising on the political and economic climate of Nova Scotia, as well as working within the party system on policy and organization.

Mr. Armitage attended Dalhousie University, Nova Scotia Community College and Université Sainte-Anne, and is currently enrolled in the Industrial Relations program at Queen's University.

Membership	2018 attendance		Other public company directorships in the past 5 years ⁽²⁾
Board	9 of 9	100%	<ul style="list-style-type: none"> None
SH&E	4 of 4		

Share ownership⁽³⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽⁴⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	1,888	n/a	1,888	33,984	n/a ⁽⁵⁾	n/a ⁽⁵⁾
2017	960	n/a	960	25,305	n/a ⁽⁵⁾	n/a ⁽⁵⁾

Voting results of 2018 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	48,746,174	2,280,655	51,026,829
Percentage of votes	95.53%	4.47%	100%

Ron A. Brenneman



Age: 72
Calgary, Alberta, Canada

Director since:
September 8, 2009

Independent

Mr. Ron Brenneman has been a corporate director since 2010. In January 2018, Mr. Brenneman was appointed to the board of directors of Thor Resources Inc. (a private helium exploration and development company). He was the Executive Vice-Chairman of Suncor Energy Inc. (an integrated energy company) from August 2009 until February 2010, and the President and CEO of Petro-Canada (a petroleum company) from January 2000 until August 2009. Prior to joining Petro-Canada, he spent more than 30 years with Imperial Oil Limited and its parent company, Exxon Corporation (an oil and gas company). Mr. Brenneman is a former board member of Scotiabank (a Schedule I bank), Ithaca Energy Inc. (an oil and gas operator) and BCE Inc. (a telecommunications company).

Mr. Brenneman holds a B.Sc. in Chemical Engineering from the University of Toronto and a M.Sc. in Control Systems from the University of Manchester.

Membership	2018 attendance		Other public company directorships in the past 5 years ⁽²⁾
Board	7 of 9	88%	<ul style="list-style-type: none"> Ithaca Energy Inc. (2010 to 2017) (formerly TSX and AIM) BCE Inc. (2003 to 2017) (TSX) The Bank of Nova Scotia (2000 to 2017) (TSX)
SH&E	4 of 4		
P&C	4 of 4		

Share ownership⁽³⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽⁴⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	70,000	12,741	82,741	1,489,338	575,000	Yes
2017	70,000	9,467	79,467	2,094,750	575,000	Yes

Voting results of 2018 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	48,773,793	2,253,036	51,026,829
Percentage of votes	95.58%	4.42%	100%

Christopher M. Burley



Age: 57
Calgary, Alberta, Canada

Vice Chair

Director since:
September 21, 2015

Independent

Mr. Christopher Burley is a corporate director and Vice Chair of the Board. He serves on the board of Nutrien Ltd. (a fertilizer company) and is the former Non-Executive Chairman of Parallel Energy Inc., the administrator of Parallel Energy Trust (an oil and gas producer). He spent over two decades in the investment banking industry and was Managing Director and Vice Chairman, Energy at Merrill Lynch before his retirement in 2008. Mr. Burley has a Bachelor of Science degree with a certificate of Honours Standing (Geophysics) and a Masters of Business Administration degree from the University of Western Ontario. He is a graduate of the Institute of Corporate Directors' Education Program and holds the ICD.D designation.

Membership	2018 attendance		Other public company directorships in the past 5 years ⁽²⁾
Board (Vice Chair)	9 of 9	95%	
Audit	4 of 4		
P&C	3 of 4		
CGN	4 of 4		

Share ownership⁽³⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽⁴⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	40,000	20,515	60,515	1,089,270	700,000 ⁽⁶⁾	Yes
2017	20,000	12,847	32,847	865,847	575,000	Yes

Voting results of 2018 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	48,368,955	2,657,875	51,026,830
Percentage of votes	94.79%	5.21%	100%

Brett Godfrey



Age: 55
Clayfield, Queensland, Australia

Director since:
August 22, 2006

Independent

Mr. Brett Godfrey is the co-founder and former CEO of Virgin Blue, now Virgin Australia (a publicly listed airline). He has worked for various Virgin Group airlines, starting in the early 1990s with Virgin Atlantic as its Finance Manager. In 1997, he was appointed CFO of Virgin Express, before launching Virgin Blue, an airline he conceptualized and implemented in 2000 and retired from 10 years later. Mr. Godfrey is a board member of Auckland International Airport. He holds a business degree from Victoria University and is a Chartered Accountant. Mr. Godfrey was awarded the Australian Centenary Medal for his service to tourism and aviation, was recognized as the Australian Chief Executive of the Year by the Customer Service Institute of Australia, and the Outstanding Chartered Accountant in Business by the Australian Institute of Chartered Accountants. In 2017, Mr. Godfrey was appointed Chair of Tourism and Events Queensland.

Membership	2018 attendance		Other public company directorships in the past 5 years ⁽²⁾
Board	7 of 9	77%	
SH&E	3 of 4		

Share ownership⁽³⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽⁴⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	16,097	14,451	30,548	549,864	575,000	No ⁽⁷⁾⁽⁸⁾
2017	16,097	11,128	27,225	717,651	575,000	Yes

Voting results of 2018 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	48,779,123	2,247,707	51,026,830
Percentage of votes	95.60%	4.40%	100%

Allan W. Jackson



Age: 78
Calgary, Alberta,
Canada

Director since:
July 30, 2003

Independent

Mr. Allan Jackson is the Executive Chairman and CEO of Arci Ltd. (a private real estate investment company) and President and CEO of Jackson Enterprises Inc. (a private holding and consulting company). Mr. Jackson is the former Chair of the Board of Canadian Western Bank (a Schedule I Bank) and previously served as a director of Princeton Developments Ltd. (a private real estate development and management company).

Mr. Jackson received his Bachelor of Arts (Honours) in Business Administration from the University of Western Ontario.

Membership	2018 attendance		Other public company directorships in the past 5 years ⁽²⁾
Board	9 of 9	100%	<ul style="list-style-type: none"> Canadian Western Bank (1984 to 2016) (TSX)
Audit	4 of 4		
P&C (Chair)	4 of 4		
CGN	4 of 4		

Share ownership⁽³⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽⁴⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	25,000	66,679	91,679	1,650,222	575,000	Yes
2017	25,000	57,439	82,439	2,173,092	575,000	Yes

Voting results of 2018 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	46,707,889	4,318,940	51,026,829
Percentage of votes	91.54%	8.46%	100%

S. Barry Jackson



Age: 66
Calgary, Alberta,
Canada

Director since:
February 24, 2009

Independent

Mr. Barry Jackson is a corporate director. He is the former President and CEO and director of Crestar Energy Inc. (an oil and gas exploration and production company). Mr. Jackson is on the board, and the former Chair, of TransCanada Corporation (an energy infrastructure company) and TransCanada PipeLines Limited, and a former director of Laricina Energy Ltd. (a private oil and gas exploration and production company).

Mr. Jackson has a Bachelor of Science degree in Engineering from the University of Calgary and is a member of the Association of Professional Engineers and Geoscientists of Alberta. He was made a fellow of the Institute of Corporate Directors in 2010.

Membership	2018 attendance		Other public company directorships in the past 5 years ⁽²⁾
Board	9 of 9	100%	<ul style="list-style-type: none"> TransCanada Corporation (TSX) TransCanada PipeLines Limited (TSX)
P&C	4 of 4		
SH&E (Chair)	4 of 4		

Share ownership⁽³⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽⁴⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	10,000	49,797	59,797	1,076,346	575,000	Yes
2017	10,000	41,544	51,544	1,358,700	575,000	Yes

Voting results of 2018 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	48,853,048	2,173,781	51,026,829
Percentage of votes	95.74%	4.26%	100%

Colleen M. Johnston



Age: 60
Toronto, Ontario, Canada
Director since:
October 3, 2018
Independent

Ms. Colleen Johnston is currently a director of Shopify Inc. (a Canadian e-commerce company) and McCain Foods (a global family-owned food business). She has extensive experience in financial and organizational leadership serving previously as the CFO of TD Bank (a Schedule I Bank) from 2005 to 2015. Prior to her retirement from TD Bank in 2018, she served as Group Head – Technology, Direct Channels, Marketing and Corporate and Public Affairs. Ms. Johnston has received many prestigious awards for her contribution to the business community including Canada's CFO of the year (2012), honorary doctorates from St. Mary's University and York University (Schulich School of Business) and was inducted into Canada's WXN 100 Most Powerful Women Hall of Fame in 2007.

Ms. Johnston has a Bachelor of Business Administration (honours) from York University and is a Chartered Professional Accountant (CPA). She was elected a Fellow CPA in 2006.

Membership ⁽⁹⁾	2018 attendance ⁽⁹⁾		Other public company directorships in the past 5 years ⁽²⁾
Board	1 of 1	100%	<ul style="list-style-type: none"> • Shopify Inc. (TSX)
P&C	1 of 1		
Audit	1 of 1		

Share ownership⁽³⁾⁽⁹⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽⁴⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	30,000	814	30,814	554,652	575,000	By 2023 ⁽⁷⁾

Janice Rennie



Age: 61
Edmonton, Alberta, Canada
Director since:
August 3, 2011
Independent

Ms. Janice Rennie is currently the non-executive Chair of EPCOR Utilities Inc. (**EPCOR**) (a municipally-owned utility company). She also sits on the board of Major Drilling Group International Inc. (a drilling services company), Methanex Corporation (a methanol producer), and West Fraser Timber Co. Ltd. (an integrated forestry company). She has held senior management positions with a number of companies including, most recently, EPCOR, where she served as Senior Vice-President of Human Resources and Organizational Effectiveness. Prior to 2004, Ms. Rennie was Principal of Rennie & Associates, which provided investment and related advice to small and mid-sized companies. Ms. Rennie holds a Bachelor of Commerce from the University of Alberta and is a fellow of the Institute of Chartered Professional Accountants of Alberta. In 2012, Ms. Rennie was made a fellow of the Institute of Corporate Directors.

Membership	2018 attendance		Other public company directorships in the past 5 years ⁽²⁾
Board	9 of 9	100%	<ul style="list-style-type: none"> • Major Drilling Group International Inc. (TSX) • Methanex Corporation (TSX, NASDAQ) • West Fraser Timber Co. Ltd. (TSX) • Teck Resources Limited (2007 to 2015) (TSX)
Audit	4 of 4		
P&C	4 of 4		

Share ownership⁽³⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽⁴⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	6,500	27,437	33,937	610,866	575,000	Yes
2017	6,500	21,952	28,452	749,995	575,000	Yes

Voting results of 2018 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	48,908,403	2,118,426	51,026,829
Percentage of votes	95.85%	4.15%	100%

Karen Sheriff



Age: 61
Toronto, Ontario,
Canada
Director since:
January 13, 2016
Independent

Ms. Karen Sheriff is the former President and CEO of Q9 Networks Inc. (a data centre operator). Prior to her role at Q9, she was President and CEO of Bell Aliant from 2008 to 2014, following more than nine years in senior leadership positions at BCE Inc. Ms. Sheriff is also a director of the Canada Pension Plan Investment Board and BCE Inc. Early on in her career, Ms. Sheriff spent over 10 years at United Airlines, in the areas of Marketing and Strategy. Ms. Sheriff holds a Masters degree in Business Administration, with concentrations in Marketing and Finance, from the University of Chicago. She was named one of Canada's top 25 Women of Influence for both 2013 and 2014 by Women of Influence Inc. In 2012, she was named Woman of the Year by the Canadian Women in Communications and has been recognized as one of Atlantic Canada's Top 50 CEOs by Atlantic Business Magazine and one of Canada's Top 100 Most Powerful Women on multiple occasions.

Membership	2018 attendance		Other public company directorships in the past 5 years ⁽²⁾
Board	8 of 9	94%	<ul style="list-style-type: none"> BCE (TSX) Bell Aliant Inc. (2004 to 2014) (TSX)
SH&E	4 of 4		
P&C	4 of 4		

Share ownership⁽³⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽⁴⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	9,000	17,814	26,814	482,652	575,000	By 2021 ⁽⁷⁾
2017	9,000	10,880	19,880	524,037	575,000	By 2021 ⁽⁷⁾

Voting results of 2018 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	48,929,860	2,096,969	51,026,829
Percentage of votes	95.89%	4.11%	100%

Edward Sims



Age: 55
Calgary, Alberta,
Canada
Director since:
March 7, 2018
Non-Independent

Mr. Edward Sims was appointed President and CEO and as a director of WestJet on March 7, 2018. He first joined WestJet in May 2017 as EVP, Commercial. Prior to WestJet, Mr. Sims held senior commercial and operational leadership positions within the Tui, Thomas Cook, and Virgin Groups and served for ten years at Air New Zealand where he led the international wide-body business. His most recent role was as CEO of Airways, New Zealand's air navigation service provider.

Mr. Sims obtained his Bachelor of Arts and Master of Arts from the Jesus College, University of Oxford. He has previously served on the boards of multiple tourism associations, the New Zealand Police and the Office of the New Zealand Auditor General.

Membership ⁽¹⁰⁾	2018 attendance		Other public company directorships in the past 5 years ⁽²⁾
Board	7 of 7	100%	<ul style="list-style-type: none"> None

Share ownership⁽³⁾

Year	Shares (#)	RSUs (#)	Total Shares and RSUs (#)	Total market value of Shares and RSUs ⁽⁴⁾⁽¹¹⁾ (\$)	Minimum SOG (\$)	Meets requirements
2018	8,485	52,300	60,785	1,094,130	n/a	By 2022 ⁽⁷⁾
2017	-	14,677	14,677	386,886	n/a	By 2022 ⁽⁷⁾

Voting results of 2018 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	48,713,679	2,313,151	51,026,830
Percentage of votes	95.47%	4.53%	100%

Notes:

- (1) As Chair of the Board, Mr. Beddoe voluntarily attends all committee meetings including those committees of which he is not a member.
- (2) Unless otherwise indicated, directorships are current.
- (3) Reflects the number of Shares and DSUs, or in the case of the President and CEO, Shares and RSUs, beneficially owned, or controlled or directed, directly or indirectly as at December 31 of the year reported. Subsequent to December 31, 2018, Messrs. Armitage and Sims acquired 114 additional Shares and 350 additional Shares, respectively, through the ESPP, and Messrs. Armitage and Beddoe disposed of two Shares and 150,000 Shares, respectively. As at March 20, 2019, there have been no other changes to the share ownership of the Director nominees from December 31, 2018.
- (4) Reflects the number of Shares and DSUs, or in the case of the President and CEO, Shares and RSUs, held by the Director multiplied by the closing Share price on December 31 of the year reported (at December 31, 2018, the closing Share price was \$18.00 and at December 31, 2017, the closing Share price was \$26.36).
- (5) As the WEA representative on the Board, WestJet's SOG do not apply to Mr. Armitage as he is a non-independent Director.
- (6) Mr. Burley's supplemental retainer of \$25,000 was subject to WestJet's SOG therefore making his shareholding requirement \$700,000 in 2018.
- (7) For the period indicated, the Director either was not obligated to meet WestJet's SOG or has not met the guideline. Directors who have not yet met the minimum required shareholdings are asked to take a minimum of 50 per cent of their annual cash retainer in DSUs. See "*Share ownership guidelines for Directors*" on page 33.
- (8) As at March 20, 2019, Mr. Godfrey met WestJet's SOG.
- (9) Ms. Johnston was appointed to the Board, the Audit Committee and the P&C Committee, effective October 3, 2018, and therefore did not attend any meetings prior to such date.
- (10) As President and CEO, Mr. Sims is not a member of any committee of the Board, but is invited to attend any meeting except those held *in camera*, sessions for independent Directors only, or whenever specifically determined by the committee that the meeting should be closed to the President and CEO. Mr. Sims was appointed to the board on March 7, 2018, and therefore did not attend any meetings prior to such date.
- (11) Consists of \$152,730 in total market value of Shares and \$941,400 in total market value of RSUs.

Other company directorships and common directorships

WestJet recognizes that Board membership requires a significant dedication of time; however, at this time, the Board does not limit the number of public company directorships its non-management Directors can hold nor has it implemented a policy on interlocking board memberships.

No Director nominee serves together with another Director nominee on boards of directors of other public entities as at March 20, 2019.

Director selection

The CGN Committee reviews the Board and Board committee appointments of all Directors at least annually and makes recommendations to the full Board on these matters. For the last 19 years, the Board has invited WEA to put forward a nominee for election to the Board. Subject to Board approval, Management presently intends to put forward such WEA nominee as a proposed Director each year. Since 2017, Mr. Brad Armitage has been the WEA nominee. For Mr. Armitage's full profile, refer to page 20.

The Board brings a broad base of business experience and knowledge to the Corporation. The CGN Committee regularly reviews the overall profile of the Board, including the size of the Board, the average age and tenure of individual directors and the representation of various skills, areas of expertise and diversity.

The CGN Committee also maintains an informal evergreen list of potential directors. The list is comprised of people who the CGN Committee feels would be appropriate Board candidates if or when there is a Board vacancy to be filled and who complement the current skills matrix, and considers a variety of diversity factors, including gender. From time to time, the Board uses third-party advisors to assist in recruitment of new directors, but also relies heavily on recommendations from its current Board members after a review of the competencies and skills of nominees it believes are required for the Board.

As WestJet continues to grow as a uniquely Canadian, global airline, in 2018, the CGN Committee began the process of a Board refresh, starting with reviewing and updating the list of the various skills and areas of expertise determined to be essential on a collective basis to ensure appropriate strategic direction and oversight, and the skills possessed by the Director nominees, as set out in the following chart:

	Airline expertise (including international)	Labour negotiations / labour group leadership experience	IT / digital marketing / cyber	Regulatory and government relations expertise	CEO of similar size business	Marketing communications and retail / distribution	Financial / banking	Audit and financial accounting	Public company / public board	Executive compensation	International business (including established and emerging markets)	General management at a senior level
Beddoe	●	●			●	●	●		●	●		●
Armitage	●			●								
Brenneman					●	●	●		●	●	●	●
Burley							●	●	●	●	●	●
Godfrey	●	●			●	●		●	●		●	●
A. Jackson							●	●	●	●		●
B. Jackson					●				●	●		●
C. Johnston			●			●	●	●	●	●	●	●
Rennie							●	●	●	●		●
Sheriff	●	●	●		●	●			●	●	●	●
Sims	●	●		●	●	●			●		●	●

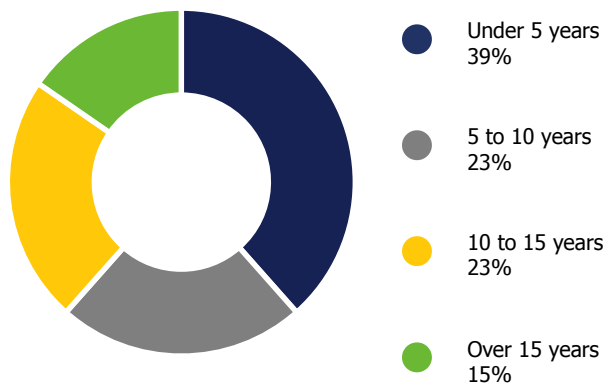
Board diversity

WestJet broadly integrates diversity across the Corporation, including the representation of women on the Board and in senior management. In addition to the traditional concepts of diversity, WestJet believes it is also important to achieve a diversity of knowledge, expertise and skills on the Board that support the Corporation's strategic vision and effectively represent the interest of Shareholders. In 2017, WestJet signed the Catalyst Accord 2022, which calls on Canadian boards and CEOs to pledge to accelerate the advancement of women in business through the following two actions: increasing the average percentage of women on boards and in executive positions in corporate Canada to 30 per cent or greater by 2022, and sharing key metrics with Catalyst for annual benchmarking of the collective progress. While the CGN Committee takes into account the current percentage of women on the Board as one important factor in its Director recruitment process, a Director nominee should not be chosen or excluded solely or largely because of gender, age, race, ethnicity, sexual orientation, religious beliefs or cultural background. Accordingly, WestJet has not adopted a specific target or a written policy relating to the identification and nomination of women Directors. The Corporation believes that incorporating diversity in its existing corporate governance practices is more appropriate than a separate written policy.

In its approach to Board diversity, such as signing the Catalyst Accord, WestJet focuses on the process surrounding Board succession and Director nominations. The CGN Committee regularly reviews the general profile of the Board, including the size of the Board, the average age and tenure of individual Directors and the specific skills and criteria applicable to Directors and Director nominees, including a variety of diversity factors. WestJet believes in the encompassing of diversity and inclusion criteria in overall corporate culture.

The CGN Committee is responsible for receiving and/or initiating proposals for the nomination of individuals for election to the Board. When reviewing Board succession plans and director nominations, WestJet considers candidates based on a balance of skills, knowledge and experience. Behavioural qualities such as credibility, integrity and communication and leadership skills are also taken into account. In doing so, the CGN Committee is committed to identifying a diverse slate of candidates that also takes into account gender, age, race, ethnicity, sexual orientation, religious beliefs and cultural background, for consideration with a view to ensuring that the Board benefits from a broad range of perspectives and relevant experience. Three (23 per cent) of WestJet's 13 Directors are women and three (27 per cent) of the 11 Director nominees are women. As at March 20, 2019, the average age of WestJet's Directors is 64 years and, the average age of the Director nominees is 62 years.

Board tenure



WestJet's current average Board tenure is nine years. As at March 20, 2019, five Director nominees have served on the Board for a period of less than five years, three Director nominees have served for a period of between five and 10 years, three Director nominees have served for a period of between 10 and 15 years and two Director nominees have served for more than 15 years.

The average Board tenure of the 11 Director nominees is eight years. Messrs. Bolton and Ménard, who will not be standing for re-election at the Meeting (and therefore are not included), have been members of the Board for over 13 years and over seven years, respectively.

WestJet maintains a corporate retirement policy but does not have a mandatory retirement age nor has the Board adopted formal term limits for its Directors. Rather, the Board believes that the need to have experienced, longer-serving Directors who have developed a deeper knowledge and understanding of the Corporation's business and the industry it operates within must be balanced with the need for renewal and fresh perspectives through the refreshment of the Board. The Board has found this approach ensures healthy Board renewal while allowing for strategic timing of Board retirements. As an example of this process, over the past five years, with three longer-serving Directors retiring, WestJet has welcomed three new independent Directors to its Board.

Role of Directors

Directors are expected to attend all meetings of the Board and any committees of which they are a member and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the discussions and decision making. It is expected that, throughout the year, Directors will participate in ongoing training and continuing education as may be desirable to maintain the Directors' strong understanding of the roles, responsibilities and duties of a director. In addition, each Director is expected to develop and maintain a thorough knowledge of WestJet's strategy, business, principal risks, operations, financial position, industry and markets and be an effective ambassador and representative of the Corporation.

Position descriptions

The Board has developed and approved written position descriptions for the Chair of the Board, Vice Chair of the Board, and Committee Chairs, which are available in the corporate governance section of WestJet's website at westjet.com. The position descriptions are periodically reviewed by the CGN Committee and any changes are recommended to the Board.

It is the responsibility of the Chair of the Board to provide overall leadership to the Board without limiting the principle of collective responsibility and the ability of the Board to function as a unit. More specifically, the Chair of the Board is responsible for: (a) chairing every meeting of the Board and encouraging free and open discussion at the meetings; (b) adopting procedures to enable the Board to conduct its work effectively, including overseeing committee structures and composition, scheduling and management of meetings; (c) leading *in-camera* sessions without the presence of Management; (d) ensuring that the Board is provided with appropriate time and resources to carry out its responsibilities; (e) providing the proper flow of information to the Board; (f) establishing a line of communication with senior Management of the Corporation; and (g) assessing annually the performance of the Board as a whole, the Vice Chair of the Board, the Board committees and the chair of each committee and the performance and contribution of individual Directors.

It is the responsibility of the Vice Chair of the Board to: (a) assist the Chair of the Board in performing his or her duties and responsibilities; (b) assist the Chair of the Board to provide leadership to ensure that the Board functions independently of Management and other non-independent directors; and (c) meet regularly with the Chair of the Board to discuss the board and sub-committee functions and responsibilities and understand the oversight of corporate strategy to be able to adequately assume the Chair of the Board when required.

It is the responsibility of each Committee Chair to: (a) ensure the mandate of the applicable committee is carried out; (b) set the meeting agendas in collaboration with the Chair of the Board, the President and CEO and the Corporate Secretary to ensure all required business is brought before the applicable committee; (c) ensure that committee meetings are conducted in a manner that facilitates full participation and discussion and that the committee members receive appropriate briefing materials in a timely fashion; and (d) report to the Board on the meetings of the applicable committee.

Board independence

The Board is comprised of a majority of Directors who are “independent”, as that term is defined in the requirements and guidelines of National Policy 58-201 – *Corporate Governance Guidelines (NP 58-201)* and Section 1.4 of National Instrument 52-110 – *Audit Committees (NI 52-110)*. Under these provisions, an independent Director is a Director who has no direct or indirect material relationship with WestJet. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the Director’s independent judgment. Additionally, under these provisions, certain individuals are deemed to have a material relationship with WestJet, including individuals who have been executive officers or employees of the Corporation within the preceding three years.

In order to assist the Board in making its determinations with respect to independence, all Directors annually complete a detailed disclosure questionnaire which includes inquiries regarding any direct or indirect business or financial relationships or interest in transactions between the Corporation and each Director, any direct or indirect business or financial relationships or interest in transactions that may exist between the Corporation and other organizations in which the director has a direct or indirect interest, and each Director’s shareholdings and equity-based interests in the Corporation.

The Board has determined that nine of its 11 Director nominees are independent. Of the two non-independent Director nominees:

- Mr. Sims is not independent because he is currently the President and CEO of WestJet; and
- Mr. Armitage is not independent because he is the Corporation’s WEA nominee and has been a WestJet employee for over seven years.

Each of Messrs. Bolton and Ménard, who will not be standing for re-election at the Meeting, have been determined to be independent.

All current members of WestJet’s Audit Committee, CGN Committee and People and Compensation Committee are independent, as are the Board’s Chair and Vice Chair.

Director orientation and continuing education

All newly-appointed Directors receive orientation and education from Management. In addition to in-person meetings with Management on the Corporation’s strategy, business, culture and operations, each new Director receives an orientation from the office of the Corporate Secretary regarding WestJet’s constating documents, policies, position descriptions, committee mandates, compensation plans, insurance program, financial reports and disclosure documents. The Corporate Secretary makes all of this information, together with the prior years’ Board materials and minutes, available to all Directors so that they may orient or reacquaint themselves with the issues currently being considered by the Board. Extensive documentation on the Corporation is also provided to enable the Director to better understand the Corporation and his or her role and responsibilities, and aircraft and airport facility tours are arranged to enhance the Director’s understanding of the operational aspects of WestJet’s business.

Because many issues of relevance to our Board are unique to airlines, many of WestJet’s ongoing Director education opportunities are offered internally. Management regularly provides updates and reports to the Directors on issues of relevance to operations, the airline industry, the competitive environment, industry safety, legal developments, financial information and summaries regarding key business decisions. Furthermore, Directors interact with Management at every meeting of the Board and prior to the meetings receive extensive presentations and reading materials on matters of strategic importance to WestJet. Directors also have complete access to Management to understand and keep up to date with WestJet’s business and for any other purposes that may help them perform their duties.

The following chart outlines examples of continuing education events offered internally to our Directors in 2018:

	Topic	Hosted/Presented by	Attended by ⁽¹⁾
February 2018	Turbulence and turbulence mitigation	Management	SH&E Committee
February 2018	Developments in corporate governance	Management	CGN Committee P&C Committee
May 2018	Strategy, execution and continuous improvement	External Consultants	Board
May 2018	Cybersecurity	Management	Board
May 2018	Business integrity update	Management	CGN Committee
July 2018	Foreign ownership amendments	Management	CGN Committee
July 2018	Developments in corporate governance	Management	CGN Committee
July 2018	Propeller safety	Management	SH&E Committee

October 2018	New director orientation	Management	Colleen Johnston
October 2018	Developments in corporate governance	Management	CGN Committee
October 2018	IFRS standards update	Management	Audit Committee

In addition, WestJet's Audit Committee is regularly provided with updates respecting financial disclosure, including presentation matters and recent commentary of securities and accounting authorities that may impact WestJet or its financial reporting.

WestJet encourages, and where possible extends, invitations to its Directors to attend presentations, seminars, workshops and conferences to update and enhance their skills and knowledge to enable them to carry out their roles effectively as Directors in discharging their responsibilities regarding corporate governance, operational and regulatory issues. Over the course of 2018, Directors attended, participated and presented in seminars and conferences on a variety of matters and topics such as labour law, the economy, tourism, Canadian business, the IATA AGM, the Institute of Directors National Conference (Canada), the CES Conference 2018, securities laws, enterprise risk, carbon monoxide safety, climate change impact and disclosure, disruptive technology, audit trends, audit committee effectiveness, audit quality indicators, and connecting geopolitics, market and strategy.

Director assessments

The performance and effectiveness of the Board and its committees, the Chair and Vice Chair of the Board, and individual Directors, are assessed under the management of the CGN Committee.

Every five years, the Board engages an independent third-party consultant to conduct a detailed Board assessment, with the last independent assessment being completed in 2016, when the CGN Committee engaged an independent third-party to perform an assessment of the Board pursuant to which each Director was asked to respond to a detailed survey focusing on six key competencies: focused stewardship, disciplined judgment, risk balancing, strategic acumen, talent building and big-picture thinking. The assessment also focused on certain core and foundational elements such as integrity, passion, engagement, experience, knowledge, expertise and safety. The aggregate results and feedback were discussed by the CGN Committee in May 2016, with the consensus being that WestJet has a well-functioning and balanced Board.

Otherwise, on an annual basis, the Chair of the Board, with the assistance of the Vice Chair, assesses, by way of discussion with each Director, the performance of the Board as a whole, the Board committees and the Chair of each committee, and the performance, tenure and contribution of individual Directors, having regard to the mandate of the Board, committee mandates, as well as attendance at Board and Board committee meetings and overall contribution. Furthermore, the CGN Committee annually assesses the performance of the Chair of the Board, having regard to the mandate of the Chair of the Board, as well as attendance at Board and Board committee meetings and overall contribution. In 2018, the assessment of the Chair of the Board was that WestJet continues to have a well-functioning and balanced Board.

Communication with Shareholders

The Board and Management welcome engagement with Shareholders. To allow Shareholders to provide timely and meaningful feedback, WestJet has developed practices appropriate for its Shareholder base to facilitate constructive engagement. Examples of such practices include meetings with institutional investors and with organizations representing a significant number of Shareholders, attendance at institutional investor conferences and maintenance of the investor relations information provided on the Corporation's website. While all material information is disseminated by news release, supplemental communications regarding WestJet's financial results and business operations are provided by Management periodically throughout the year at various conferences and webcasts. WestJet's Investor Relations team is responsible for maintaining an active Shareholder communication program.

The Board reviews and approves the content of WestJet's significant disclosures to Shareholders and the investing public, including WestJet's quarterly and annual reports, management information circulars, annual information forms, corporate social responsibility reports and any prospectuses that may be issued. Disclosure documents are available on WestJet's website at westjet.com and under WestJet's profile on SEDAR at sedar.com.

The Board has designated the Corporate Secretary as its agent to receive and review communications and meeting requests addressed to the Board, any Board committee or any individual director. Shareholders or other stakeholders may communicate with the Board by writing to the Chair of the Board, as follows:

Mail:

Chair of the Board
c/o Corporate Secretary
WestJet Airlines Ltd.
22 Aerial Place NE
Calgary, AB, Canada T2E 3J1

Email:

investor_relations@westjet.com

The Chair of the Board, together with the Corporate Secretary, the Vice Chair of the Board and the Chair of the appropriate Board committee, as applicable, will consider each request and determine how to proceed. A copy of the Shareholder Engagement Policy is available in the corporate governance section of WestJet's website at westjet.com.

Board's role in strategic planning and risk management

WestJet's Board is responsible for risk oversight and is ultimately accountable for overall performance and the safeguarding of the Corporation's assets. The Board has adopted a formal ERM Policy and developed an ERM function. ERM is a management tool that encompasses the methods and processes used by an enterprise to manage risk related to the achievement of its business objectives, and the policy has been reviewed regularly thereafter. The ERM Policy is aligned with international standards of risk management (specifically, ISO31000), and reports into the EVP, Finance and CFO. The ERM function was formally integrated with WestJet's internal Audit & Advisory Services department, effective November 7, 2018. The ERM Policy is applicable to all employees, officers and Directors, and outlines the Corporation's risk framework and the roles and responsibilities of each WestJet employee and each member of the Board.

On an annual basis, the Board holds at least one special meeting to discuss with Management WestJet's long-term strategic plans. At this meeting, Management presents to the Board WestJet's strategic plans, key objectives, operational opportunities and risks. Also on an annual basis, the Board reviews and approves WestJet's annual operating budget and capital expenditure plans.

Risk management is reviewed by the Board and/or by the committees of the Board throughout the year and Management presents updates on the execution of business strategies, risks and mitigation activities. At its quarterly meetings, the Board monitors and evaluates progress towards the achievement of WestJet's strategic plans and where appropriate, provides direction on revisions to be implemented by Management. In conjunction with its review, the Board discusses and reviews any recent developments in the airline industry, as well as the external environment, and measures the impact such developments may have on the established targets set in its annual operating budget and capital expenditure plans. The Audit Committee is responsible for ensuring that adequate policies and procedures are in place to identify, mitigate, monitor and report significant business risks on an ongoing, proactive basis and it considers the effectiveness of the operation of WestJet's internal control procedures and reviews reports from both WestJet's internal and external auditors.

Board committees

The Board has an Audit Committee, a P&C Committee, a CGN Committee and an SH&E Committee. Each committee meets regularly and reports to the Board with their recommendations for final approval by the Board. Copies of the committee mandates are available in the corporate governance section of WestJet's website at westjet.com.

With the retirements of Messrs. Bolton and Ménard, the CGN Committee will assess the membership of each committee and provide a recommendation for new committee appointments to the Board to take effect following the Meeting.

The following table sets out committee memberships for all Directors as at March 20, 2019.

	Audit	P&C	CGN	SH&E
Non-Independent				
Sims ⁽¹⁾				
Armitage				•
Independent				
Beddoe ⁽²⁾				•
Bolton ⁽³⁾	Chair		•	
Brenneman		•		•
Burley	•	•	•	
Godfrey				•
A. Jackson	•	Chair	•	
B. Jackson		•		Chair
Johnston ⁽⁴⁾	•	•		
Ménard ⁽³⁾	•		Chair	
Rennie	•	•		
Sheriff		•		•

Notes:

- (1) Mr. Sims was appointed as President and CEO, and as a director, on March 7, 2018. As President and CEO, Mr. Sims is not a member of any committee of the Board, but is invited to attend any meeting, except those held *in-camera*, sessions for independent Directors only or whenever specifically determined by the committee that the meeting should be closed to the President and CEO.
- (2) As Chair of the Board, Mr. Beddoe voluntarily attends all committee meetings of committees, including those of which he is not a member.
- (3) Messrs. Bolton and Ménard are not standing for re-election at the Meeting.
- (4) Ms. Johnston was appointed to the Board, Audit Committee and P&C Committee, effective October 3, 2018.

Audit Committee

Members

- Hugh Bolton (Chair)
- Christopher M. Burley
- Allan W. Jackson
- Colleen Johnston
- L. Jacques Ménard
- Janice Rennie

In accordance with its Charter, the primary purpose of the Audit Committee is to assist the Board in fulfilling its responsibilities by overseeing reliable, accurate and clear financial reporting to Shareholders and the establishment and maintenance of an adequate and effective system of internal control.

The Audit Committee reviews and recommends to the Board approval of the interim condensed consolidated financial statements and MD&A; approves the scope and timing of the annual audit by the Corporation's independent external auditors; and reviews and recommends to the Board the approval of the annual audited consolidated financial statements and MD&A. The Audit Committee also reviews and assesses with the independent external auditors the Corporation's internal financial control systems and corporate approval procedures. With respect to the Corporation's internal auditors, the Audit Committee reviews and approves with the internal director of audit and advisory services, the audit plans, activities, staffing and organizational structure of the internal audit department.

The Audit Committee is currently composed of six independent Directors, with each director having strong financial literacy. For further information, please see "Information concerning Director nominees" beginning on page 19. Ms. Rennie is a member of four public company audit committees including WestJet. The Board has determined that such service does not impair the ability of Ms. Rennie to effectively serve on WestJet's Audit Committee. Ms. Rennie is a fellow of the Institute of Chartered Professional Accountants of Alberta and the Institute of Corporate Directors and brings a broad base of business experience and knowledge to WestJet's Audit Committee.

In 2018, the Audit Committee met four times, which meetings included discussions with the external and internal auditors in the absence of Management.

People and Compensation Committee

Members

- Allan W. Jackson (Chair)
- Ron A. Brenneman
- Christopher M. Burley
- S. Barry Jackson
- Colleen Johnston
- Janice Rennie
- Karen Sheriff

The People and Compensation Committee reviews Director and executive compensation policies, reviews all grants of option-based and share-based awards and monitors the administration of the Corporation's key compensation plans, all for the purpose of making recommendations to the Board. The Board, in conjunction with the People and Compensation Committee, supervises the succession planning process for Management, which includes reviewing the depth and diversity of succession pools for the President and CEO and other key leadership roles, and monitoring the progress made by succession candidates in achieving their development plans. In addition, the People and Compensation Committee annually reviews WestJet's leadership development strategies and reviews plans and programs for the assessment and development of senior talent. The People and Compensation Committee is also responsible for the periodic review of WestJet's *Respect in the Workplace Policy* and *Alcohol and Drug Policy*.

Currently the People and Compensation Committee is composed of seven independent Directors, none of whom are currently the Chief Executive Officer of another public reporting issuer. In order to ensure an objective process for determining executive compensation, interested executives excuse themselves from the meeting during decisions regarding their own compensation. Additionally, as required by the People and Compensation Committee mandate, the agenda for each People and Compensation Committee meeting includes an *in-camera* session for the independent members.

In 2018, the People and Compensation Committee met four times. See "*Compensation decision-making process*" on page 41 and "*Relevant skills and experience of the People and Compensation Committee*" on page 43.

Corporate Governance and Nominating Committee

Members

- L. Jacques Ménard

The CGN Committee is responsible for developing the Corporation's approach to corporate governance matters, proposing new nominees to the Board, the composition of existing committees and the requirements for the creation of any other appropriate committees of the Board. The CGN Committee

- (Chair)
- Hugh Bolton
- Christopher M. Burley
- Allan W. Jackson

periodically reviews various matters relating to governance, including best practices and new developments, as well as Board and committee mandates, along with the position descriptions for the Chair of the Board, Vice Chair of the Board and the Committee Chairs. The performance and effectiveness of the Board and its committees, the Chair of the Board, the Vice Chair of the Board and individual Directors, are assessed under the management of the CGN Committee. The CGN Committee is also responsible for the periodic review of WestJet's *Code of Business Conduct, Disclosure, Confidentiality and Trading Policy, Business Integrity Policy, Confidential and Anonymous Reporting Hotline Policy and Procedure*, and other similar documents relating to the governance of WestJet.

The CGN Committee is currently composed of four independent Directors. In 2018, the CGN Committee met four times.

Safety, Health and Environment Committee

Members

- S. Barry Jackson (Chair)
- Brad Armitage
- Clive J. Beddoe
- Ron A. Brenneman
- Brett Godfrey
- Karen Sheriff

The SH&E Committee monitors compliance with the Corporation's safety, health and environmental principles (the **Principles**); recommends policies and programs to maximize compliance with the Principles; periodically reviews the Principles and reviews various metrics to quantify and evaluate compliance with the Principles, identifying areas for improvement.

The SH&E Committee is currently composed of five independent Directors and one non-independent Director. In 2018, the SH&E Committee met four times.

Board and committee meetings held and attendance

The table below sets out the Director attendance at Board and committee meetings held in 2018.

	Board (9 meetings)		Audit (4 meetings)		P&C (4 meetings)		CGN (4 meetings)		SH&E (4 meetings)		Overall attendance	
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
Beddoe ⁽¹⁾	9	100%							4	100%	13 of 13	100%
Armitage	9	100%							4	100%	13 of 13	100%
Bolton	8	89%	4	100%			4	100%			16 of 17	94%
Brenneman	7	78%			4	100%			4	100%	15 of 17	88%
Burley	9	100%	4	100%	3	75%	4	100%			20 of 21	95%
Godfrey	7	78%							3	75%	10 of 13	77%
A. Jackson	9	100%	4	100%	4	100%	4	100%			21 of 21	100%
B. Jackson	9	100%			4	100%			4	100%	17 of 17	100%
Johnston ⁽²⁾	1	100%	1	100%	1	100%					3 of 3	100%
Ménard	9	100%	4	100%			4	100%			17 of 17	100%
Rennie	9	100%	4	100%	4	100%					17 of 17	100%
Sheriff	8	89%			4	100%			4	100%	16 of 17	94%
Sims ⁽³⁾	7	100%									7 of 7	100%
Saretsky ⁽⁴⁾	1	50%									1 of 2	50%

Notes:

- (1) As Chair of the Board, Mr. Beddoe voluntarily attended all committee meetings including those committees of which he is not a member.
- (2) Ms. Johnston was appointed to the Board, Audit Committee and P&C Committee, effective October 3, 2018.
- (3) Mr. Sims was appointed as President and CEO on March 7, 2018. As President and CEO, Mr. Sims is not a member of any committee of the Board, but is invited to attend any meeting, except those held *in camera*, sessions for independent members only or whenever specifically determined by the committee that the meeting should be closed to the President and CEO.
- (4) Mr. Saretsky came to agreement with the Board to retire as President and CEO effective March 7, 2018, and he resigned as a Director on March 28, 2018. Prior to this date, Mr. Saretsky was not a member of any committee of the Board, but was invited to attend any meeting, except those held

in camera, sessions for independent members only or whenever specifically determined by the committee that the meeting should be closed to the President and CEO.

In-camera sessions

The independent Directors meet at the beginning or at the end of every in-person meeting of the Board in *in-camera* sessions, without the presence of Management and under the leadership of the Chair of the Board. During 2018, there were nine *in-camera* Board sessions that were attended exclusively by non-executive directors.

The Directors also hold *in-camera* sessions at the end of every committee meeting, without the presence of Management. Furthermore, at every SH&E Committee meeting, the members meet *in camera* with WestJet's VP of Safety, Security and Quality. As part of every Audit Committee meeting, the members meet *in camera* with the external auditors, and in a separate session, the internal Audit and Advisory Services director, without the presence of Management. At every meeting of the People and Compensation Committee, the members meet *in camera* with WestJet's EVP, People and Culture.

Share ownership guidelines for Directors

The Board believes it is important that Directors demonstrate their commitment to WestJet's stewardship through share ownership. Therefore, WestJet has adopted *Share Ownership Guidelines* (the **SOG**), pursuant to which independent Directors (which does not include the President and CEO, who has a different requirement, or the WEA representative, who is a non-independent Director and therefore not subject to the SOG) are required to own, directly or indirectly, Shares and/or DSUs valued at five times the annual Board retainer within five years of their appointment. It is the view of the Board that a substantial share ownership guideline of five times for independent Directors demonstrates meaningful alignment with Shareholder interests.

When the annual director retainer is increased, directors who met the guidelines on the fifth anniversary of becoming a Director but would not meet the guideline on the effective date of the increase in the retainer are required to increase their investment to meet such revised guidelines by the date that is two years after the effective date of the increase. Directors who have not yet met the minimum required shareholdings are asked to, in addition to their annual equity retainer, take a minimum of 50 per cent of their annual cash retainer in DSUs.

For the purposes of the SOG, ownership is valued at market value each December 31 (using the closing Share price on the last trading day of the year), and Directors are expected to maintain the required guideline once met. In the event of a significant change in the value of Shares, the People and Compensation Committee may review and recommend revised schedules to meet the SOG.

The table⁽¹⁾ below sets out each Director nominee's ownership in WestJet for the years ending December 31, 2018 and 2017, the total value of Shares and DSUs, or in the case of the President and CEO, Shares and RSUs, and whether or not the Director nominee has met the guidelines.

	Equity ownership at December 31, 2017		Equity ownership at December 31, 2018		Net change in Ownership		Value ⁽³⁾ (\$)	Equity at risk as a multiple of retainer	Meets ownership ⁽⁴⁾
	Shares (#)	DSUs/RSUs ⁽²⁾ (#)	Shares (#)	DSUs/RSUs ⁽²⁾ (#)	Shares (#)	DSUs/RSUs ⁽²⁾ (#)			
Beddoe	791,925	6,465	791,925	8,741	--	2,276	14,411,988	72.1	Yes
Brenneman	70,000	9,467	70,000	12,741	--	3,274	1,489,338	13.0	Yes
Burley	20,000	12,847	40,000	20,515	20,000	7,668	1,089,270	7.8	Yes
Godfrey	16,097	11,128	16,097	14,451	--	3,323	549,864	4.8	No ⁽⁸⁾
A. Jackson	25,000	57,439	25,000	66,679	--	9,240	1,650,222	14.3	Yes
B. Jackson	10,000	41,544	10,000	49,797	--	8,253	1,076,346	9.4	Yes
Johnston ⁽⁵⁾	--	--	30,000	814	30,000	814	554,652	4.8	By 2023
Rennie	6,500	21,952	6,500	27,437	--	5,485	610,866	5.3	Yes
Sheriff ⁽⁶⁾	9,000	10,880	9,000	17,814	--	6,934	482,652	4.2	By 2021
Sims ⁽⁷⁾	--	14,667	8,485	52,300	8,485	37,633	1,094,130	--	By 2022

Notes:

- (1) Mr. Armitage is not represented in the table since, as the WEA representative Director, he is a non-independent Director and therefore not subject to the SOG.
- (2) Independent Directors may elect to receive all or part of their compensation in DSUs. Executives are eligible to receive RSUs.

- (3) The "Value" amount is shown as at December 31, 2018, based on the total number of Shares and DSUs/RSUs held by the Director at the December 31, 2018 closing Share price of \$18.00.
- (4) As at December 31, 2018, the guideline for independent Directors of \$575,000 is based on five times the 2018 annual Board retainer of \$115,000 within five years of their appointment to the Board. The guideline for Mr. Beddoe, Chair of the Board, of \$1,000,000 is based on five times the 2018 annual Chair of the Board retainer of \$200,000. The guideline for Mr. Burley, Vice Chair of the Board, of \$700,000 is based on five times the 2018 annual Vice Chair retainer of \$140,000.
- (5) Ms. Johnston was appointed to the Board effective October 3, 2018, and therefore, has until October 2023 to meet the guidelines.
- (6) Ms. Sheriff was appointed to the Board effective January 13, 2016, and therefore, has until January 2021 to meet the guidelines.
- (7) Mr. Sims was appointed as President and CEO, and as a director, on March 7, 2018. As President and CEO, Mr. Sims' share ownership guideline is four times his base salary. Under the SOG, Mr. Sims has until May 2022 to meet the guidelines. See "*Share ownership guidelines*" on page 60.
- (8) At December 31, 2018, Mr. Godfrey did not meet the guidelines. As such, Mr. Godfrey was required to elect a minimum of 75 per cent of his compensation in DSUs until he is once again in compliance with the guidelines. As at March 20, 2019, Mr. Godfrey met the guidelines.

WestJet's *Disclosure, Confidentiality and Trading Policy* restricts certain individuals, including all Directors, from entering into equity monetization transactions. See "*Trading Policy*" on page 61 for further information.

Additional disclosure relating to Director nominees

None of our proposed Directors is as at the date hereof, or has been in the last 10 years, a director, chief executive officer or chief financial officer of any company (including WestJet) that: (a) was subject to a cease trade order, or similar 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 (an **Order**) that was issued while that person was acting in the capacity as director, chief executive officer, or chief financial officer; or (b) was subject to an Order that was issued after the proposed Director 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.

Other than as disclosed herein, none of our proposed Directors is as at the date hereof, or has been in the last 10 years, a director or executive officer of any company (including WestJet) 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 the company's assets. In addition, no proposed Director has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Mr. Beddoe served as a director of Darian Resources Ltd. (**Darian**), a private company, until his resignation in October 2009. Subsequent to Mr. Beddoe's resignation, on February 12, 2010, Darian obtained an order under the *Companies' Creditors Arrangement Act (CCAA)*. On July 2, 2010, the Court of Queen's Bench of Alberta issued its final order approving Darian's Plan of Compromise and Arrangement and the payments to creditors contemplated in the Plan of Compromise and Arrangement have been made. Mr. Beddoe served as a director of Western Concord Manufacturing Limited, Western Concord (Edmonton) Ltd., Western Concord (New West) Ltd., Western Concord Supply Ltd. and Western Concord Manufacturing (collectively, **Western Concord**), a private group of companies, until his resignation in December 2017. Subsequent to Mr. Beddoe's resignation, on December 8, 2017, Western Concord filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*. On February 21, 2018, the Supreme Court of British Columbia approved a sale agreement that would have Western Concord sell all of its assets to a third-party buyer. The sale closed on March 1, 2018.

Mr. Burley is the former non-executive chairman of the board of Parallel Energy Inc. (**Parallel**), the administrator of Parallel Energy Trust, a Calgary-based oil and gas producer. On or about November 9, 2015, Parallel filed an application for protection under the CCAA and voluntary petitions for relief under Chapter 11 of the United States Code. In the Chapter 11 proceedings, the Bankruptcy Court approved the sale of the assets of Parallel and the sale closed on January 28, 2016. Mr. Burley resigned from the board of directors of Parallel on March 1, 2016 and subsequently, the Canadian entities of Parallel filed for bankruptcy under the *Bankruptcy and Insolvency Act* on March 3, 2016.

Mr. Barry Jackson is a former director of Laricina Energy Ltd. (**Laricina**), a private, Calgary based, oil and gas exploration and production company, until his resignation in November 2017. Laricina voluntarily entered into the CCAA and obtained an order from the Court of Queen's Bench of Alberta for creditor protection and stay of proceedings effective March 26, 2015. Laricina was granted a final court order from the Court of Queen's Bench of Alberta on January 28, 2016 exiting from protection under the CCAA and concluding the stay of proceeding against Laricina and its subsidiaries effective upon the filing of a certificate by the Court appointed monitor under the CCAA which occurred February 1, 2016.

No proposed Director has been subject to (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

Director compensation

Director compensation is designed to appropriately compensate Directors for their knowledge and contributions while maintaining a focus on the WestJet-wide compensation philosophy and the low-cost structure of the airline.

In October 2016, the People and Compensation Committee reviewed the competitiveness of director compensation. The analysis used the Alberta and Canadian marketplaces as the primary point of reference and the comparator group used to benchmark executive compensation in 2016 as a secondary point of reference. It was recommended that no changes be made to director compensation at that time for the 2017 fiscal year, with the exception of the introduction of an annual retainer in the amount of \$25,000 for the newly created Vice Chair of the Board position.

In October 2018, the People and Compensation Committee conducted a review of WestJet's director compensation, comparing similar sets of market data used for the prior year. The review indicated that WestJet's total director compensation is at the lower end when compared to its peers, while being within the range for the Canadian marketplace and above the median for the Alberta marketplace. The review also indicated that the majority of peers who increased compensation are U.S. companies. Given WestJet's current cost environment and intentions to hold executive compensation constant in 2018, no changes to WestJet's Director compensation, including to the Chair, Vice Chair, Committee Chair and committee member retainers, were recommended at that time for the 2019 fiscal year.

	2018 ⁽⁴⁾ (\$)
Chair of the Board⁽¹⁾	
Annual cash retainer	160,000
Annual equity retainer	40,000
Independent Directors⁽²⁾	
Annual cash retainer	57,500
Annual equity retainer	57,500
Vice Chair of the Board Retainer	25,000
Committee Chair Retainers⁽³⁾	
Audit	21,000
P&C	18,000
CGN	14,000
SH&E	14,000
Committee Member Retainers	
Audit	6,000
P&C	6,000
CGN	6,000
SH&E	6,000
Meetings Fees	
WEA representative	1,500

Notes:

- (1) The Chair of the Board did not receive the retainer for independent Directors in addition to the retainer he receives in respect of his role as Chair of the Board.
- (2) Directors who are employees of the Corporation do not receive annual retainers.
- (3) Each Committee Chair received a retainer in addition to the retainer he or she receives as an independent Director. Committee Chairs do not also receive a retainer as a committee member of the committee for which they serve as Committee Chair.
- (4) A Director may elect to receive his or her cash compensation in cash or DSUs, or any combination thereof.

The table below sets out the retainers and meeting fees each Director received for the year ended December 31, 2018. Directors are also reimbursed for their reasonable expenses in connection with attending Board and committee meetings. Neither Mr. Sims, WestJet's President and CEO, nor Mr. Saretsky, WestJet's former President and CEO, earned a retainer or fees for serving as a Director. The executive compensation for Messrs. Sims and Saretsky for 2018 is disclosed in the "Summary compensation table" on page 57.

	Retainers			Meeting fees		Total (\$)
	Board (\$)	Committee Chair (\$) ⁽¹⁾	Committee Member (\$)	Board meetings (\$)	Committee meetings (\$)	
Beddoe ⁽²⁾	200,000	—	6,000	—	—	206,000
Armitage ⁽³⁾	—	—	—	13,500	6,000	19,500
Bolton	115,000	21,000	6,000	—	—	142,000
Brenneman	115,000	—	12,000	—	—	127,000
Burley	140,000	—	18,000	—	—	158,000
Godfrey	115,000	—	6,000	—	—	121,000
A. Jackson	115,000	18,000	12,000	—	—	145,000
B. Jackson	115,000	14,000	6,000	—	—	135,000
Johnston ⁽⁴⁾	28,750	—	3,000	—	—	31,750
Ménard	115,000	14,000	6,000	—	—	135,000
Rennie	115,000	—	12,000	—	—	127,000
Sheriff	115,000	—	12,000	—	—	127,000

Notes:

- (1) Each Committee Chair received a retainer in addition to the retainer he or she receives as an independent Director. Committee Chairs do not also receive a retainer as a committee member of the committee for which they serve as Committee Chair.
- (2) The Chair of the Board did not receive the retainer for independent Directors in addition to the retainer he receives in respect of his role as Chair of the Board.
- (3) Mr. Armitage, who is the WEA representative Director, received regular meeting fees but, as an employee of WestJet, did not receive an annual retainer or a committee member retainer for his membership on the SH&E Committee.
- (4) Ms. Johnston was appointed to the Board, Audit Committee and People and Compensation Committee, effective October 3, 2018.

Deferred share units

Independent Directors, including the Chair and Vice Chair of the Board, receive a portion of their annual retainer in the form of DSUs, referred to as the "annual equity retainer". In addition, they may elect to receive their cash compensation in cash or DSUs, or any combination thereof. The number of DSUs issued to a Director is equal to the portion of the Director's compensation for a fiscal quarter to be satisfied by DSUs divided by the closing price of the Shares on the TSX on the trading day immediately prior to the date of grant. DSUs are settled by a cash payment after the Director leaves the Board, providing for an ongoing alignment of interests between a Director and the Shareholders during the Director's term of service. The cash payment is equal to the number of DSUs held by the Director multiplied by the closing price of the Shares on the TSX on the trading day immediately prior to the date of redemption.

Under the terms of the plan, DSUs awarded vest immediately upon grant and are not subject to satisfaction of any requirements as to any minimum period of membership on the Board. In the event cash dividends are paid to holders of Shares, additional DSUs are granted, calculated by dividing the dividends that would have been paid if the DSUs granted as at the dividend record date had been Shares by the closing price for Shares on the TSX on the trading day immediately prior to the dividend payment date. Notwithstanding any election by a Director under the plan, the People and Compensation Committee may, in its sole discretion, decline to award DSUs to a Director, other than DSUs awarded with respect to the "annual equity retainer", in which case the Director will receive his or her Director compensation in cash.

Summary compensation table

The following table summarizes the total compensation earned by each Director in 2018. Neither Mr. Sims, WestJet's President and CEO, nor Mr. Saretsky, WestJet's former President and CEO, earned a retainer or fees for serving as a Director. The executive compensation for Messrs. Sims and Saretsky for 2018 is disclosed in the "Summary compensation table" on page 57.

	Fees earned (\$)	Share-based awards ⁽¹⁾ (\$)	All other compensation ⁽²⁾ (\$)	Total Compensation ⁽³⁾ (\$)
Beddoe	166,000	40,000	—	206,000
Armitage	19,500	—	75,500 ⁽⁴⁾	95,000
Bolton	84,500	57,500	—	142,000
Brenneman	69,500	57,500	—	127,000
Burley	18,000	140,000	—	158,000
Godfrey	63,500	57,500	—	121,000
A. Jackson	—	145,000	—	145,000
B. Jackson	—	135,000	—	135,000
Johnston ⁽⁵⁾	17,375	14,375	—	31,750
Ménard	—	135,000	—	135,000
Rennie	34,750	92,250	—	127,000
Sheriff	—	127,000	—	127,000

Notes:

- (1) DSUs are granted quarterly on the last trading day of the quarter. Amounts presented in the table are equal to the grant date fair value. The number of DSUs issued to Directors is equal to the compensation required or elected to be received in DSUs divided by the closing Share price on the TSX on the trading day immediately prior to the date of grant.
- (2) In line with airline industry practice, Directors may book personal travel for themselves, their spouses and their eligible dependents on WestJet flights at current employee standby fares plus applicable taxes and airport fees, in circumstances of available capacity. As a result, no amounts are recorded in respect of such rights.
- (3) The aggregate remuneration paid to the Directors of the Corporation in 2018 was \$1,549,750, excluding amounts for Messrs. Sims and Saretsky, which are disclosed in the "Summary compensation table" on page 57.
- (4) Mr. Armitage is the WEA representative Director and an employee of WestJet. As part of Mr. Armitage's employment, he receives a salary and amounts for additional shift pickups, vacation pay, and amounts pursuant to the Profit Share Plan, OPA and ESPP, as well as amounts associated with his role as the Chair of WEA.
- (5) Ms. Johnston was appointed to the Board, Audit Committee and People and Compensation Committee, effective October 3, 2018.

Incentive plan awards

Outstanding share-based awards and option-based awards

The following table shows the market value of share-based awards held by Directors, other than Mr. Sims, WestJet's President and CEO, and Mr. Saretsky, WestJet's former President and CEO, which were outstanding as at December 31, 2018.

	Number of DSUs that have vested (#) ⁽¹⁾	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽²⁾
Beddoe	8,741	157,338
Armitage	—	—
Bolton	32,182	579,276
Brenneman	12,741	229,338
Burley	20,515	369,270
Godfrey	14,451	260,118
A. Jackson	66,679	1,200,222
B. Jackson	49,797	896,346
Johnston	814	14,652
Ménard	26,937	484,866
Rennie	27,437	493,866
Sheriff	17,814	320,652

Notes:

- (1) Number of DSUs that were vested and outstanding at December 31, 2018. Includes additional DSUs equivalent in value to dividends paid on Shares, which were credited in-year.
- (2) The market or payout value of vested share-based awards not paid out or distributed was calculated by multiplying the number of DSUs that were vested and outstanding at December 31, 2018 by the December 31, 2018 closing Share price of \$18.00.

Incentive plan awards – value vested or earned during the year

The following table shows the value of share-based awards that vested and non-equity incentive plan compensation earned by Directors, other than Mr. Sims, WestJet's President and CEO, or Mr. Saretsky, WestJet's former President and CEO, during the year ended December 31, 2018.

	Share-based awards – value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – value earned during the year (\$)
Beddoe	40,000	—
Armitage ⁽²⁾	—	1,760
Bolton	57,500	—
Brenneman	57,500	—
Burley	140,000	—
Godfrey	57,500	—
A. Jackson	145,000	—
B. Jackson	135,000	—
Johnston	14,375	—
Ménard	135,000	—
Rennie	92,250	—
Sheriff	127,000	—

Notes:

- (1) The value vested during the year of share-based awards is equal to the dollar value realized upon vesting of share-based awards. DSUs vest immediately at the time of grant. Accordingly, the amount presented in the table is equal to the number of units granted multiplied by the closing Share price on the trading day prior to the date of grant.
- (2) Mr. Armitage earned non-equity incentive plan compensation amounts in the scope of his employment pursuant to the Profit Share Plan and OPA.

Executive compensation discussion and analysis

Dear fellow Shareholders,

On behalf of the People and Compensation Committee and the Board, we are pleased to share with you our approach to executive compensation.

Say on pay

At our annual meeting in 2018, we conducted our third say-on-pay vote, which received strong support of 91.99 per cent of votes cast. Once again, we encourage you to cast your advisory say-on-pay vote, and we hope that the following will assist you in making an informed decision.

2018 overview

Celebrating our 22nd year in the industry, we achieved many accomplishments in 2018, including that we:

- recorded net earnings of \$91.5 million and diluted earnings per share of \$0.80, and delivered top-line revenue growth of 5.0 per cent and traffic growth of 6.5 per cent, compared to the previous year;
- flew a record number of 25.5 million guests;
- were again recognized as Best Airline in Canada and Travellers' Choice winner – North America in the 2018 TripAdvisor Travellers' Choice awards for Airlines and as Travellers' Choice Winner – Economy, North America;
- announced Calgary as the home of the first three 787-9 aircraft and non-stop 787 service from Calgary to each of Dublin (Ireland), London (England) and Paris (France);
- implemented the newest tier Platinum and enhancements to our Rewards program;
- launched operations of Swoop, WestJet's ultra low-cost carrier; and
- signed a joint-venture agreement with Delta to increase trans-border travel choices, and commenced WestJet Link, a regional air service operating under a capacity purchase agreement with Pacific Coastal Airlines.

Disciplined approach to executive compensation

WestJet's pay practices at the executive level are designed to be prudent and well-aligned with our culture and values. The People and Compensation Committee and the Board believe the compensation awarded to the President and CEO and other executives appropriately reflects their leadership and performance in strategically driving the success of WestJet.

WestJet exercises a disciplined approach to executive compensation by ensuring that target compensation supports the attraction and retention of executive talent, while ensuring strong ties between realized pay and performance. WestJet's company-wide compensation program is built on offering a competitive compensation package oriented toward developing a culture of ownership.

Applying this philosophy in a similar fashion to executive and non-executive employees has helped us maintain our highly-regarded corporate culture.

Looking forward, we will continue to monitor evolving best practices and assess these trends, considering WestJet's operational needs and our existing executive compensation and governance practices.

Executive compensation changes in 2018

As we did last year, due to the continuing impact of the current financial and operating environment, we once again held the structure of our executive compensation constant in 2018.

Talent management and succession planning

Talent management and succession planning has been critical to attracting, retaining and developing talent at WestJet, which is enabling us to drive towards our strategic objectives and deliver on our key stakeholder commitments.

In 2018, the People and Compensation Committee and the Board again placed a focus on talent management and succession planning through quarterly progress updates, active discussion on talent development activities, senior leadership movements and recruitment efforts. This was combined with Management's ongoing work on developing WestJet's next three generations of executive leaders, development of leadership effectiveness and engagement action plans and re-design of our leadership education programs.

The Board is pleased with the progress in these areas, including recruitment of several external hires with extensive business and industry backgrounds, three of which are at the executive level. This has resulted in the transformation of the executive leadership with a significant enhancement in global airline experience.

Connecting

Your Board, with the support of the People and Compensation Committee, is committed to transparency by providing clear and comprehensive disclosure information. We invite you to review the following information, which provides a detailed view of our executive compensation programs and methodology for 2018.

We believe that ongoing dialogue is important, and we continue to welcome your feedback on WestJet's approach to executive compensation, this disclosure and any related questions you may have ahead of the advisory say-on-pay vote.

Sincerely,



Allan Jackson

Chair of the People and
Compensation Committee



Clive Beddoe

Chair of the Board

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Named executive officers

The following executive compensation discussion and analysis provides a description of WestJet's approach and decisions involved in the design, oversight and payout of its compensation program for executives, including the Corporation's Named Executive Officers (**NEOs**, as defined in Form 51-102F6 – *Statement of Executive Compensation*) for the 2018 financial year:

- Edward (Ed) Sims, President and CEO
- Harry Taylor, EVP, Finance and CFO
- Mark Porter, EVP, People and Culture
- Barbara Munroe, EVP, Corporate Services and General Counsel
- Craig Maccubbin, EVP and CIO
- Gregg Saretsky, Former President and CEO

For the purpose of this executive compensation discussion and analysis, the term "executive" refers to the President and CEO and EVPs.

Compensation objectives and philosophy

WestJet's pay practices at the executive level are designed to be prudent and well-aligned with the airline's culture and values. WestJet's executive compensation program is structured to set the fixed cost component of compensation at a level that is sustainable and representative of the particular role, while enhancing potential overall compensation through incentive-based elements tied to the Corporation's performance. Certain elements of the program, such as the Profit Share Plan and the ESPP, are available to all WestJet employees, rewarding them for their contributions to the Corporation and encouraging them to become owners of WestJet. The Corporation does not fund company cars, club memberships, pension plans or other expensive perquisites for its executives.

WestJet exercises a disciplined approach to executive compensation by ensuring that target total compensation supports the attraction and retention of executive talent, while ensuring strong ties between realized pay and performance. WestJet's executive compensation program provides for over 50 per cent of each executive's target total compensation in the form of long-term equity incentives – PSU awards that vest only upon achievement of pre-defined goals and RSU awards and Options that vest over time. WestJet expects the value of these grants to reflect its performance over the longer-term and believes that the inclusion of these "at-

risk" equity elements in its executive compensation program motivates executives to set and achieve goals that drive the Corporation's long-term success.

The People and Compensation Committee, in conjunction with its independent consultant, reviews target total compensation by taking into consideration compensation practices of the comparator group, leadership abilities, industry-specific requirements, retention considerations and economic outlook. Prior to 2015, base salaries for executives were set between 10 per cent and 20 per cent below market median and emphasis was placed on increasing target levels for equity compensation, mainly performance-based PSUs. With increasing complexity of WestJet's operations and with changes made to the senior leadership team, the 2015 review explored a shift in philosophy to increase differentiation for EVP positions based on scope of role in contrast to the Corporation's historical approach of compensating all EVPs in an equivalent manner. The review indicated that the base salary for the President and CEO was over 30 per cent below market median and base salaries for the EVPs were between 10 and 20 per cent below market median. As a result, increases were approved to competitively position base salaries with comparator group median while keeping the same target percentages for all compensation elements. No further changes were made in subsequent years to the structure of WestJet's executive compensation.

Stress-testing executive compensation

While the Corporation's short-term incentives reward executives for the current year's corporate performance, the ultimate value of the long-term incentives is dependent on the Corporation's ability to sustain performance and increase shareholder value over the longer term.

The People and Compensation Committee annually conducts stress-tests by reviewing scenarios that illustrate the impact of various future corporate performance outcomes on the executives' compensation, in addition to testing against the Corporation's actual past performance. Such performance criteria are reviewed annually, and the People and Compensation Committee and the Board have discretion to amend the performance criteria. In 2018, the People and Compensation Committee determined that the intended relationship between pay and performance was appropriate for the executives and that, in aggregate, the resulting compensation modelled under the various corporate performance scenarios was reasonable, not excessive and delivered the intended differentiation of compensation value based on corporate performance.

Compensation decision-making process

The People and Compensation Committee, on behalf of the Board, administers WestJet's executive compensation program, and is responsible for the review and recommendation and, subject to the plans and agreements in place, the amendment of executive compensation arrangements. In accordance with its mandate, the purpose of the People and Compensation Committee is to assist the Board in fulfilling its responsibilities by: (a) reviewing and making recommendations to the Board on its findings and conclusions on matters relating to executive compensation in the context of the budget, business plan and competitive environment of the Corporation; (b) reviewing and approving the Corporation's compensation philosophies and policies as they pertain to the Corporation's strategy; (c) conducting/assisting in the regular reviews/appraisals of the President and CEO and EVPs; and (d) ensuring appropriate succession plans for the executives are in place. More specifically, the People and Compensation Committee's responsibilities include that it:

- annually review and recommend for approval to the Board the compensation packages for the President and CEO and EVPs, including amounts under the STIP and long-term incentive plans, and review the compensation packages for VPs and other senior employees;
- annually review and recommend for approval to the Board the corporate targets, objectives and performance measures to be used in evaluating the President and CEO and EVPs;
- annually review and recommend for approval to the Board the performance measures for OPA;
- pursuant to the terms of the Corporation's STIP, Profit Share Plan and OPA, recommend for approval to the Board any payment to be made under such plans;
- annually review the terms, design, structure and application of compensation plans, including the Corporation's Profit Share Plan and ESPP, with a view to ensuring that they have
- pursuant to the terms of the Corporation's equity-based plans, recommend for approval to the Board the grant of awards under such plans;
- review and assess compensation principles of appropriate comparator groups and recommend for approval to the Board any changes;
- review and recommend for approval to the Board the SOG for the President and CEO, EVPs, VPs and Directors and evaluate the shareholdings of such persons relative to the SOG;
- review and recommend to the Board compensation to be paid to Directors;
- review succession plans for the executives with the Board, including the review of existing management resources for qualified personnel to be available for succession to senior positions in the Corporation; and

a clear link between pay and performance and do not encourage excessive risk taking;

- annually review and recommend for approval to the Board the Corporation's executive compensation disclosure and review any other executive compensation disclosure prior to public disclosure.

February 2018 ⁽¹⁾	May 2018 ⁽¹⁾	July 2018 ⁽¹⁾	October 2018 ⁽¹⁾
Continuous review of compensation programs and plans			
<ul style="list-style-type: none"> • Agreed to move to biennial reviews for executive benchmarking • Reviewed compensation approach of Swoop 	<ul style="list-style-type: none"> • Approved 2018 annual equity grants 	<ul style="list-style-type: none"> • Reviewed SOG 	<ul style="list-style-type: none"> • Conducted annual Board compensation market review • Conducted peer review of SOG
Setting performance measures and measuring outcomes			
<ul style="list-style-type: none"> • Approved 2017 STIP and OPA payouts • Reviewed SOG compliance • Reviewed performance measures for PSUs 	<ul style="list-style-type: none"> • Approved May 2018 Profit Share Plan distribution • Approved performance vesting multiplier of PSUs granted in 2015 	<ul style="list-style-type: none"> • Reviewed stock option valuation methods • Reviewed SOG compliance 	<ul style="list-style-type: none"> • Reviewed stock option valuation methods • Reviewed SOG compliance • Approved 2019 STIP and OPA targets • Approved November 2018 Profit Share Plan distribution
Executive compensation governance, talent management and employee relations			
<ul style="list-style-type: none"> • Reviewed annual executive compensation disclosure • Succession and talent management update 	<ul style="list-style-type: none"> • Reviewed "say-on-pay" results • Conducted annual senior talent management and succession planning review⁽²⁾ • Reviewed developments in executive compensation governance 	<ul style="list-style-type: none"> • Succession planning and talent management update, including executive development • Received update on executive and pilot hiring process 	<ul style="list-style-type: none"> • Succession planning and talent management update • Reviewed People and Compensation Committee mandate • Reviewed People and Compensation Committee 2019 forward agenda

Notes:

- (1) The members of the People and Compensation Committee meet at the end of every meeting in *in-camera* sessions, without the presence of Management, and have one *in-camera* session with the EVP, People and Culture.
- (2) Discussed at the People and Compensation Committee and Board levels.

Relevant skills and experience of the People and Compensation Committee

The People and Compensation Committee is comprised of seven independent Directors. The following is a description of the skills and experience of each member of the People and Compensation Committee that are relevant to the performance of his or her responsibilities.

Allan Jackson

Committee Chair



Mr. Allan Jackson has been the Executive Chairman and CEO (previously the President and CEO) of Arci Ltd., a private real estate investment company for over 25 years, and President and CEO of Jackson Enterprises Inc., a private holding and consulting company for over 25 years. Mr. Jackson is the former Chair of Canadian Western Bank, where he was also a member of the bank's Human Resources Committee.

Ron Brenneman



Mr. Ron Brenneman is the former President and CEO of Petro-Canada. Prior to joining Petro-Canada in 2000, he spent more than 30 years with Imperial Oil Ltd. and its parent company, Exxon Corporation. Mr. Brenneman is the former Chair of the Management Resources and Compensation Committee of the board of BCE Inc., the former Chair of the Remuneration Committee of the board of Ithaca Energy Inc. and a former member of the Human Resources Committee of the board of Scotiabank.

Christopher Burley



Mr. Christopher Burley spent over two decades in the investment banking industry and was Managing Director and Vice Chairman, Energy, at Merrill Lynch before his retirement in 2008. Mr. Burley has direct experience in matters relating to executive compensation from executive roles held within organizations and has substantial experience in matters relating to executive compensation from his involvement in capital markets and the initial public offerings of numerous entities.

Barry Jackson



Mr. Barry Jackson is the retired Chair of Resolute Energy Inc. and Deer Creek Energy Limited, and former President and CEO and a director of Crestar Energy Inc. Mr. Jackson is on the board, and the former Chair, of TransCanada Corporation and TransCanada Pipelines Limited and sits on their Human Resources Committee. He is the former Chair of Nexen Inc. and a former member of their Compensation and Human Resources Committee, and was a former director and member of the Compensation Committee of Cordero Energy Inc.

Colleen Johnston



Ms. Colleen Johnston has extensive experience in financial and organizational leadership, serving previously as the CFO of TD Bank, and is currently a director of Shopify Inc. and McCain Foods. Most recently, she served as Group Head – Technology, Direct Channels, Marketing and Corporate and Public Affairs of TD Bank, retiring in 2018.

Janice Rennie



Ms. Janice Rennie has held senior management positions with a number of companies including, most recently, EPCOR, where she served as SVP of Human Resources and Organizational Effectiveness. Ms. Rennie is a member of the Compensation Committee of West Fraser Timber Co. Ltd., and the former Chair of the Compensation Committee of Teck Resources Limited, as well as the former Chair of the Human Resources Committee of Methanex Corporation (she remains on the Methanex board). Ms. Rennie is currently the Chair of the Board at EPCOR.

Karen Sheriff



Ms. Karen Sheriff is the former President and CEO of Q9 Networks Inc. Prior to her role at Q9, she was President and CEO of Bell Aliant from 2008 to 2014 following more than nine years in senior leadership positions at BCE Inc. Ms. Sheriff is also a director of the Canada Pension Plan Investment Board and the Chair of their Human Resources and Compensation Committee, and a director of BCE Inc.

Role of compensation consultants

On an ongoing basis, the People and Compensation Committee retains an independent compensation consultant to complete a market analysis and provide recommendations to ensure executive compensation practices are in line with WestJet's overall philosophy and market practices.

In August 2015, the People and Compensation Committee transitioned to a new independent compensation consultant, Meridian, which it retained to perform a benchmarking exercise of executive compensation, in support of the shift in philosophy to increased differentiation for executive positions based on role scope, size and complexity, and to provide advice in connection with incentive plan design, particularly around employee engagement measures. In late 2015 and early 2016, Meridian performed a review of WestJet's comparator group composition and recommended revisions to the group. In 2016 and 2017, Meridian reviewed the competitiveness of WestJet's executive compensation, as well as the structure of retirement arrangements and incentive plan design and structure. WestJet's retirement arrangements are unique compared to the peer group; benefits are only provided to participants through the ESPP company match, and that match is generally richer than most peer company direct-contribution plans. Overall, WestJet's incentive plan designs were found to be consistent with the prevalent comparator group and broad market practices. Meridian determined that the peer group continued to be appropriate and credible, provided the Corporation with a representative view of the market, and no changes were recommended.

In February 2018, given that three of the nine EVPs had been with the Corporation for less than one year, and that the Corporation had been advised that there had been limited change in the executive compensation field, Meridian performed an updated analysis using the existing (2017) comparator group to ensure that there remained broad alignment with compensation levels, in lieu of a full and formal external benchmarking. The People and Compensation Committee further agreed, on recommendation from Management, that a full and formal external benchmarking review of executive compensation be undertaken every two years, unless deemed necessary sooner by the People and Compensation Committee.

See "*Comparator group composition*" on page 46.

The following presents the aggregate fees billed for executive compensation services provided by Meridian in 2018 and 2017, along with all other fees paid.

	Executive compensation related fees (\$)	All other fees (\$)
2018	12,780	—
2017	86,170	—

As a result of established procedures, the People and Compensation Committee is confident that the advice it receives from the independent executive compensation consultant is objective. These procedures include:

- the consultant receiving no incentive or other compensation based on fees charged to WestJet for other services provided;
- the consultant not being responsible for selling other services to WestJet;
- the People and Compensation Committee having authority to retain and terminate the executive compensation consultant;
- the consultant having direct access to the Chair of the People and Compensation Committee without Management intervention; and
- the consultant reporting, and being directly accountable, to the People and Compensation Committee.

The Chair of the People and Compensation Committee meets with the compensation consultant, as necessary, to review all materials and discuss possible recommendations. The People and Compensation Committee reach decisions following discussions (including discussions with Management and discussions held *in camera*) of the consultant's presentation of conclusions and recommendations.

Management input

The People and Compensation Committee also engages in active discussions with, and considers recommendations from, the President and CEO concerning base salaries, internal pay equity among executives, performance metrics included in the short- and long-term incentive programs and actual achievement of performance against targets. Furthermore, WestJet's EVP, People and Culture is involved in the executive compensation setting process through the preparation of information for the People and Compensation Committee.

Risk management

Through the combination of short-term and long-term incentives, WestJet's compensation program provides for a significant portion of each executive's annual compensation to be "at-risk". Consequently, it is important that these incentives do not result in executives taking actions that may conflict with the Corporation's short-term and long-term interests. WestJet believes that its compensation policies and practices achieve an appropriate balance in relation to overall business strategy and do not encourage an executive to expose the Corporation to inappropriate or excessive risks.

Key risk-mitigating features within WestJet's compensation programs include:

- Governance oversight
 - ▶ As required by its mandate, the People and Compensation Committee annually reviews and ensures that compensation plans have a clear link between pay and performance and do not encourage excessive risk taking
 - ▶ A compensation program designed to compensate executives based on the same performance goals and that is consistent with the WestJet-wide compensation philosophy
- A balance between pay mix and performance measures through an appropriate mix of elements
 - ▶ A portfolio approach to long-term incentives (PSUs, RSUs and Options)
 - ▶ Performance goals with minimum and maximum thresholds (cap on compensation payments)
 - ▶ A mix of absolute and relative performance measures
 - ▶ Use of both financial and operational metrics
 - ▶ Overlapping performance cycles for PSUs encouraging sustained performance
- Share ownership guidelines
 - ▶ Executives are required to own, directly or indirectly, Shares, RSUs and vested PSUs, valued at a pre-defined multiple of their base salary
- Restrictions on equity monetization transactions (see "*Trading Policy – Anti-hedging*" on page 61)
- Adoption of an executive compensation clawback policy

Executive compensation clawback policy

WestJet has an executive compensation clawback policy concerning awards and payments made under WestJet's performance-based compensation plans, which was most recently reviewed and updated in May 2018. Under this policy, which applies to all executives, the Board may, in its sole discretion, to the full extent permitted by governing law and to the extent it determines that it is in WestJet's best interest to do so, require reimbursement of all or a portion of any performance-based compensation, namely cash and equity, awarded to or earned by an executive to whom the policy applies. The Board may seek reimbursement of full or partial compensation from an executive or former executive in situations where:

- the amount of performance-based compensation awarded to or earned by an executive was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of, or materially affected by, a restatement of all or a portion of WestJet's financial statements (other than solely as a result of a change in accounting policy by WestJet), and the amount of performance-based compensation awarded to or earned by the executive would have been lower had the financial results been properly reported; or
- whether or not financial restatement is required, an executive officer engaged in conduct that the Board deems to be detrimental to WestJet, that includes, but is not limited to, gross negligence, willfully harmful acts, negligence, intentional misconduct, fraud, dishonesty, embezzlement or breaches of material provisions of any of WestJet's internal policies (including WestJet's *Code of Business Conduct* and *Business Integrity Policy*).

For the purposes of this policy, performance-based compensation includes payments made under the Profit Share Plan and STIP and grants of Options, RSUs and PSUs.

Comparator group composition

In order to make judgments about elements of executive compensation on a competitive basis, the People and Compensation Committee has decided that it is appropriate to track a comparator group. With the assistance of its independent consultant, the People and Compensation Committee regularly reviews the appropriateness of the criteria and composition of the peer group. While the People and Compensation Committee uses the market data and advice of consultants as guidelines in determining executive compensation, it may consider other factors such as industry practices, economic conditions, experience, leadership requirements, responsibilities and internal equity among executives, when making decisions regarding WestJet's executive compensation practices.

In late 2015, to support the shift in compensation philosophy to increased differentiation among executive positions, and, with an increased focus on industry-related expertise, the People and Compensation Committee engaged Meridian to perform a review of the composition of WestJet's comparator group. In early 2016, the Board, on the recommendation of the People and Compensation Committee, approved a new comparator group. The review assessed both peer companies in the previous group and potential new peers in the context of business similarities, appropriate size, and complexity and geography (Calgary-based).

The selection process first focused on companies in similar sectors and industries as WestJet and then a selection of financial measures were applied to narrow the list. Revenue was the primary measure using a range between one-third and three times WestJet's revenue. Total assets and market capitalization were used as secondary measures, also using a range of one-third to three times that of WestJet. Additional factors such as company descriptions and geographic location were reviewed for business similarities and direct talent competitors. As a result, the comparator group was increased to 21 companies, 11 of which were included in the previous comparator group and 10 new peers. The same comparator group was used in 2017 and 2018, which now includes 20 companies, due to the acquisition of Virgin America by Alaska Air Group in 2016.

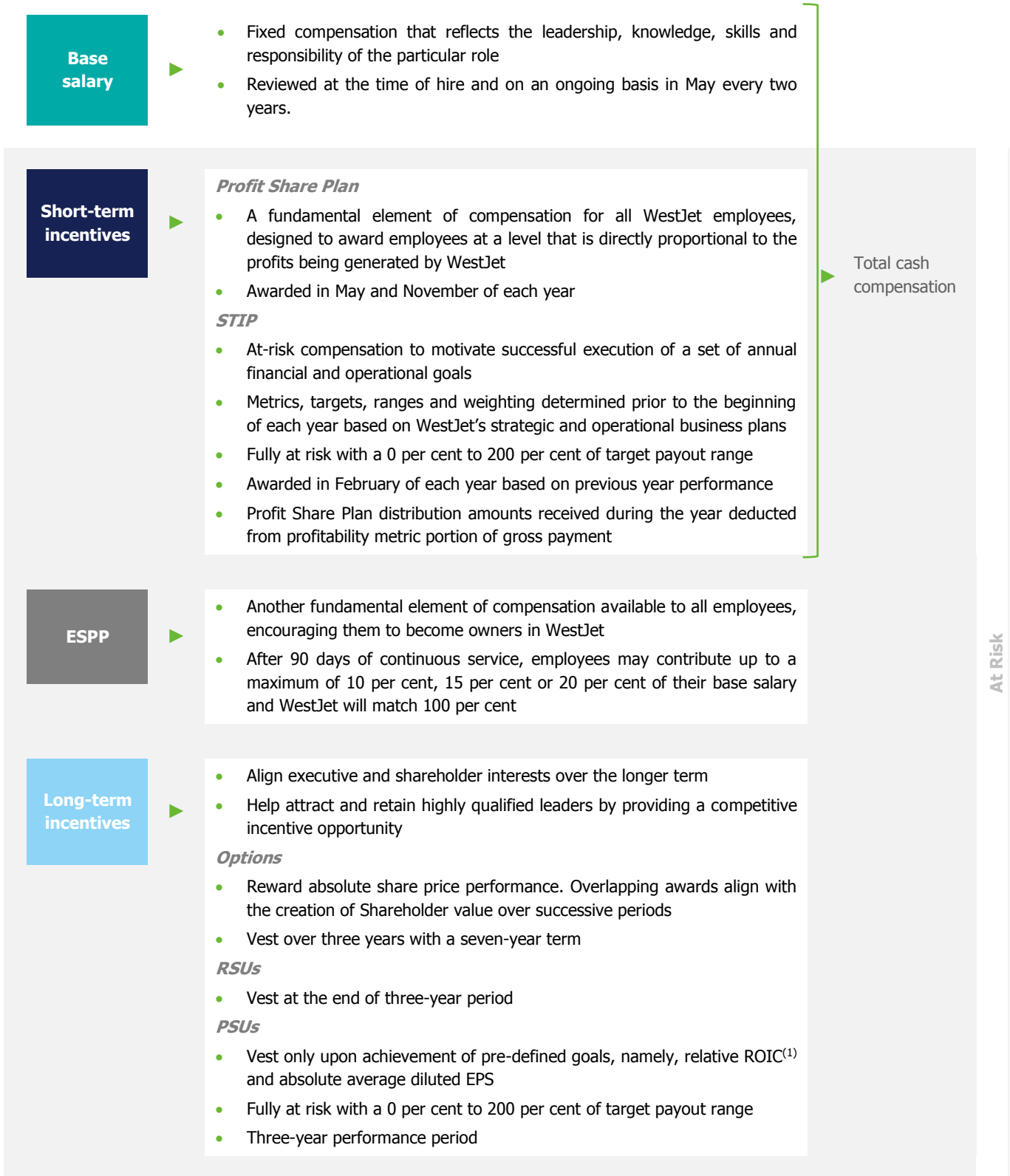
	Company	Country	Sub-group
1.	Aimia Inc.	Canada	Advertising (Travel Loyalty)
2.	Air Canada ⁽¹⁾	Canada	Airlines
3.	Alaska Air Group Inc. ⁽¹⁾	United States	Airlines
4.	Allegiant Travel Co.	United States	Airlines
5.	Atlas Air Worldwide Holdings Inc.	United States	Air Freight and Logistics
6.	CAE Inc.	Canada	Aerospace and Defense
7.	Canadian National Railway Co.	Canada	Road and Rail
8.	Canadian Pacific Railway Ltd.	Canada	Road and Rail
9.	Chorus Aviation Inc.	Canada	Airlines
10.	Crescent Point Energy Corp.	Canada	Calgary-based
11.	EnCana Corp.	Canada	Calgary-based
12.	Hawaiian Holdings Inc.	United States	Airlines
13.	Hub Group Inc.	United States	Air Freight and Logistics
14.	JetBlue Airways Corp. ⁽¹⁾	United States	Airlines
15.	Norwegian Cruise Line Holdings	Bermuda	Hotels, Restaurants and Leisure
16.	Royal Caribbean Cruises Ltd.	Liberia	Hotels, Restaurants and Leisure
17.	Southwest Airlines Inc. ⁽¹⁾	United States	Airlines
18.	Spirit Airlines Inc.	United States	Airlines
19.	Transat A.T. Inc.	Canada	Hotels, Restaurants and Leisure
20.	TFI International	Canada	Road and Rail

Note:

(1) Also included in WestJet's Airline Peer Group for the purposes of PSUs. See "Long-term incentives – Performance share units" on page 51.

Executive compensation elements

WestJet's executive compensation program is comprised of four key elements: (i) base salary; (ii) short-term incentives; (iii) ESPP; and (iv) long-term incentives.



Note:

(1) See "Non-GAAP measures" on page 78.

Base salary

The People and Compensation Committee reviews the base salaries of executives at the time of hire and on an ongoing basis in May every two years. This timing is aligned every other year with the general merit review for all WestJet employees. The review takes into consideration executive compensation practices, leadership requirements, experience, performance, responsibilities, internal equity among executives, retention considerations and succession plans.

Base salaries are set with reference to the comparator group. See "*Comparator group composition*" on page 46. Prior to 2015, base salaries for executives were set at between 10 per cent and 20 per cent below market median and emphasis was placed on increasing the target levels for equity compensation, mainly the performance-based PSUs. With the increasing complexity of WestJet's operations and with changes made to the senior leadership team, the 2015 review explored a shift in philosophy to increase differentiation for EVP positions based on the scope of the role in contrast to the Corporation's historical approach of compensating all EVPs in an equivalent manner. The review indicated that the base salary for the President and CEO was over 30 per cent below the market median and base salaries for the EVPs were between 10 and 20 per cent below the market median. As a result, increases were approved to competitively position base salaries with the median of the comparator group while keeping the same target percentages for all compensation elements. No changes were made in subsequent years.

In February 2018, given that three of the nine EVPs had been with the Corporation for less than one year, and that the Corporation had been advised that there had been limited change in the executive compensation field, no full and formal external benchmarking for executive compensation was conducted and no changes were made to executive compensation in 2018. Since February 2018, the former President and CEO and one EVP left, Mr. Sims was promoted from EVP to President and CEO, and two EVPs joined WestJet.

	2018 (\$)	2017 (\$)
Ed Sims ⁽¹⁾	662,074	236,712
Harry Taylor	438,000	438,000
Mark Porter	400,000	400,000
Barbara Munroe	380,000	380,000
Craig Maccubbin ⁽²⁾	350,000	240,685

Notes:

- (1) Mr. Sims joined WestJet as EVP, Commercial on May 29, 2017 and was appointed President and CEO on March 7, 2018. Amounts presented above are pro-rated based on time spent in the EVP and President and CEO roles in 2017 and 2018.
- (2) Mr. Maccubbin joined WestJet on April 24, 2017. Amounts presented above are pro-rated based on the time spent in the EVP role in 2017.

Short-term incentives

Short-term incentives are a component of cash compensation designed to reward for contributions in areas of particular importance to WestJet, and in doing so, ties the success of the individual to the success of the Corporation. The two elements are the Profit Share Plan, a WestJet-wide plan based on the Corporation's financial results, and the STIP, a performance bonus based on attaining specified targets. Payments made under the Profit Share Plan during the relevant year are deducted from the final STIP payment to be made.

Profit share plan

All employees are eligible to participate in the Profit Share Plan. The Profit Share Plan is a fundamental element of compensation for WestJet employees and is designed to reward employees at a level which is directly proportional to the profit margin being generated by WestJet from year to year. This approach creates a culture of ownership and encourages all employees to focus on the bottom line of WestJet. For executives and other senior management employees, the Profit Share Plan effectively funds a portion of their annual STIP amount; the payments made under the Profit Share Plan are deducted from the profitability metric portion of the final STIP payment.

Profit Share Plan payments are made twice a year in May and November. The percentage of annual profits the Board distributes pursuant to the Profit Share Plan is based on the Corporation's earnings margin (this is the same margin used for the profitability measure of STIP). See "*Non-GAAP measures*" on page 78. The Profit Share Plan includes a minimum percentage of at least 10 per cent of annual profits and a cap at 20 per cent. The amount of the Corporation's annual contribution under the Profit Share Plan, if any, is subject to approval by the Board. In 2018, WestJet distributed more than \$15 million under the Profit Share Plan to

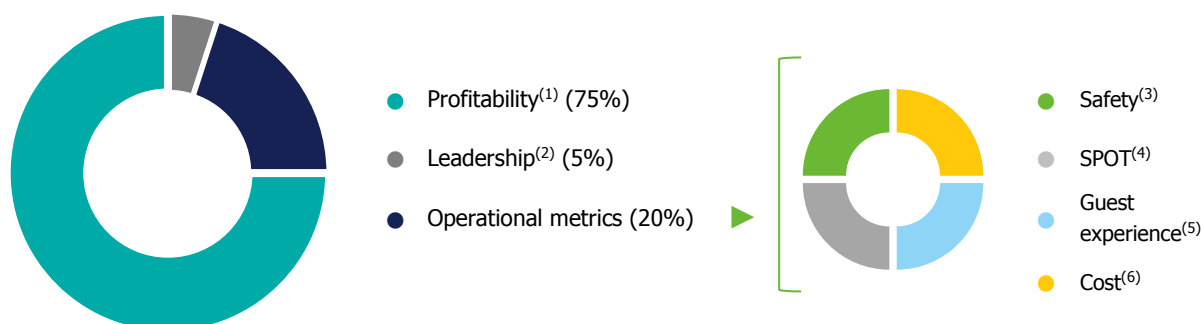
employees. See the footnotes to the "Summary compensation table" on page 57 for further details of the payments made to NEOs under the Profit Share Plan.

Short-term incentive plan

In addition to the NEOs, approximately 90 senior management employees are eligible to participate in the STIP. Under WestJet's STIP, threshold, target and maximum payouts, expressed as a percentage of base salary, are as follows for the President and CEO and EVPs:

	President and CEO	EVP
Threshold	62.5%	35%
Target	125%	70%
Maximum	250%	140%

The STIP rewards achievement of a set of annual financial, operational and leadership performance targets. It was through direct collaboration with the WEA representative on the Board that WestJet introduced a leadership metric as a performance target. The Corporation believes that strong leadership positively impacts business performance as well as employee engagement, which is at the cornerstone of WestJet's culture. Similar to 2017, in 2018, 75 per cent of the STIP payment was based on the overall profitability of WestJet, five per cent was based on leadership, and the remaining 20 per cent was split equally among four key operational metrics of operational importance to WestJet: (i) Safety; (ii) Safely performing on time (SPOT); (iii) Guest experience; and (iv) Cost.



Notes:

- (1) Profitability is based on earnings margin, which is equal to earnings before tax and employee profit share expense and other items, divided by total revenue. This is the same margin used in the calculation of Profit Share Plan distributions. See "Non-GAAP measures" on page 78.
- (2) Leadership is based on the overall company leadership effectiveness index score as measured in WestJet's annual employee survey (**LEI**).
- (3) Safety is measured on total disabling injury claims (any claim resulting in lost time and/or modified work) per 100 full-time equivalent employees (**TDI**).
- (4) SPOT is measured by arrivals within 15 minutes of published timetable (A15) and relative positioning to other North American airlines. All A15 targets have set floor at 75 per cent despite positioning in industry.
- (5) Guest experience is measured as the percentage of WestJet guests that would be willing to recommend/promote WestJet to others and is based on three categories of customers – 1) Detractors; 2) Passives; 3) Promoters (**NPS** or **Net Promoter Score**).
- (6) Cost is measured by CASM, excluding fuel and profit share (cents). See "Non-GAAP measures" on page 78.

The four key operating metrics are the same metrics used in the calculation of OPA, an annual incentive payment that rewards employees of WestJet for meeting targets in areas of particular importance. Individuals eligible under the STIP are not eligible to participate in the OPA.

The chart below summarizes the 2018 targets established by the Board, upon recommendation from the People and Compensation Committee, along with the 2018 actual results and payout presented as a multiple of target. Payout is calculated using a straight-line interpolation if realized results are between threshold and target, or between target and maximum.

	Weight	Threshold	Target	Maximum	2018 Actual results	Multiple of target
Profitability	75%	8%	10.6%	12.6%	3.22%	—
Leadership	5%	61%	64%	67%	58%	—
Safety	5%	4.78	4.54	4.30	5.99	—
SPOT	5%	Top 50 th Percentile, North American Airlines	Top Quartile, North American Airlines	Top Airline	50 th	0.50x

Guest experience	5%	52	54	56	48	—
Cost	5%	10.26	10.06	9.86	10.11	0.875x

WestJet faced significant challenges in 2018, including a challenge to margin, due to, among other things, rising costs (including fuel costs) and increased competition, despite an increase in yearly revenue. In addition, WestJet faced the implementation of many new processes and procedures, inclement weather, increased load factors and irregular operations, all of which contributed to the outcomes of the operating metrics. As a result, 2018 targets for profitability, leadership, safety, SPOT and guest experience were not met. As maintaining the highest safety standards for our guests and our employees continues to be a top priority for WestJet, company targets have been maintained at the same high standard of a TDI of 4.54 or less for 2019. See "2019 Short-term incentive targets" on page 53 for further 2019 targets. While WestJet did not meet its SPOT target, it met the SPOT threshold of top 50th percentile of North American airlines and achieved a full year average of 78.1 per cent for 2018. In respect of costs, WestJet's Owner's Mindset program helped with cost savings and facilitated the Corporation in meeting its Cost threshold, though missing its Cost target.

For 2018, the gross STIP payment for the President and CEO was 8.60 per cent of base salary and for EVPs was 4.81 per cent of base salary. The gross STIP payment, less any payments made during the year to the individual under the Profit Share Plan, was paid in February 2019, upon approval by the Board. See the footnotes to the "Summary compensation table" on page 57 for further details of the payments made to NEOs under the STIP.

Employee stock purchase plan

WestJet's ESPP is available to all employees, encouraging them to become owners in WestJet and providing the opportunity to significantly enhance their earnings. Under the terms of the ESPP, after 90 days of continuous service, employees may, depending on their employment agreement, contribute up to a maximum of 10 per cent, 15 per cent or 20 per cent of their gross salary through bi-weekly payroll deductions to acquire Shares of WestJet at the then-current market value. The contributions are matched by WestJet and are required to be held within the ESPP for a period of one year. Under the terms of the ESPP, Shares are acquired on behalf of employees through open market purchases.

At December 31, 2018, approximately 79.2 per cent of eligible employees participated in the ESPP, contributing an average of 12.2 per cent of their gross salaries. The value of the matching contributions for NEOs is reported in the "Summary Compensation Table" on page 57 under the heading "All other compensation".

Long-term incentives

In addition to assisting WestJet to attract and retain the highest quality of executive talent available, long-term incentives are designed to encourage executives and other senior management employees to demonstrate the leadership necessary to drive long-term corporate performance and returns for Shareholders.

Approximately 90 senior management employees and approximately 1,500 of WestJet's Boeing 737, 767 and 787 pilots are eligible to participate in one or more of the long-term incentives. The chart below illustrates the percentage of base salary of long-term incentives granted to the NEOs in 2018.

	President and CEO	EVP
Options	80%	45%
RSUs	80%	45%
PSUs ⁽¹⁾	190%	110%
Total	350%	200%

Note:

(1) PSUs shown as target percentage of base salary.

Options

Subject to regulatory requirements, the terms and conditions of Options granted under the 2009 SO Plan are determined by the Board, based on the recommendations from the People and Compensation Committee. Annual Option grants are typically granted in May of each year and are made pursuant to option award agreements. Option grants are also made to compensate new hires and recognize promotions as appropriate during the year. Option grants are discretionary on the part of the People and Compensation Committee and a grant in respect of one year does not entitle the participant to any future award.

Annual grants over a number of years, priced at the fair value at the date of grant, mitigate the effect of share price fluctuations. Options granted in high share-price environments are offset by those granted in years when share prices are lower. Employees

receiving Options thereby receive them at the average price over time and are therefore motivated to focus on the long-term growth in value of the Corporation and not be distracted by short-term market or sector fluctuations.

The value of the Option grant is based on the grant date fair value using the Black-Scholes option-pricing model. Options are granted with an exercise price equal to the five-day volume weighted average price of WestJet's Shares preceding the date of grant.

The purpose of the 2009 SO Plan is to develop the interest of the eligible participants in the growth and development of WestJet by aligning their interests with those of the Shareholders and providing them with an opportunity to acquire an increased ownership interest in WestJet. The Corporation currently awards Options to pilots of WestJet's Boeing 737, 767 and 787 operations and to senior management employees. Options have been a key compensation element of the agreements WestJet has had with its pilots, a group which has grown to approximately 1,500 employees.

During 2018, a total of 2,891,817 Options were granted under the 2009 SO Plan, of which 2,103,402 Options, or approximately 73 per cent, were granted to pilots of WestJet's Boeing 737 and 767 operations, and 788,415 Options, or approximately 27 per cent, were granted to senior management employees. For NEOs, all Options granted in 2018 vest one-third on each of the first, second and third anniversaries of the date of grant and expire seven years from the date of grant. See the footnotes to the "Summary compensation table" on page 57 for further details of the Option grants awarded to NEOs.

To minimize dilution, the provisions of the 2009 SO Plan provide for a cashless settlement alternative at the option of WestJet, whereby at the time of exercise, the participant receives a number of Shares equal in value to the "in-the-money" component of the Options being exercised rather than the full number of Options being exercised. See "Stock option plan – Settlement of substituted right" on page 67 for further information. The result of the cashless settlement alternative is that dilution is significantly decreased, given the number of Shares that are issued upon exercise is reduced. Such actual number of Shares issued is deducted from the number of Shares reserved and available for issuance under the 2009 SO Plan. Over the past five years, more than 99 per cent of Options exercised were exercised on a cashless basis, which resulted in the actual number of Shares issued equalling only 23 per cent of the number of Options exercised.

Restricted share units

RSUs granted pursuant to the 2008 ESU Plan or the KEP Plan, as the case may be, are granted annually in May of each year at the discretion of the Board, based on recommendations from the People and Compensation Committee, and a grant in respect of one year does not entitle the participant to any future award. RSU grants are also made to compensate new hires and recognize promotions as appropriate during the year. RSUs vest in accordance with applicable time-vesting conditions related to continued service with WestJet. The Board retains discretion to impose additional or different vesting conditions for the RSUs. RSUs also earn dividend equivalents, which vest at the same time as the RSUs.

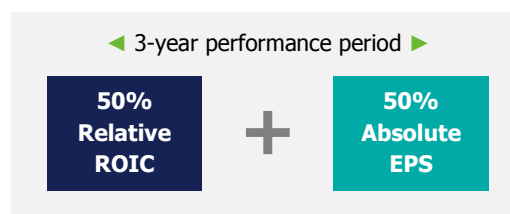
For NEOs, RSUs awarded in 2018 vest three years from the date of grant. See the footnotes to the "Summary compensation table" on page 57 for further details of the RSU grants awarded to NEOs.

WestJet generally settles vested RSUs either with the purchase of Shares on the open market or the issuance of new Shares from treasury; however, wholly at its own discretion, it may settle vested RSUs in cash. All RSUs vesting in 2018 were settled with the purchase of shares on the open market.

Performance share units

PSUs granted pursuant to the 2008 ESU Plan are granted annually in May of each year at the discretion of the Board based on recommendations from the People and Compensation Committee, and a grant in respect of one year does not entitle the participant to any future award. PSU grants are also made to compensate new hires and recognize promotions as appropriate during the year. PSUs vest in accordance with applicable performance-vesting and time-vesting conditions. Specific targets are established annually by the Board, which has been given the discretion to impose different or additional vesting conditions. PSUs also earn dividend equivalents, which vest at the same time as the PSUs.

PSUs awarded in 2018 vest three years from the date of grant (see the footnotes to the "Summary compensation table" on page 57 for further details of the PSU grants awarded to NEOs) and are at risk as vesting conditions are predicated on achieving a specified ROIC relative to an airline-specific peer group and an absolute average diluted EPS, both over a three-year period. See "Non-GAAP measures" on page 78. The two measures are independent from each other, providing the ability to achieve different payouts based on whether one or both of the measures are met.



Relative ROIC was chosen as a criterion for WestJet's PSUs as it ties compensation to the Corporation's overall efficiency in generating returns, relative to its airline peers. ROIC measures a company's efficiency in the use of its capital and is viewed as a key measure of long-term value generation to Shareholders. See "Non-GAAP measures" on page 78. Absolute EPS was chosen as the other criterion as it directly ties compensation realized to the profitability of WestJet. For the 2018 grants, including those made to NEOs, the specific ROIC and EPS performance targets and resulting PSU adjustments were as follows:

Three-year cumulative relative ROIC ⁽¹⁾ January 1, 2018 to December 31, 2020		Three-year average absolute diluted EPS 2018, 2019 and 2020		
Competitor rank ⁽²⁾	Payout ⁽³⁾	From (\$)	To (\$)	Payout ⁽³⁾
8 th or 9 th	0	0.00	2.15	0
7 th	0.25 times	2.16 ⁽⁴⁾	2.35	0.25 times
6 th	0.60 times	2.36	2.55	0.50 times
5 th	1.00 times	2.56	2.76	0.75 times
4 th	1.50 times	2.77	2.99	1.00 times
3 rd	1.75 times	3.00	3.19	1.25 times
1 st or 2 nd	2.00 times	3.20	3.39	1.50 times
		3.40	3.59	1.75 times
		3.60 ⁽⁴⁾	>3.60	2.00 times

Notes:

- (1) See "Non-GAAP measures" on page 78. No payout will be made if the result of WestJet's three-year cumulative ROIC is negative.
- (2) Ranked among an airline peer group of Air Canada, Alaska Airlines, American Airlines, Delta, Jet Blue, Southwest Airlines, United Airlines and Virgin Australia. In the event of acquisition, insolvency or similar extraordinary event of any of these carriers, the Board may substitute another carrier.
- (3) "Times" refers to a unit multiplier for vesting of the PSU, e.g., 1.0 times is 100 per cent vesting.
- (4) Threshold EPS is set at 75 per cent of the midpoint of the target bracket and maximum EPS is set at 125 per cent of the midpoint of the target bracket.

Upon realization of the specified time and performance conditions, the PSUs will vest. WestJet generally settles vested PSUs with the purchase of open market Shares or issuance of new treasury Shares; however, at the Board's discretion, WestJet may settle vested PSUs in cash.

Vesting of 2015 performance share units

For PSUs granted in 2015, the three-year performance period was completed and the units vested in May 2018. The People and Compensation Committee reviewed the actual performance outcomes versus the performance vesting conditions set at the time of the grant in May 2015, and recommended for approval to the Board the resulting vesting multiplier. Similar to the 2018 grant, performance-vesting conditions for the 2015 awards were based 50 per cent on achieving a ROIC relative to an airline-specific peer group and 50 per cent on an absolute average diluted EPS, over a three-year period.

Over the three-year performance period, WestJet realized a diluted EPS three-year average of \$2.60 (2015: \$2.92, 2016: \$2.45, 2017: \$2.42). WestJet's three-year cumulative ROIC for the period of January 1, 2015 to December 31, 2017 ranked the airline in 8th position among the airline peer group. As a result, the PSUs granted in 2015 vested at a combined multiple of 0.375 times (equal to 50 per cent times 0 plus 50 per cent times 0.75).

Three-year cumulative relative ROIC⁽¹⁾
January 1, 2015 to December 31, 2017

Competitor rank ⁽²⁾	Payout
8th or 9th	0
7 th	0.25 times
6 th	0.60 times
5 th	1.00 times
4 th	1.50 times
3 rd	1.75 times
1 st or 2 nd	2.00 times

Three-year average absolute diluted EPS
2015, 2016 and 2017

From (\$)	To (\$)	Payout
0.00	2.12	0
2.13	2.32	0.25 times
2.33	2.52	0.50 times
2.53	2.73	0.75 times
2.74	2.94	1.00 times
2.95	3.14	1.25 times
3.15	3.34	1.50 times
3.35	3.54	1.75 times
3.55	>3.55	2.00 times

Notes:

- (1) See "Non-GAAP measures" on page 78.
- (2) Ranked among an airline peer group of Air Canada, Alaska Airlines, American Airlines, Delta, Jet Blue, Southwest Airlines, United Airlines, and Virgin Australia.

WestJet settled the PSUs granted in 2015 through the purchase of Shares on the open market.

2019 Short-term incentive targets

The 2019 STIP targets for WestJet, as presented in the following table, were recommended by the People and Compensation Committee, approved by the Board in October 2018 and confirmed by the People and Compensation Committee in February 2019. For 2019, the weighting for each measure will remain the same as in 2018 and each measure will be calculated on the same basis as in 2018.

	Weight	Threshold	Target	Maximum
Profitability ⁽¹⁾	75%	4.0%	5.5%	8.0%
Leadership ⁽²⁾	5%	56%	59%	62%
Safety ⁽³⁾	5%	4.78	4.54	4.30
SPOT ⁽⁴⁾	5%	Top 50 th percentile NA Airlines and >75% A15	Top quartile NA Airlines and >75% A15	Top 2 NA Airlines and >75% A15
Guest experience ⁽⁵⁾	5%	52	54	56
Cost ⁽⁶⁾	5%	10.43	10.23	10.03

Notes:

- (1) Profitability is based on earnings margin, which is equal to earnings before tax and employee profit share expense and other items, divided by total revenue. This is the same margin used in the calculation of Profit Share Plan distributions. See "Non-GAAP measures" on page 78.
- (2) Leadership is based on the overall company leadership effectiveness index score as measured in WestJet's annual employee survey (**LEI**).
- (3) Safety is measured on total disabling injury claims (any claim resulting in lost time and/or modified work) per 100 full-time equivalent employees (**TDI**).
- (4) SPOT is measured by arrivals within 15 minutes of published timetable (A15) and relative positioning to other North American airlines. All A15 targets have set floor at 75 per cent despite positioning in industry.
- (5) Guest experience is measured as the percentage of WestJet guests that would be willing to recommend/promote WestJet to others and is based on three categories of customers – 1) Detractors; 2) Passives; 3) Promoters (**NPS** or **Net Promoter Score**).
- (6) Cost is measured by CASM, excluding fuel and profit share (cents). See "Non-GAAP measures" on page 78.

NEO compensation

The information in this section is presented for the NEOs as at December 31, 2018.

President and CEO

Ed Sims

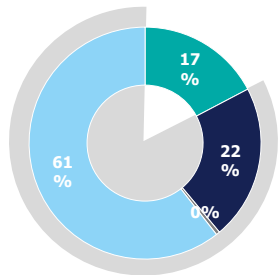


Mr. Ed Sims was appointed as President and CEO on March 7, 2018. As President and CEO, Mr. Sims is responsible for both the strategic direction and the day-to-day operations of WestJet. Mr. Sims first joined WestJet in May 2017 as EVP, Commercial.

Celebrating its 22nd year in operations, WestJet achieved a number of accomplishments in 2018, including that we:

- recorded net earnings of \$91.5 million and diluted earnings per share of \$0.80, delivered top-line revenue growth of 5.0 per cent, and flew a record number of 25.5 million guests;
- were again recognized as Best Airline in Canada and Travellers' Choice winner – North America in the 2018 TripAdvisor Travellers' Choice awards for Airlines, and as Travellers' Choice Winner – Economy, North America;
- announced Calgary as the home of the first three 787 aircraft and non-stop 787 service from Calgary to Dublin (Ireland), London (England), and Paris (France);
- implemented the newest tier Platinum and enhancements to our Rewards program; and
- launched operations of Swoop, signed a joint-venture agreement with Delta, and commenced WestJet Link operations.

Target mix



	2018	2017	2016
● Base salary	662,074 ⁽¹⁾	236,712 ⁽²⁾	—
● STIP (inclusive of profit share)	55,330	144,875	—
● ESPP	70,671	—	—
● Long-term incentives			
Options	600,000	180,000	—
RSUs	600,000	330,000 ⁽³⁾	—
PSUs	1,422,500	440,000	—
Other	0	340,000 ⁽³⁾	—
Total compensation	3,410,575	1,671,587	—

- At-risk based on company and/or Share price performance (total of 81 per cent).

The following table compares the total compensation awarded and granted to Mr. Sims in respect of his performance as President and CEO with the actual amount realized from compensation awards. Realized compensation includes salary, STIP and matching contributions under the ESPP, and value at maturity for RSUs and PSUs and value realized on exercise of Options (or current market value for outstanding units and unexercised Options outstanding at December 31, 2018).

	Total compensation	Realized compensation value ⁽⁴⁾
2018	3,410,575	2,822,597
2017	1,671,587	1,357,576

Notes:

- Pro-rated from an annual base salary of \$400,000 as EVP, Commercial (from January 1, 2018 to March 6, 2018) and annual base salaries of \$675,000 (from March 7, 2018 to July 31, 2018) and \$766,000 (from August 1, 2018) as President and CEO.
- Pro-rated from an annual base salary of \$400,000 as EVP, Commercial, from Mr. Sims' start date on May 29, 2017 to December 31, 2017.
- In connection with his appointment as EVP, Commercial, to compensate for amounts foregone with his previous employer and in consideration of the short-term impact of his relocation, Mr. Sims received: (i) a one-time cash payment of \$340,000; and (ii) a one-time RSU grant under the 2008 ESU Plan with a grant value of \$150,000, which vests one-third on each of the first, second and third anniversaries of the grant date.
- The actual realized compensation value includes amounts Mr. Sims received as base salary, STIP and ESPP, as well as the amount realized on exercise or settlement of the option-based and share-based awards granted during the applicable year. For option-based and share-based awards outstanding as at December 31, 2018, current market value was used based on the December 31, 2018 closing Share price of \$18.00. For the purpose of this calculation, unvested PSUs were based on a target payout measurement.

Other NEOs

The following profiles provide background on each of the NEOs who continued to be employed by WestJet on December 31, 2018. In addition, their individual 2018 total compensation and components thereof, comparison to 2017 and 2016 compensation, and percentage of at-risk compensation, are reflected below.

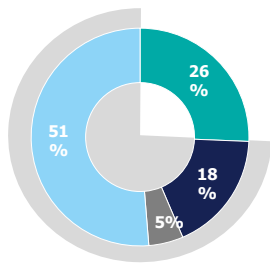
Harry Taylor

EVP, Finance and CFO



Mr. Harry Taylor joined WestJet as EVP, Finance and CFO in October 2015. He is responsible for the overall financial management of WestJet, its financial reporting and long-term financial planning, as well as for multiple corporate functions including audit and advisory, controllership, investor relations, supply chain, treasury and tax.

Target mix



- At-risk based on company and/or Share price performance (total of 69 per cent).

	2018	2017	2016
● Base salary	438,000	438,000	438,000
● STIP (inclusive of profit share)	30,719	266,830	212,693
● ESPP	87,600	87,600	80,160
● Long-term incentives			
Options	197,100	197,100	197,100
RSUs	197,100	197,100	197,100
PSUs	481,800	481,800	481,800
Total compensation	1,432,319	1,668,430	1,606,853

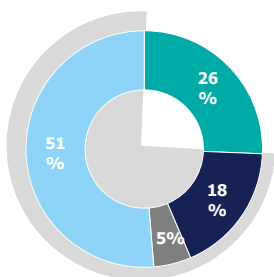
Mark Porter

EVP, People and Culture



Mr. Mark Porter joined WestJet as EVP, People and Culture in October 2015. Mr. Porter is responsible for overseeing all aspects of WestJet's People department including people relations, labour relations, talent management, organizational development, recruitment, compensation, benefits and culture.

Target mix



- At-risk based on company and/or Share price performance (total of 69 per cent).

	2018	2017	2016
● Base salary	400,000	400,000	400,000
● STIP (inclusive of profit share)	28,054	243,680	194,240
● ESPP	80,000	80,000	73,205
● Long-term incentives			
Options	180,000	180,000	180,000
RSUs	180,000	180,000	180,000
PSUs	440,000	440,000	440,000
Total compensation	1,308,054	1,523,680	1,467,445

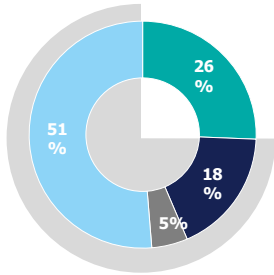
Barbara Munroe

EVP, Corporate Services and General Counsel



Ms. Barbara Munroe was named EVP, Corporate Services and General Counsel on November 1, 2016. Prior to that, Ms. Munroe joined WestJet in November 2011 as VP, General Counsel and was promoted to SVP, Corporate Services and General Counsel in June 2015. In her role, Ms. Munroe is responsible for the airline’s legal and compliance function, as well as multiple corporate functions, including corporate real estate, regulatory, government relations and fuel and environment.

Target mix



- At-risk based on company and/or Share price performance (total of 69 per cent).

	2018	2017	2016
● Base salary	380,000	380,000	317,773
● STIP (inclusive of profit share)	26,651	231,497	110,216
● ESPP	76,000	76,000	63,555
● Long-term incentives			
Options	171,000	171,000	126,125
RSUs	171,000	171,000	126,125
PSUs	418,000	418,000	257,750
Total compensation	1,242,651	1,447,497	1,001,544

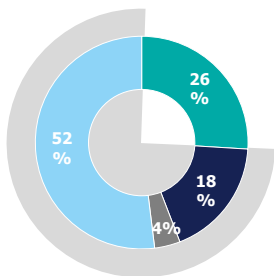
Craig Maccubbin

EVP and CIO



Mr. Craig Maccubbin joined WestJet as the EVP and CIO in April 2017. He is responsible for the overarching strategy of WestJet’s IT programs and the team’s continuing effort to support both external guest experience and internal productivity.

Target mix



- At-risk based on company and/or Share price performance (total of 63 per cent).

	2018	2017	2016
● Base salary	350,000	240,685 ⁽¹⁾	—
● STIP (inclusive of profit share)	24,547	147,210	—
● ESPP	52,500	16,154 ⁽²⁾	—
● Long-term incentives			—
Options	157,500	157,500	—
RSUs	157,500	157,500	—
PSUs	385,000	385,000	—
Other ⁽³⁾	100,000	250,000	—
Total compensation	1,227,047	1,354,049	—

Notes:

- (1) Pro-rated from an annual base salary of \$350,000 from Mr. Maccubbin’s start date on April 24, 2017 to December 31, 2017.
- (2) Mr. Maccubbin was eligible to participate under the ESPP only after 90 days of continuous service with WestJet.
- (3) In connection with his appointment and to compensate him for amounts foregone with his previous employer, Mr. Maccubbin received a one-time cash payment of \$250,000 in 2017 and a one-time cash payment of \$100,000 in 2018.

Summary compensation table

The following table sets forth the annual and long-term compensation provided for the individuals serving as WestJet's CEO and CFO during the year, and the next three most-highly compensated executive officers of the Corporation (each, an **NEO**), in each case, for the 2018 fiscal year. For a listing of the amounts actually realized on vesting of share-based awards and on exercise of option-based awards during 2018, please see the section entitled "Incentive plan awards" beginning on page 59.

	Year	Salary (\$) ⁽¹⁾	Share-based awards (\$) ⁽²⁾⁽⁴⁾	Option-based awards (\$) ⁽³⁾⁽⁴⁾	Non-equity annual incentive plan compensation (\$) ⁽⁵⁾	All other compensation (\$) ⁽⁶⁾	Total compensation (\$) ⁽¹¹⁾
Ed Sims ⁽⁷⁾ President and CEO	2018	662,074	2,022,500	600,000	55,330	70,671	3,410,575
	2017	236,712	770,000	180,000	144,875	340,000	1,671,587
	2016	—	—	—	—	—	—
Harry Taylor EVP, Finance and CFO	2018	438,000	678,900	197,100	30,719	87,600	1,432,319
	2017	438,000	678,900	197,100	266,830	87,600	1,668,430
	2016	438,000	678,900	197,100	212,693	80,160	1,606,853
Mark Porter EVP, People and Culture	2018	400,000	620,000	180,000	28,054	80,000	1,308,054
	2017	400,000	620,000	180,000	243,680	80,000	1,523,680
	2016	400,000	620,000	180,000	194,240	73,205	1,467,445
Barbara Munroe ⁽⁸⁾ EVP, Corporate Services and General Counsel	2018	380,000	589,000	171,000	26,651	76,000	1,242,651
	2017	380,000	589,000	171,000	231,497	76,000	1,447,497
	2016	317,773	383,875	126,125	110,216	63,555	1,001,544
Craig Maccubbin ⁽⁹⁾ EVP and CIO	2018	350,000	542,500	157,500	24,547	152,500	1,227,047
	2017	240,685	542,500	157,500	147,210	266,154	1,354,049
	2016	—	—	—	—	—	—
Gregg Saretsky Former President and CEO	2018	179,716	—	—	—	4,039,925 ⁽¹⁰⁾	4,219,641
	2017	766,000	2,068,200	612,800	834,406	153,200	4,434,606
	2016	766,000	2,068,200	612,800	664,200	153,200	4,264,400

Notes:

- (1) Base salaries have been held constant for the NEOs who have been in an executive position since May 2015.
- (2) Share-based awards consist of RSUs and PSUs granted during the relevant fiscal year pursuant to the 2008 ESU Plan or KEP Plan, as applicable. Amounts presented are equal to the grant date fair value multiplied by the number of units granted. The grant date fair value of share-based awards was calculated in accordance with *IFRS 2 Share-Based Payments* and is determined based on the weighted average trading price of the Shares for the five trading days immediately preceding the date of grant. This is the same valuation as reflected in WestJet's financial statements, except that under *IFRS 2 Share-Based Payments*, the grant date fair value is recognized over the relevant service period.
- (3) Option-based awards consist of Options granted during the relevant fiscal year pursuant to the 2009 SO Plan. Amounts presented are equal to the grant date fair value multiplied by the number of Options granted. The grant date fair value of option-based awards was calculated in accordance with *IFRS 2 Share-Based Payments* and is determined using the Black-Scholes valuation model. This is the same valuation as reflected in WestJet's financial statements. Inputs are based on actual and historical corporate information available as of the grant date. Under *IFRS 2 Share-Based Payments* the grant date fair value is recognized over the relevant service period.

	2018	2017	2016
Weighted average fair value per Option	\$3.86	\$4.12	\$3.81
Weighted average risk-free interest rate	2.31%	1.05%	0.68%
Weighted average volatility	26%	27%	28%
Expected life (years)	4.2	4.3	4.3
Weighted average dividend yield	2.3	2.1%	1.9%

- (4) The following table shows information regarding grants of Options made to NEOs under the 2009 SO Plan and grants of RSUs and PSUs made to NEOs under the 2008 ESU Plan in 2018. For all NEOs, Options granted in 2018 vest one-third on each of the first, second and third anniversaries of the date of grant, and expire seven years from the date of grant.

	Grant date	Award type	Units granted (#)	Expiry date or end of vesting period	Share price on grant date (\$)	Grant date fair value (\$)
Ed Sims	May 16, 2018	Options	97,928	May 15, 2025	\$19.77	540,000
	May 16, 2018	Options	15,545	May 15, 2025	\$19.77	60,000
	May 16, 2018	RSUs	35,510	May 16, 2021	\$19.77	540,000
	May 16, 2018	RSUs	3,035	May 16, 2021	\$19.77	60,000
	May 16, 2018	PSUs	64,872	May 16, 2021	\$19.77	1,282,500
	May 16, 2018	PSUs	7,103	May 16, 2021	\$19.77	140,000
Harry Taylor	May 16, 2018	Options	35,744	May 15, 2025	\$19.77	197,100
	May 16, 2018	RSUs	12,961	May 16, 2021	\$19.77	197,100
	May 16, 2018	PSUs	24,371	May 16, 2021	\$19.77	481,800
Mark Porter	May 16, 2018	Options	32,643	May 15, 2025	\$19.77	180,000
	May 16, 2018	RSUs	11,837	May 16, 2021	\$19.77	180,000
	May 16, 2018	PSUs	22,256	May 16, 2021	\$19.77	440,000
Barbara Munroe	May 16, 2018	Options	31,011	May 15, 2025	\$19.77	171,000
	May 16, 2018	RSUs	11,245	May 16, 2021	\$19.77	171,000
	May 16, 2018	PSUs	21,144	May 16, 2021	\$19.77	418,000
Craig Maccubbin	May 16, 2018	Options	28,563	May 15, 2025	\$19.77	157,500
	May 16, 2018	RSUs	10,357	May 16, 2021	\$19.77	157,500
	May 16, 2018	PSUs	19,475	May 16, 2021	\$19.77	385,000

- (5) All amounts included in non-equity annual incentive plans represent amounts earned pursuant to the Profit Share Plan and the STIP. Amounts earned pursuant to the Profit Share Plan were paid during 2018. Amounts earned pursuant to the STIP were paid in early 2019 based on 2018 performance.

	Profit Share (\$)	STIP (\$)	Total (\$)
Ed Sims	11,080	44,250	55,330
Harry Taylor	9,640	21,079	30,719
Mark Porter	8,804	19,250	28,054
Barbara Munroe	8,363	18,288	26,651
Craig Maccubbin	7,703	16,844	24,547

Similarly, amounts earned pursuant to the Profit Share Plan for 2017 and 2016 were paid during those years and amounts earned pursuant to the STIP were paid in the year following the year in which they were earned.

- (6) Included in all other compensation are amounts contributed by the Corporation pursuant to the ESPP. Additionally, in line with airline industry practice, employees of WestJet, including the NEOs noted above, may book personal travel for themselves, their spouses and their eligible dependents on WestJet flights at current standby fares plus applicable taxes and airport fees, in circumstances of available capacity. As a result, no amounts are recorded in respect of such rights.
- (7) Mr. Ed Sims was appointed President and CEO on March 7, 2018. Prior to this, Mr. Sims joined WestJet in the position of EVP, Commercial on May 29, 2017. In connection with his appointment as EVP, Commercial, and to compensate him for amounts foregone with his previous employer and in consideration with the short-term impact of his relocation to the Calgary area from New Zealand, Mr. Sims received: (i) a one-time cash payment of \$340,000 (included under the column "All other compensation" for 2017); and (ii) a one-time grant of RSUs under the 2008 ESU Plan with a grant value of \$150,000 (included under the column "Share-based awards" for 2017), which will vest one-third on each of the first, second and third anniversaries of the grant date and expire seven years from the date of grant.
- (8) Ms. Munroe was promoted to EVP, Corporate Services and General Counsel effective November 1, 2016. Ms. Munroe joined WestJet in November 2011 as VP, General Counsel and was promoted to SVP, General Counsel and Corporate Services in June 2015.
- (9) In connection with his appointment and to compensate him for amounts foregone with his previous employer, Mr. Maccubbin received a one-time cash payment of \$250,000 in 2017 and a one-time cash payment of \$100,000 in 2018.
- (10) Mr. Saretsky came to agreement with the Board to retire as President and CEO, effective March 7, 2018, pursuant to which he received a retiring allowance in the amount of \$4,008,696.
- (11) The total compensation for the Corporation's Named Executive Officers in 2018 was \$12,840,287 (which amount includes Mr. Saretsky's retiring allowance).

Incentive plan awards

Outstanding share-based awards and option-based awards

The following table presents the share-based and option-based awards held by the NEOs and outstanding as at December 31, 2018.

	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or unit awards that have not vested (#) ⁽²⁾	Market or payout value of share-based awards that have not vested (\$) ⁽³⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Ed Sims	42,254	22.86	June 13, 2024	—	145,975	2,627,550	—
	113,473	19.77	May 15, 2025	—			
Harry Taylor	43,415	23.43	November 10, 2022	—	106,658	1,919,844	—
	51,733	20.08	May 10, 2023	—			
	48,074	22.03	May 9, 2024	—			
	35,744	19.77	May 15, 2025	—			
Mark Porter	133,261	23.43	November 10, 2022	—	97,405	1,753,286	—
	47,245	20.08	May 10, 2023	—			
	43,903	22.03	May 9, 2024	—			
	32,643	19.77	May 15, 2025	—			
Barbara Munroe	629	21.68	May 9, 2019	—	80,878	1,455,804	—
	5,389	21.93	May 14, 2020	—			
	9,816	23.87	May 13, 2021	—			
	9,377	26.92	May 12, 2022	—			
	3,429	26.54	May 31, 2022	—			
	21,326	20.08	May 10, 2023	—			
	11,419	21.20	November 8, 2023	—			
	41,708	22.03	May 9, 2024	—			
31,011	19.77	May 15, 2025	—				
Craig Maccubbin	38,415	22.03	May 9, 2024	—	56,268	1,012,824	—
	28,563	19.77	May 15, 2025	—			
Gregg Saretsky ⁽⁴⁾	6,066	16.17	May 8, 2019	11,101	—	—	—
	78,439	21.93	May 14, 2020	—			
	92,122	23.87	May 13, 2021	—			
	115,842	26.92	May 12, 2022	—			
	160,840	20.08	September 7, 2022	—			
	149,464	22.03	September 7, 2022	—			

Notes:

- (1) The value of unexercised in-the-money Options was calculated based on the difference between the market value of the Shares at December 31, 2018 and the exercise price of the Option. The market value of the December 31, 2018 closing Share price was \$18.00.
- (2) The number of shares or unit awards that have not vested includes the number of units granted, plus units earned as dividend equivalents, of all outstanding RSUs and PSUs as at December 31, 2018.
- (3) The market or payout value of share-based awards that have not vested was calculated by multiplying the number of share-based units that had not vested by the December 31, 2018 by the December 31, 2018 closing Share price of \$18.00. PSUs may vest between 0 per cent and 200 per cent based on the achievement of certain three-year performance targets. For the purpose of the above, PSUs are projected to pay out at target.
- (4) Mr. Saretsky came to agreement with the Board to retire as President and CEO effective March 7, 2018. In connection with his agreement and under the terms of the 2009 SO Plan, Mr. Saretsky has the earlier of the original expiry date and September 7, 2022 to exercise his vested Options, and his unvested Options continued to be eligible to vest for 24 months following September 7, 2018. In connection with his agreement and under the terms of the 2008 ESU Plan, all outstanding unvested RSUs and PSUs vested *pro rata* based on the proportion that the period from the grant date to September 7, 2018 was of the period from the grant date to the vesting date.

Value vested or earned during the year

The following table presents the value of option-based and share-based awards that vested and non-equity incentive plan compensation earned by the NEOs during the year ended December 31, 2018.

	Option-based awards – value vested during the year (\$) ⁽¹⁾	Share-based awards – value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – value earned during the year (\$) ⁽³⁾
Ed Sims	—	42,488	55,330
Harry Taylor	—	319,590	30,719
Mark Porter	—	593,240	28,054
Barbara Munroe	—	77,073	26,651
Craig Maccubbin	—	—	24,547
Gregg Saretsky	—	2,231,994 ⁽⁴⁾	—

Notes:

- (1) The value vested during the year of option-based awards is equal to the dollar value that would have been realized if the Options had been exercised on the vesting date. Market value is equal to the closing Share price on the day immediately prior to vesting date. No Options were exercised by the NEOs during 2018.
- (2) Included in Share-based awards – value vested during the year are amounts for RSUs that met the applicable time vesting conditions in 2018 and for PSUs that met the applicable time and performance vesting conditions in 2018. In 2018, the PSUs granted to NEOs in 2015 vested. The performance vesting conditions for the 2015 awards were based on achieving a ROIC relative to an airline specific peer group and an absolute average EPS, over a three-year period. Based on a three-year average diluted EPS of \$2.60 and WestJet's three-year cumulative ROIC placing the airline in 8th position amongst the peer group, the PSUs vested at a multiple of 0.375 times. The value vested is equal to the dollar value that was realized on vesting and was calculated by multiplying the number of share-based units that vested by the market value of the securities underlying the instruments on vesting. See "Non-GAAP measures" on page 78.
- (3) Included in Non-equity incentive plan compensation – value earned during the year are amounts earned by the NEO for the 2018 fiscal year pursuant to the Profit Share Plan and the STIP. These are the same amounts as reported in the "Summary compensation table" on page 57. Amounts earned pursuant to the Profit Share Plan were paid during 2018. Amounts earned pursuant to the STIP were paid in early 2019 based on 2018 performance.
- (4) Mr. Saretsky came to agreement with the Board to retire as President and CEO effective March 7, 2018. In connection with his agreement and under the terms of the 2009 SO Plan, Mr. Saretsky has the earlier of the original expiry date and September 7, 2022 to exercise his vested Options, and his unvested Options continued to be eligible to vest for twenty-four months following March 7, 2018. In connection with his agreement and under the terms of the 2008 ESU Plan, all outstanding unvested RSUs and PSUs vested *pro rata* based on the proportion that the period from the grant date to September 7, 2018 was of the period from the grant date to the vesting date.

Options exercised during the year

No Options were exercised by the NEOs during 2018.

Share ownership guidelines

The People and Compensation Committee and the Board believe it is important that the senior leaders of the Corporation demonstrate their commitment to WestJet's stewardship through share ownership. The SOG has been set whereby the President and CEO, EVPs, SVPs and VPs are expected to own, or exercise control or direction over, directly or indirectly, Shares, including RSUs and vested PSUs, valued at a specified amount, within five years from their appointment. Should a senior leader be promoted, he or she is afforded the greater of an additional three years to meet his or her new share ownership requirement or the remaining term of the original five-year period.

Title	Share ownership guideline
President and CEO	4.0 times annual base salary
EVP	2.0 times annual base salary
SVP	1.5 times annual base salary
VP	1.0 times annual base salary

The People and Compensation Committee annually reviews actual shareholdings against the guidelines. Ownership levels are measured annually at December 31 based on market value and having regard to satisfaction of performance vesting conditions for previously granted PSUs. In the event of a significant change in the value of Shares, the People and Compensation Committee may review and recommend revised schedules to meet the share ownership guideline requirements.

NEO share ownership

The following table provides details regarding the share ownership and measurement under the guidelines for the NEOs in position at December 31, 2018.

	Share ownership guideline	Units		Value ⁽¹⁾			Multiple of base salary ⁽²⁾	Meets SOG
		Shares (#)	RSUs (#)	Shares (\$)	RSUs (\$)	Total (\$)		
Ed Sims	4.0x	8,485	52,300	152,730	941,400	1,094,130	1.4x	by 2022 ⁽³⁾
Harry Taylor	2.0x	57,310	33,136	1,031,580	596,448	1,628,028	3.7x	Yes
Mark Porter	2.0x	38,905	30,263	700,290	544,734	1,245,024	3.1x	Yes
Barbara Munroe	2.0x	16,608	26,199	298,944	471,582	770,526	2.0x	Yes
Craig Maccubbin	2.0x	6,448	18,071	116,064	325,278	441,342	1.3x	by 2022 ⁽⁴⁾

Notes:

- (1) Based on the closing Share price on December 31, 2018 of \$18.00.
- (2) Multiple of base salary is based on the NEO's base salary at December 31, 2018.
- (3) Mr. Sims joined WestJet as EVP, Commercial, effective May 29, 2017, and was appointed as President and CEO on March 7, 2018. Mr. Sims has until May 2022 to meet his revised ownership guideline requirement of 4.0 times his annual base salary.
- (4) Mr. Maccubbin joined WestJet as EVP and CIO on April 24, 2017 and has until April 2022 to meet his share ownership guideline of 2.0 times his annual base salary.

Trading policy

While the Corporation encourages all Directors, NEOs and other senior leaders to become Shareholders of WestJet, it also recognizes the need to assist its insiders in meeting their obligations under securities laws. For that reason, WestJet maintains a comprehensive *Disclosure, Confidentiality and Trading Policy*. Under the *Disclosure, Confidentiality and Trading Policy*, Directors and officers (including all NEOs) are allowed to trade WestJet securities only during designated trading windows and must pre-clear all trades with the President and CEO. Any trades by the President and CEO must be pre-cleared by the Chair of the Board. As required by law, each trade by a Director or NEO is reported in an insider trading report filed online through SEDI.

Anti-hedging

In addition, the *Disclosure, Confidentiality and Trading Policy* restricts certain individuals, including all Directors and officers, from entering into equity monetization transactions. An **equity monetization transaction** is defined in the *Disclosure, Confidentiality and Trading Policy* as a transaction, whether executed through the use of various derivative instruments or otherwise, including put and call options, which allows an investor to receive a cash amount or other form of payment or borrowing against the value of the derivative instruments in consideration of the effective transfer of all or part of the economic return associated with the security, without actually transferring the legal and beneficial ownership of such security. Directors and officers are restricted from entering into equity monetization transactions with respect to WestJet securities unless: (a) the equity monetization transaction is not entered into with respect to any unvested Options; (b) the equity monetization transaction is not entered into with respect to Shares which are being held in order to comply with the Corporation's minimum share ownership guidelines; (c) to the extent the equity monetization transaction involves the sale of a call option or similar derivative instrument, the proceeds of such sale are concurrently used to buy a put option or other derivative instrument used to create a "collaring" of the Share and are not paid to the Director or officer; (d) a Director or officer is not prohibited from trading in securities of the Corporation under applicable securities legislation or otherwise under the Corporation's trading policy; (e) the equity monetization transaction is reported in accordance with applicable securities legislation and in an information circular of the Corporation provided to Shareholders; and (f) the general terms of the equity monetization transaction are approved by the Chair of the Board or the President and CEO prior to the execution of the equity monetization transaction.

Termination and change of control benefits

The table below shows the estimated incremental amounts to which each NEO, who continued to be employed by WestJet on December 31, 2018, would have been entitled to under the circumstance of a termination and/or change of control at December 31, 2018. For the specifics under each type of payout circumstance for each NEO, refer to the employment contracts narrative that follows the table. The actual amount that the NEO could receive in the future as a result of a termination and/or change of control could differ materially from the amounts set forth below as a result of, among other things, changes in Share price, changes in base salary and the timing of the termination event and performance determination for any unvested PSUs.

	Retirement ⁽¹⁾ (\$)	Resignation ⁽²⁾ (\$)	Termination with cause ⁽³⁾ (\$)	Termination without cause ⁽⁴⁾ (\$)	Change of control with termination (\$) ⁽⁵⁾	Change of control without termination (\$)
Ed Sims						
Lump-sum payment ⁽⁶⁾	—	—	—	2,281,588	2,281,588	—
Value of early vesting of option-based and equity-based awards ⁽⁷⁾	—	—	—	464,609	1,302,588	—
Total	—	—	—	2,746,197	3,584,176	—
Harry Taylor						
Lump-sum payment ⁽⁶⁾	—	—	—	1,193,187	1,193,187	—
Value of early vesting of option-based and equity-based awards ⁽⁷⁾	—	—	—	1,035,583	1,919,844	—
Total	—	—	—	2,228,770	3,113,031	—
Mark Porter						
Lump-sum payment ⁽⁶⁾	—	—	—	1,089,668	1,089,668	—
Value of early vesting of option-based and equity-based awards ⁽⁷⁾	—	—	—	1,084,421	1,753,286	—
Total	—	—	—	2,174,089	2,842,954	—
Barbara Munroe						
Lump-sum payment ⁽⁶⁾	—	—	—	1,035,185	1,035,185	—
Value of early vesting of option-based and equity-based awards ⁽⁷⁾	683,076	683,076	—	683,076	1,455,804	—
Total	683,076	683,076	—	1,718,261	2,490,989	—
Craig Maccubbin						
Lump-sum payment ⁽⁶⁾	—	—	—	870,947	870,947	—
Value of early vesting of option-based and equity-based awards ⁽⁷⁾	—	—	—	368,572	1,012,824	—
Total	—	—	—	1,239,519	1,883,771	—

Notes:

- (1) In accordance with WestJet's corporate policy, which is based on a combination of years of service and age, only Ms. Munroe was eligible for retirement at December 31, 2018.
- (2) In the event of her resignation, Ms. Munroe was retirement eligible.
- (3) In the case of all NEOs, for termination with cause, no incremental value will be realized.
- (4) See "Employment contracts" below.
- (5) If a change of control occurs and the NEO's employment is subsequently terminated without cause, all unvested Options become vested and exercisable until the applicable expiry date. If a change of control occurs prior to the vesting date and the NEO's employment is subsequently terminated without cause, all outstanding RSUs and PSUs vest in full on a 100 per cent basis.
- (6) The lump-sum payment is based on the base salary level of the NEO as at December 31, 2018, actual amounts paid and STIP percentages for the prior two calendar years for the President and CEO and EVPs. Detailed information about how the lump-sum payment is calculated can be found under the heading "Employment contracts" below.

- (7) The accelerated value for RSUs and PSUs granted in 2016, 2017 and 2018 is equal to the number of outstanding unvested share units times the December 31, 2018 closing Share price of \$18.00 and pro-rated for the time period elapsed, other than under change of control with termination whereby RSUs and PSUs vest in full on a 100 per cent basis. For the purpose of this calculation, PSU amounts have been based on a target payout measurement. The accelerated value for Options is equal to the difference between the December 31, 2018 closing Share price of \$18.00 and the exercise price of the Option multiplied by the number of accelerated Options.

Employment contracts

WestJet has agreements in place with the President and CEO and each of the other NEOs who continued to be employed by WestJet on December 31, 2018, that provide for the payment of cash compensation and/or accelerated vesting of option-based and share-based equity awards in the event of termination of employment under specified circumstances. Unless otherwise specified, the following disclosure presents the employment contracts as at December 31, 2018 and corresponds to the disclosure in the previous table. For the purposes of this section, **Change of Control** is defined to mean one or more of the following: (a) the acquisition of in excess of 33 per cent of the Shares of WestJet by another entity; (b) the acquisition of all or substantially all of the assets of WestJet; or (c) a merger of WestJet with or into one or more other companies, corporations, trusts or other entities if: (i) the members of the Board immediately before the consummation of the merger do not comprise a majority of the directors, trustees or other governing body of the surviving entity; (ii) the merger results in the securityholders of the other parties to the transaction owning securities of the surviving entity entitling them to greater than 35 per cent of the votes attaching to all securities of the surviving entity that may be cast to elect its directors, trustees or other governing body; or (iii) the Board designates such transaction by resolution as being a "Change of Control" prior to the consummation of such transaction. The agreements with Mr. Sims and each of the other NEOs in the position as at December 31, 2018, as described below, contained "double trigger" change of control provisions.

President and CEO²

Mr. Sims' contract provides that if he is terminated by WestJet without cause, he is entitled to receive a lump sum payment equal to: (a) two times his annual base salary; (b) two times his annual bonus amount (which means the average of the actual amount paid or determined in respect of the STIP prior to any reduction for profit share for the prior two calendar years); (c) 50 per cent of his annual base salary to compensate for loss of employment benefits, perquisites and participation in the ESPP; and (d) a *pro rata* STIP payment based on the average actual STIP payment percentages for the prior two calendar years using his annual base salary to compensate for loss of participation in the Profit Share Plan, STIP and any other incentive plans.

If Mr. Sims is terminated without cause (including a constructive dismissal as set out in his employment contract) within 24 months following a Change of Control (a double trigger), he is entitled to receive the same severance payments as he is entitled to receive in the event of being terminated without cause absent a Change of Control.

If Mr. Sims is terminated for cause, he is not entitled to any payments other than those required by law.

In exchange for the foregoing payments, Mr. Sims is required to execute a full and final release in favour of WestJet. Pursuant to his employment agreement, Mr. Sims has agreed not to compete with WestJet and not to solicit the employment of any employee of WestJet for a period of 18 months after the termination of his employment for any reason and with certain limits on geographic scope. WestJet is entitled to seek specific performance and injunctive relief in the event of a breach of the non-competition obligation.

Other NEOs³

As at December 31, 2018, each of the other NEOs' contracts provides that if he or she is terminated by WestJet without cause, he or she is entitled to receive a lump sum payment equal to: (a) one and one-half times his or her annual base salary; (b) one and one-half times his or her annual bonus amount (which means the average of the actual amount paid or determined in respect of the STIP prior to any reduction for profit share for the prior two calendar years); (c) 37.5 per cent times his or her annual base salary to compensate for loss of employment benefits, perquisites and participation in the ESPP; and (d) a *pro rata* STIP based on the average actual STIP percentages for the prior two calendar years using his or her annual base salary to compensate for loss of participation in the Profit Share Plan, STIP and any other incentive plans.

If terminated without cause (including a constructive dismissal as set out in his or her employment contract) within 24 months following a Change of Control (a double trigger), he or she is entitled to receive the same severance payments as if he or she had been terminated without cause absent a Change of Control.

Should he or she be terminated for cause, he or she is not entitled to any payments other than those required by law.

² Mr. Sims has a written employment agreement which was entered into on January 26, 2017 and amended on March 8, 2018.

³ Mr. Taylor has a written employment agreement which was entered into on October 26, 2015. Mr. Porter has a written employment agreement which was entered into on October 26, 2015. Ms. Munroe has a written employment agreement which was entered into on November 1, 2016. Mr. Maccubbin has a written employment agreement which was entered into on April 17, 2017.

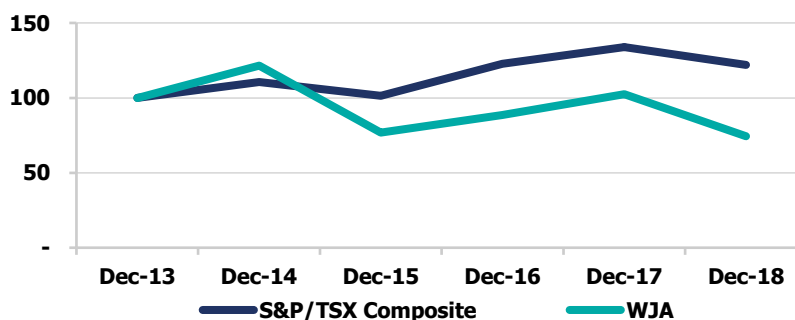
In exchange for the specified payments in the above scenarios, he or she is required to execute a full and final release in favour of WestJet. Pursuant to their applicable employment agreements, each of the other NEOs has agreed not to compete with WestJet for a period of 12 months after a termination of employment. Pursuant to each applicable employment agreement, WestJet is entitled to seek specific performance and injunctive relief in the event of a breach of such non-competition obligations. The President and CEO of WestJet may waive such non-competition obligations in his sole discretion. Further, pursuant to their respective employment agreements, Messrs. Taylor and Porter and Ms. Munroe have agreed not to solicit the employment of any employee of WestJet for a period of 12 months after a termination of employment, and Mr. Maccubbin has agreed not to solicit the employment of any employee of WestJet for a period of 18 months after a termination of employment.

Equity-based awards

Currently all outstanding Options are governed by the terms of the 2009 SO Plan and all outstanding RSUs and PSUs are governed by the terms of the 2008 ESU Plan. Information with respect to the treatment of the equity-based awards on cessation of employment can be found under the heading "*Equity compensation plans*" beginning on page 66.

Performance graphs

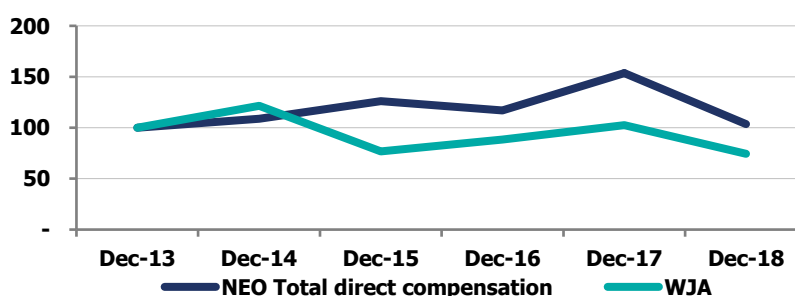
The following chart illustrates WestJet's total Shareholder return for Shares (**WJA**) from December 31, 2013 to December 31, 2018 (being the Common Voting Shares trading under the symbol WJA from December 31, 2013 to February 17, 2016 and the Shares (being the Variable Voting Shares and Common Voting Shares combined) trading under the symbol WJA from February 18, 2016 to December 31, 2018 on an unadjusted basis), considering a \$100 investment versus the total return of the S&P/TSX Composite Index for the same period and assumes that dividends paid on Shares during such period are reinvested.



	2013 (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)	2018 (\$)
S&P/TSX Composite Total Return	100.00	110.55	101.36	122.73	133.89	121.99
WJA	100.00	121.51	76.84	88.47	102.41	74.40

WestJet believes that the Corporation's executive compensation program supports a strong relationship between compensation earned by a NEO and the returns received by a Shareholder. It is structured to reduce the fixed-cost component of compensation, by paying market median base salaries while enhancing potential overall compensation through incentive-based plans tied to corporate performance. As illustrated under the heading "*NEO compensation*" on page 54, long-term incentives, which include RSUs, PSUs and Options, along with contributions under the ESPP, account for over one-half of total target compensation of WestJet's executives.

The following chart illustrates the relationship between WestJet's total Shareholder return for Shares (WJA) from December 31, 2013 to the period ending December 31, 2018, considering a \$100 investment versus total direct compensation for the Corporation's NEOs.



	2013 (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)	2018 (\$)
NEO Total direct compensation	100.00	108.72	126.09	117.03	153.63 ⁽¹⁾	103.56 ⁽²⁾
WJA	100.00	121.51	76.84	88.47	102.41	74.40

Note:

- (1) Excludes one-time incentive payments to each of Messrs. Sims and Maccubbin in 2017.
- (2) Excludes a one-time incentive payment to Mr. Maccubbin and a one-time payment to Mr. Saretsky, both in 2018.

Equity compensation plans

Stock Option Plan

As approved by the Shareholders at WestJet's 2009 annual and special meeting, WestJet currently has in place the 2009 SO Plan. A copy of the 2009 SO Plan is available in the corporate governance section of WestJet's website at westjet.com.

Purpose, general information and eligible participants

The purpose of the 2009 SO Plan is to develop the interest of officers and key employees of WestJet or of a subsidiary or affiliated entity in the growth and development of WestJet by aligning their interests with those of the Shareholders and providing them with an opportunity to acquire an increased proprietary interest in WestJet. Under the 2009 SO Plan, which is administered by the Board, the Board may, from time to time, grant Options to purchase Shares to officers (including a personal holding company of an officer) and employees of WestJet or of a subsidiary or affiliated entity (each, an **Optionee**). Non-employee Directors are not eligible for Option grants under the 2009 SO Plan.

Subject to regulatory requirements, the terms and conditions of Options granted under the 2009 SO Plan are determined by the Board based on recommendations from the People and Compensation Committee. Grants are made annually in May to plan participants at varying levels in a manner consistent with the individual's level of responsibility. Annual grants over a number of years, priced at market value at the date of grant, mitigate the effect of share price fluctuations. Options granted in high share price environments are offset by those granted in years when share prices are lower. Employees receiving Options thereby receive them at the average price over time and are therefore motivated to focus on the long-term growth in value of the Corporation and not be distracted by short-term market or sector fluctuations.

An Option agreement is entered into by WestJet and each Optionee to whom an Option is granted, which sets out the number of Shares subject to option, the Exercise Price (defined below), the vesting dates, if any, the Expiry Date (defined below) and any other terms approved by the Board in accordance with the provisions of the 2009 SO Plan.

Option grants, including the size and terms thereof, are discretionary on the part of the Board, and a grant in respect of one year does not entitle the Optionee to any future award.

Shares issued and issuable

	Shares (#)	% of Shares outstanding as at March 20, 2019 (%)
Maximum number of Shares that may be issued on exercise of Options	15,449,168	13.6
Shares issued following the exercise of Options	3,808,530	3.3
Shares remaining available for issuance under reserve ⁽¹⁾	11,640,638	10.2
Options granted and outstanding	11,154,646	9.8

Note:

- (1) The Corporation utilizes its ability to require a "cashless" exercise to manage actual dilution. Over the past five years, 99 per cent of Options exercised were exercised on a cashless basis which resulted in the actual number of Shares issued equalling only 23 per cent of the number of Options exercised.

During 2018, a total of 2,891,817 Options were granted, representing approximately two and a half per cent of the outstanding Shares of WestJet as at March 20, 2019. Of this total, 2,103,402 Options, or approximately 73 per cent, were granted to pilots of WestJet's Boeing 737 and 767 operations and 788,415 Options, or approximately 27 per cent, were granted to senior management employees.

Any change to the maximum number of Shares issuable under WestJet's security-based compensation arrangements is subject to approval by Shareholders. The aggregate number of Shares issuable to any single Optionee pursuant to outstanding Options may not exceed five per cent of the issued and outstanding Shares, and the aggregate number of Shares issuable to insiders (as defined by the TSX Company Manual) pursuant to outstanding Options, together with any other security-based compensation arrangements of WestJet, may not exceed 10 per cent of the issued and outstanding Shares. In addition, the aggregate number of Shares issued pursuant to the 2009 SO Plan or any other security-based compensation arrangements of WestJet within any one-year period may not exceed 10 per cent of the issued and outstanding Shares, the aggregate number of Shares issued to insiders within any one year period may not exceed 10 per cent of the issued and outstanding Shares, and the aggregate number of Shares issued to any individual insider within any one year period may not exceed five per cent of the issued and outstanding Shares.

Burn rate

A burn rate (**Burn Rate**) shows how rapidly a company is using its shares reserved for equity compensation plans. The Burn Rate is calculated by dividing the number of securities granted under the arrangement during the applicable fiscal year by the weighted average number of securities outstanding in the same year. The following table summarizes the Corporation's three-year annual Burn Rate in respect of the 2009 SO Plan.

	Number of securities granted under arrangement in fiscal year (#)	Weighted average number of securities outstanding for fiscal year (#)	Burn rate (%)
2018	2,891,817	114,001,144	2.5
2017	3,567,702	116,295,497	3.1
2016	3,562,396	120,257,581	3.0

Exercise price

The price (the **Exercise Price**) at which Options may be exercised for Shares under the 2009 SO Plan is fixed by the Board at the time of grant and is equal to the weighted average trading price of the Shares on the TSX for the five trading days immediately prior to the date of grant (the **Current Market Price**).

Term and vesting

All Options granted pursuant to the 2009 SO Plan expire on the date (in this section, the **Expiry Date**) determined by the Board, provided that no Option may be exercised beyond seven years from the date of grant, subject to any applicable Blackout Period (defined below), in which case the Expiry Date is extended to the date which is ten business days from the date that the Blackout Period ends. Under the terms of both the 2009 SO Plan and the 2008 ESU Plan, **Blackout Period** means a period of time when, pursuant to any policies of WestJet, any securities of WestJet may not be traded by certain persons as designated by WestJet, including any Optionee.

The Board may, in its discretion, determine the time during which Options vest and the method of vesting, impose performance-related conditions on the Options, and in respect of any Options granted, accelerate, or provide for the acceleration of vesting of, Options previously granted.

In the event of a termination of employment for any reason, all Options vest in accordance with their terms, except that (a) in the case of death, all Options vest immediately; (b) in the case of termination without cause, all Options unvested at the date thereof continue to be eligible to vest for 180 days following termination; (c) in the case of termination with cause, or resignation, all Options unvested at the date thereof terminate immediately; and (d) in the case of retirement or disability, all Options unvested at the date thereof continue to be eligible to vest for 24 months following retirement or disability.

Settlement of substituted right

In order to minimize the level of dilution resulting from grants under the 2009 SO Plan, the provisions of the 2009 SO Plan provide for a "cashless" settlement alternative, whereby at the time of exercise the Optionee receives a right (the **Substituted Right**) which entitles the Optionee to acquire on exercise the following number of Shares in settlement of the Substituted Right:

$$\text{Number of Shares} = \text{Number of Shares under the exchanged Options} \times \frac{(\text{Current Price}^{(1)} - \text{Exercise Price})}{\text{Current Price}}$$

Note:

(1) For the purposes of cashless settlement, Current Price means the closing price of the Shares on the TSX immediately prior to the exercise or exchange of the Options.

Cashless settlement can be chosen by the Optionee or the Board, in its discretion, may require the Optionee to choose cashless settlement. The result of the cashless settlement is that dilution is significantly decreased by reducing the number of Shares that are issued upon exercise of Options granted under the 2009 SO Plan. Such actual number of Shares issued will be deducted from the number of Shares reserved and available for issuance under the 2009 SO Plan.

Cessation of entitlement to options

Subject to any other WestJet policies then in effect and any applicable extension arising from a Blackout Period, all Options expire on the Expiry Date except that: (a) in the case of voluntary or mandatory retirement or disability, Options expire on the earlier of the

Expiry Date and 48 months following the date of retirement or disability; (b) in the case of death, Options expire on the earlier of the Expiry Date and the first anniversary of the date of death; (c) in the case of termination without cause, Options expire on the earlier of the Expiry Date, and for vested Options, 120 days, and for unvested Options, 180 days, after the Optionee ceases to hold office or be employed by WestJet or by a subsidiary or affiliated company; (d) in the case of resignation, Options expire, for vested Options, on the earlier of the Expiry Date and 120 days after the Optionee ceases to hold office or be employed by WestJet or by a subsidiary or affiliated company, and for unvested Options, immediately; and (e) in the case of termination for cause, Options expire at the close of business on the last day of employment. The foregoing is subject to the discretion of the Board to extend the period of time that Options may be exercised following cessation of employment, provided such period does not extend beyond seven years from the date of grant.

Adjustments in the event of merger or sale

In the event of both (a) any Change of Control (defined below) prior to the exercise date; and (b) the termination of the Optionee, subsequent to the Change of Control, without cause within twenty-four (24) months from the effective date of such Change of Control, all Options held by such Optionee become vested and exercisable until the applicable Expiry Date. Under the 2009 SO Plan, **Change of Control** means: (i) any change in the beneficial ownership or control of the outstanding securities or other interests which results in a person or group of persons "acting jointly or in concert", or an "affiliate" or "associate" of such person or group of persons holding, owning or controlling, directly or indirectly, more than 33 per cent of the outstanding voting securities or interests of WestJet; (ii) the winding up of WestJet or the sale, lease or transfer of all or substantially all of the directly or indirectly held assets of WestJet to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of WestJet is continued and where the shareholdings or other security holdings, as the case may be, in the continuing entity and the constitution of the board of directors or similar body of the continuing entity is such that the transaction would not be considered a "Change of Control"), or (iii) any determination by a majority of the Board that a Change of Control has occurred or is about to occur, which determination shall be binding and conclusive for all purposes of the Plan.

Other than in circumstances where the foregoing applies, in the event that WestJet enters into any transaction or series of transactions whereby WestJet or all or substantially all of WestJet's assets becomes the property of any other corporation, partnership, trust or other person (a **Successor**) whether by way of take-over bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, the Successor shall assume all the obligations of WestJet under the 2009 SO Plan and any Options outstanding on consummation of such transaction in a manner that substantially preserves and does not impair the rights of the Optionees under the 2009 SO Plan in any material respect (including the right to receive shares, securities, cash or other property of the Successor in lieu of Shares upon the subsequent vesting of Options), provided that in the case of the right to receive cash or other property in lieu of Shares, the Board may vest all or a portion of outstanding Options, and may cancel the "out-of-the-money" Options for nominal consideration.

Termination of options in the event of a take-over bid

In the event of a take-over bid and to the extent provided for in the agreement(s) entered into on the grant of such Options, the Corporation may satisfy any outstanding Options by delivering to the Optionee, in Shares, the difference between the Exercise Price of unexercised Options and the Current Market Price for the Shares on such date.

Assignability of options

Options granted under the 2009 SO Plan are not transferable or assignable other than to personal representatives of the estate of a deceased Optionee.

Amending or discontinuing the 2009 SO plan

The Board may at any time amend or discontinue the 2009 SO Plan, subject to applicable regulatory approval, provided that, without the prior approval of the Shareholders, no amendment or revision may: (a) increase the number of Shares issuable pursuant to the 2009 SO Plan or lower the limitations on maximum reservations and issuances; (b) reduce the Exercise Price of any outstanding Option; (c) extend the term of any outstanding Option beyond the original Expiry Date of such Option; (d) extend the maximum permitted Expiry Date under the 2009 SO Plan beyond seven years; (e) change the eligible participants; (f) permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; (g) extend the Expiry Date of an Option for any individual grant benefiting an insider of the issuer; or (h) change the amendment provisions provided in the 2009 SO Plan. In addition, no amendment to the terms of the 2009 SO Plan or any Options granted under the 2009 SO Plan may be made without the consent of an Optionee, if such amendment adversely alters or impairs the rights of such Optionee.

Amendments made by the Board since WestJet's 2018 AGM

The Board has not made any amendments to the 2009 SO Plan since WestJet's 2018 AGM.

Amendments approved at WestJet's 2018 AGM

No amendments to the 2009 SO Plan requiring Shareholder approval were put forward at WestJet's 2018 AGM.

Executive Share Unit Plan

As approved by the Shareholders at WestJet's 2008 annual general and special meeting, WestJet currently has in place the 2008 ESU Plan. A copy of the 2008 ESU Plan is available in the corporate governance section of WestJet's website at westjet.com.

Purpose, general information and eligible participants

The purposes of the 2008 ESU Plan are as follows: (a) to retain and attract qualified officers and employees of WestJet or of a subsidiary or affiliated entity; (b) to promote a proprietary interest in WestJet by such officers and employees and to encourage such persons to put forth maximum efforts for the success of the affairs of WestJet; and (c) to focus Management on operating and financial performance and total long-term Shareholder return. Under the 2008 ESU Plan, which is administered by the Board, the Board may from time to time grant unit awards of RSUs or PSUs (**Unit Awards**) to officers of WestJet or of a subsidiary or affiliated company and any other employees of WestJet or of a subsidiary or affiliated company determined by the Board, with such Unit Awards to be settled in the form of Shares or in cash in an amount equal to the fair market value (the weighted average price of the Shares on the TSX for the five trading days immediately preceding the vesting date) of the number of Shares covered by the Unit Award, less applicable withholdings. The method of settlement (as described in further detail below) of any particular Unit Award is at the discretion of WestJet. In determining the officers and employees to whom the Unit Awards may be granted (each, a **Grantee**) and the dollar amount for a Unit Award (the **Grant Value**), the Board may take into account such factors as it determines in its discretion.

Subject to regulatory requirements, the terms and conditions of Unit Awards granted under the 2008 ESU Plan are determined by the Board based on recommendations from the People and Compensation Committee. A written agreement is entered into by WestJet and each Grantee to whom a Unit Award is granted, which sets out the number of Shares subject to award, the Grant Value, the vesting dates, if any, the Expiry Date (defined below) and any other terms approved by the Board in accordance with the provisions of the 2008 ESU Plan.

Unit Award grants, including the size and terms thereof, are discretionary on the part of the Board, and a grant in respect of one year does not entitle the Grantee to any future award.

Shares issued and issuable

	Shares (#)	% of Shares outstanding as at March 20, 2019 (%)
Maximum number of Shares that may be issued pursuant to Unit Awards	1,450,000	1.3
Shares issued following the vesting of Unit Awards	438,073	0.4
Shares remaining available for issuance under reserve ⁽¹⁾	1,011,927	0.9
Unit Awards outstanding (maximum number) ⁽¹⁾⁽²⁾	1,036,262	0.9

Any change to the maximum number of Shares issuable under WestJet's security-based compensation arrangements is subject to approval by Shareholders. The aggregate number of Shares issuable to any single Grantee pursuant to outstanding Unit Awards may not exceed two per cent of the issued and outstanding Shares, and the aggregate number of Shares issuable to insiders (as defined by the TSX Company Manual) pursuant to all security-based compensation arrangements of WestJet may not exceed 10 per cent of the issued and outstanding Shares. In addition, the aggregate number of Shares issued to insiders within any one-year period under all security-based compensation arrangements of WestJet may not exceed 10 per cent of the issued and outstanding Shares.

Notes:

- (1) Under the terms of the 2008 ESU Plan, the Corporation has the option to settle vested Unit Awards through purchases on the secondary market or in cash.
- (2) The number of Unit Awards outstanding is equal to the sum of (i) the number of unvested RSUs outstanding; and (ii) the maximum payout of the number of unvested PSUs outstanding.

Under the terms of the 2008 ESU Plan, the Board determines the number of Shares to be awarded to a Grantee pursuant to the Unit Award in accordance with the provisions of the 2008 ESU Plan and designates such award an award of RSUs or PSUs. Upon vesting, Unit Awards are settled either in Shares issued from treasury, Shares purchased on the secondary market, or Shares delivered from

an employee benefit plan trust or in cash, at the discretion of the Board and subject to the maximum number of shares issuable. If issued from treasury, the number of Shares that are issuable or payable to the Grantee on the settlement date are issued from treasury by WestJet as fully paid and non-assessable Shares in consideration of past services valued by the Board at no less than the Fair Market Value (defined below) of the number of Shares covered by the Unit Award at the grant date. The number of Shares covered by each Unit Award is determined by dividing the dollar amount of the Unit Award made by the Board by the Fair Market Value.

For the purposes of the 2008 ESU Plan, **Fair Market Value** means the weighted average price of the Shares on the TSX for the five trading days immediately preceding the date of grant.

Burn rate

The following table summarizes the Corporation's three-year annual Burn Rate in respect of the 2008 ESU Plan.

	Number of securities granted under arrangement in fiscal year (#)⁽¹⁾⁽²⁾	Weighted average number of securities outstanding for fiscal year (#)	Burn rate (%)
2018	398,536	114,001,144	0.3
2017	341,968	116,295,497	0.3
2016	319,335	120,257,581	0.3

Notes:

- (1) Under the terms of the 2008 ESU Plan, the Corporation has the option to settle vested Unit Awards through purchases on the secondary market or in cash.
- (2) The number of securities granted is equal to the sum of (i) the number of unvested RSUs outstanding; and (ii) the target payout of the number of unvested PSUs outstanding.

Adjustment on payment of dividends

The 2008 ESU Plan provides that a Grantee's Unit Award shall be adjusted to include additional Shares, the number of which shall be the quotient determined by dividing: 100 per cent of the dividends declared and that would have been paid to the Grantee if the Shares covered by his or her Unit Awards on the relevant dividend record date had been Shares by the Fair Market Value on the dividend payment date, with fractions computed to four decimal places.

In the case of a non-cash dividend paid by WestJet in respect of Shares, the Board may in its discretion determine that such non-cash dividend be provided to holders of Unit Awards on the same basis as Shareholders, regardless of the Unit Award vesting date, and in such a case, no adjustment to the number of Shares covered by the Unit Award is provided to the Grantee. Alternately, where the Unit Award holder does not participate in a non-cash dividend, the Board will, in its sole discretion, determine the cash value of the non-cash dividend to be applied to the adjustment.

Term and vesting

All Unit Awards granted pursuant to the 2008 ESU Plan do not have an Expiry Date, but must vest and become payable no later than December 15 of the third calendar year following the end of the calendar year in which the services to which the grant of such Unit Awards relate. RSUs and PSUs which do not vest by such date are forfeited by the Grantee.

RSUs vest in accordance with applicable conditions relating to continued service with WestJet for a period of time, as determined by the Board, and which may be graduated by percentages of a Unit Award, including a percentage in excess of 100 per cent. Such vested RSUs become payable in Shares or cash upon the vesting date.

PSUs vest in accordance with applicable performance-related conditions determined by the Board. Such PSUs which vest become payable in Shares or cash upon the vesting date. For this purpose, performance-related conditions mean any performance-related conditions in respect of vesting, which may include performance of WestJet or any of WestJet's subsidiaries, partnerships, trusts or other controlled entities, Shareholder return or otherwise, and which may be graduated by percentages of a Unit Award, including a percentage in excess of 100 per cent.

Pursuant to the 2008 ESU Plan, and subject to any applicable regulatory requirements, the Board may make any additional adjustments to the number of Shares to be issued pursuant to any Unit Award (including adjustments determined by reference to or as a result of the achievement of performance-related vesting conditions), if, in its discretion, such adjustments are appropriate in the circumstances having regard to the principal purposes of the 2008 ESU Plan and the terms of the Unit Award. In addition, the Board may, at any time in its discretion determine that a Unit Award is vested in relation to all or a percentage of the Shares covered thereby for all or any Unit Awards.

Cessation of entitlement to unit awards

In the event of both (a) any Change of Control (defined below) prior to the vesting dates; and (b) the termination without cause of a Grantee's employment subsequent to such Change of Control, all outstanding Unit Awards then held by the Grantee immediately vest. Under the 2008 ESU Plan, **Change of Control** means: (a) a successful take-over bid, which results in the acquirer owning in excess of 33 per cent of the Shares of WestJet; (b) the issuance to, or acquisition by any person, or group of persons acting in concert, directly or indirectly, including through an arrangement or other form of reorganization, Shares totalling in the aggregate 33 per cent or more of the then outstanding Shares; (c) the sale of all or substantially all of the assets of WestJet; (d) the liquidation, winding-up or dissolution of WestJet; or (e) an event that the Board determines constitutes a Change of Control for the purposes of the 2008 ESU Plan, provided however that a Change of Control is deemed to not have occurred where pursuant to an arrangement or other reorganization, the Shareholders immediately prior to the completion of the arrangement or other reorganization will hold, directly or indirectly, more than 90 per cent of the outstanding voting securities or interests of the continuing entity upon completion of the reorganization.

Pursuant to the 2008 ESU Plan, unless otherwise determined by the Board or unless otherwise provided in a Unit Award agreement pertaining to a particular grant or any written employment agreement, if a Grantee ceases to be an Executive as a result of termination for any reason whatsoever other than death, disability, retirement or termination without cause, all unvested Unit Awards terminate immediately on the Cessation Date (defined below) and all rights to receive Shares thereunder are forfeited by the Grantee. Under the 2008 ESU Plan, **Cessation Date** means the date of the Grantee's termination of, or resignation from, active employment with WestJet or a subsidiary or affiliated entity.

If a Grantee ceases to be an officer or employee of WestJet or a subsidiary or affiliated entity as a result of such Grantee's termination without cause, or upon the retirement, death or disability of the Grantee, Unit Awards held by such Grantee vest on a pro rata basis based on the proportion that the period from the grant date to the Cessation Date is of the period from the grant date to the vesting date. A payment in respect of the vested portion of such Unit Awards will be made as soon as practicable after the Cessation Date, subject to delayed timing requirements applicable to certain Grantees who are subject to income taxation in the U.S.

Adjustments in the event of merger and sale

In the event that WestJet enters into any transaction or series of transactions whereby WestJet or all or substantially all of WestJet's assets becomes the property of any successor (a **Successor**) whether by way of take-over bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, the Successor shall assume all the obligations of WestJet under the 2008 ESU Plan and any Unit Awards outstanding on consummation of such transaction in a manner that substantially preserves and does not impair the rights of the Grantees under the 2008 ESU Plan in any material respect (including the right to receive shares, securities, cash or other property of the Successor in lieu of Shares upon the subsequent vesting of Unit Awards).

Assignability of unit awards

The right to receive Shares or cash pursuant to a Unit Award granted under the 2008 ESU Plan is not transferable or assignable other than to representatives of the estate of a deceased Grantee, provided that the Grantee may transfer or assign the rights of a Unit Award granted under the 2008 ESU Plan to minor children or minor grandchildren or the spouse of the Grantee, or a trust or holding company of which the Grantee is a trustee or director and the beneficiaries or shareholders of which are a combination of the Grantee, the Grantee's spouse or the Grantee's minor children or minor grandchildren, in accordance with such requirements as the Board may from time to time determine.

Amending the 2008 ESU Plan

The 2008 ESU Plan and any Unit Awards granted thereunder may be amended, modified or terminated by the Board without Shareholder approval, subject to any regulatory requirements, provided that, without the prior approval of the Shareholders, no amendment or revision may: (a) increase the number of Shares issuable on exercise of Unit Awards; (b) extend the Expiry Date of any outstanding Unit Award; (c) permit a Grantee to transfer or assign Unit Awards to a new Grantee other than as permitted under the 2008 ESU Plan; (d) increase the number of Shares that may be issued to insiders above the restrictions set forth in the 2008 ESU Plan; (e) extend the maximum Expiry Date under the 2008 ESU Plan beyond five years; (f) add additional categories of Grantees; or (g) amend the amendment provisions of the 2008 ESU Plan to delete any of the foregoing matters requiring Shareholder approval. In addition, no amendment of the 2008 ESU Plan or Unit Awards granted pursuant to the 2008 ESU Plan may be made without the consent of a Grantee, if such amendment adversely alters or impairs the rights of such Grantee.

Amendments made by the Board since WestJet's 2018 AGM

The Board has not made any amendments to the 2008 ESU Plan since WestJet's 2018 AGM.

Amendments approved at WestJet's 2018 AGM

No amendments to the 2008 ESU Plan requiring Shareholder approval were put forward at WestJet's 2018 AGM.

Key Employee Restricted Share Unit Plan

As approved by the Shareholders at WestJet's 2010 annual meeting, WestJet currently has in place the KEP Plan. A copy of the KEP Plan is available in the corporate governance section of WestJet's website at westjet.com.

Purpose, general information and eligible participants

The purposes of the KEP Plan are as follows: (a) to retain and attract (i) certain key employees at the vice president and employee director levels (**Management Participants**), and (ii) qualified pilots that WestJet and/or any subsidiary or affiliated entity requires who are designated by the Board as eligible to participate in the KEP Plan (**Pilot Participants**, which together with the Management Participants are hereinafter referred to as the **Eligible Participants**); (b) to promote a proprietary interest in WestJet by, and to encourage such, persons to put forth maximum efforts for the success of the affairs of WestJet; and (c) to associate a portion of the vice president, employee director and pilot compensation with the returns achieved by Shareholders over the medium to long-term.

Under the KEP Plan, which is administered by the Board, the Board determines, in its discretion, each date on which RSUs are awarded to Eligible Participants and the value of the award to be granted in respect of an Eligible Participant in relation to any applicable award date. Unless otherwise determined by the Board in accordance with the KEP Plan, and subject to receipt from the Eligible Participant of a completed and executed grant agreement under which an RSU is granted, each Eligible Participant receives an annual grant of RSUs. Each RSU gives the Eligible Participant the right to receive a payment, in the form determined by the Board in accordance with the KEP Plan, in its discretion, with respect to each such RSU which has vested pursuant to the provisions of the KEP Plan and the terms of the grant agreement relating to such RSU.

The Eligible Participants are granted the number of RSUs determined by dividing the value of the grant by the Fair Market Value. For the purposes of the KEP Plan, **Fair Market Value** means the weighted average price of the Shares on the TSX for the five trading days immediately prior to the date of grant. For Pilot Participants, this grant is pro-rated based on the number of months in the preceding year that the Pilot Participant was employed with WestJet. On their vesting date, RSUs are exchanged, at the discretion of the Board, for that number of Shares or cash that is equivalent to the Fair Market Value of the RSUs on such date.

Subject to the terms of the KEP Plan, the Board determines any other terms or conditions of any RSUs based on recommendations from the People and Compensation Committee, and specifies the material terms thereof in the applicable grant agreement in respect of RSUs. Such additional terms and conditions may include any additional conditions with respect to the vesting of RSUs, in whole or in part, or the payment of cash or the provision of Shares under the KEP Plan, including conditions in respect of: (a) the market price of the Shares; (b) the return to Shareholders, with or without reference to other comparable companies; (c) the financial performance or results of WestJet; (d) other performance criteria relating to WestJet; (e) ownership of Shares by an Eligible Participant; (f) restrictions on the re-sale of Shares acquired under the KEP Plan, including escrow arrangements; and (g) any other terms and conditions the Board may, in its discretion, determine with respect to vesting or the acceleration of vesting. The conditions may relate to all or a portion of the RSUs in a grant and may be graduated such that different percentages (which may be greater or less than 100 per cent) of the RSU will become vested depending on the extent of satisfaction of one or more such condition(s). Any additional criteria as set forth above are set forth in the grant agreement for such RSUs. The Board may, in its discretion, subsequent to the grant date of a RSU, waive any term or condition or determine that it has been satisfied, subject to applicable law.

Shares issued and issuable

	Shares (#)	% of Shares outstanding as at March 20, 2019 (%)
Maximum number of Shares that may be issued pursuant to Unit Awards	1,000,000	0.9
Shares issued following the vesting of Unit Awards	55,262	0.0
Shares remaining available for issuance under reserve ⁽¹⁾	944,738	0.8
Unit Awards outstanding ⁽¹⁾	482,593	0.4

The aggregate number of Shares issuable to any one Eligible Participant pursuant to outstanding RSUs may not exceed two per cent of the issued and outstanding Shares, calculated on an undiluted basis. In addition, the number of Shares issuable to insiders (as defined by the TSX for this purpose) at any time, under all security-based compensation arrangements of WestJet, may not exceed 10 per cent of the issued and outstanding Shares and the number of Shares issued to insiders, within any one-year period, under all security-based compensation arrangements of WestJet, may not exceed 10 per cent of the issued and outstanding Shares.

Note:

- (1) Under the KEP Plan, the Corporation has the option to settle vested Unit Awards through purchases on the secondary market or in cash.

Burn rate

The following table summarizes the Corporation's three-year annual Burn Rate in respect of the KEP Plan.

	Number of securities granted under arrangement in fiscal year (#) ⁽¹⁾	Weighted average number of securities outstanding for fiscal year (#)	Burn rate (%)
2018	380,422	114,001,144	0.3
2017	102,281	116,295,497	0.1
2016	129,334	120,257,581	0.1

Note:

- (1) Under the terms of the KEP Plan, the Corporation has the option to settle vested Unit Awards through the issuance of new shares, purchases on the open market or in cash.

Adjustment on payment of dividends

Upon the declaration and payment of a dividend by WestJet, the KEP Plan provides for an adjustment to the number of RSUs credited to an Eligible Participant under the KEP Plan by an amount equal to a fraction having as its numerator 100 per cent of the dividends declared that would have been paid to the Eligible Participant if the RSUs had been Shares on the dividend record date and having as its denominator the Fair Market Value on the dividend payment date.

Exchange ratio for RSUs

The number of Shares issued to an Eligible Participant pursuant to RSUs is determined using a 1:1 ratio.

Fractional Shares are not issued and where an Eligible Participant is entitled to receive a fractional Share in respect of any fractional vested RSU, WestJet pays to the Eligible Participant cash equal to the Fair Market Value on the vesting date of the fractional vested RSU, net of withholding taxes. Where the Board elects to pay the vested RSU in cash, the payment is equal to the product that results from multiplying the number of vested RSUs as at the vesting date by the Fair Market Value on the vesting date, net of withholding taxes.

Term and vesting

Under the terms of the KEP Plan, RSUs granted vest no later than December 15 of the third calendar year following the end of the calendar year in which the services to which the grant of such RSUs relate. The Board has the discretion to permit all unvested RSUs to vest immediately.

Cessation of entitlement to RSUs

The KEP Plan does not provide for an automatic acceleration of vesting of RSUs or any other special treatment upon the occurrence of a change of control, provided however that the Board in its sole discretion may, by resolution, permit all unvested RSUs to vest immediately and be paid out to an Eligible Participant's account.

Pursuant to the KEP Plan, unless otherwise determined by the Board in its discretion or unless otherwise provided in a grant agreement pertaining to a particular grant of RSUs or any written employment agreement, if an Eligible Participant ceases to be an employee for any reason whatsoever, other than the death, disability, retirement or termination without cause of such Eligible Participant, effective as of the Cessation Date, all outstanding RSUs which have not vested on or before the Cessation Date are forfeited and cancelled immediately and all rights to receive Shares thereunder are forfeited by the Eligible Participant. Under the KEP Plan, **Cessation Date** means the date of the Eligible Participant's termination of, or resignation from, active employment with WestJet or a subsidiary or affiliated entity.

If an Eligible Participant's employment is terminated without cause, or upon the death or disability of the Eligible Participant, effective as of the Cessation Date, all outstanding RSUs then held by the Eligible Participant immediately vest and are settled on or before the earlier of 120 days from the Cessation Date or December 31 of the year in which the Cessation Date occurs.

If an Eligible Participant ceases to be an employee as a result of such employee's retirement, all outstanding RSUs which have not yet vested immediately vest and the Eligible Participant receives a payment as soon as practical following the vesting date and, in any event, no later than December 31 of the calendar year in which the vesting date occurs.

Settlement of RSUs

The Board, in its discretion, may elect one or any combination of the following payment methods for vested RSUs on a vesting date or accelerated vesting date, as applicable, which payment is made within ten business days of the applicable vesting date or accelerated vesting date: (a) issuing Shares to the Eligible Participant; (b) causing an independent registered broker to purchase Shares on the TSX for the account of the Eligible Participant; (c) causing the trustee of the KEP Plan trust fund, if established, to deliver the appropriate number of Shares from the KEP Plan trust fund to the Eligible Participant; or (d) paying cash to the Eligible Participant in accordance with the KEP Plan. Where the Board does not specify the payment method for the vested RSUs, the form of payment is in cash as provided under the KEP Plan.

In the event of the death of an Eligible Participant, WestJet makes a payment, in the form determined by the Board in accordance with the KEP Plan, within ten business days of the Eligible Participant's death, or if earlier, no later than December 31 of the year of the Eligible Participant's death.

Adjustments in the event of merger and sale

In the event that WestJet enters into any transaction or series of transactions whereby WestJet or all or substantially all of WestJet's assets becomes the property of any successor (**Successor**) whether by way of take-over bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, the Successor shall assume all the obligations of WestJet under the KEP Plan and any RSUs outstanding on consummation of such transaction in a manner that substantially preserves and does not impair the rights of the Eligible Participants under the KEP Plan in any material respect (including the right to receive shares, securities, cash or other property of the Successor in lieu of Shares upon the subsequent vesting of RSUs).

Assignability of RSUs

The right to receive Shares pursuant to an RSU granted under the KEP Plan is not transferable or assignable other than to representatives of the estate of a deceased Eligible Participant, provided that the Eligible Participant may transfer or assign the rights of an RSU granted under the KEP Plan to minor children or minor grandchildren or the spouse of the Eligible Participant, or a trust or holding company of which the Eligible Participant is a trustee or director and the beneficiaries or shareholders of which are a combination of the Eligible Participant, the Eligible Participant's spouse or the Eligible Participant's minor children or minor grandchildren, in accordance with such requirements as the Board may from time to time determine.

Amending the KEP Plan

The KEP Plan may be suspended or terminated, and the KEP Plan and any RSUs granted under it may be amended by the Board without Shareholder approval, provided that, without the prior approval of Shareholders, no amendment to the KEP Plan may: (a) increase the number of Shares under the KEP Plan issuable on vesting of RSUs; (b) change the definition of Eligible Participant to add categories of Eligible Participants under the KEP Plan; (c) add new forms of compensation involving the issuance of Shares by WestJet; (d) amend the assignment provisions of the KEP Plan; (e) amend the insider participation limits set out in the KEP Plan; or (f) amend the amendment provisions of the KEP Plan to delete any of the foregoing matters requiring Shareholder approval. In

addition, no such amendment, suspension or termination, unless required by applicable law, adversely affects the rights of any Eligible Participant without the consent of the affected Eligible Participant.

Amendments made by the Board since WestJet's 2018 AGM

The Board has not made any amendments to the KEP Plan since WestJet's 2018 AGM.

Amendments approved at WestJet's 2018 AGM

No amendments to the KEP Plan requiring Shareholder approval were put forward at WestJet's 2018 AGM.

Employee Stock Purchase Plan

Purpose, general information and eligible participants

The purpose of the ESPP is to provide a means by which a full-time, part-time or casual employee (in this section, an **Employee**) of WestJet or of a subsidiary or affiliated company can develop an interest in the growth and development of WestJet by providing them with the opportunity to acquire an increased proprietary interest in WestJet through the purchase of Shares.

Any Employee who has been employed by WestJet for not less than 90 days is eligible to participate in the ESPP and may contribute a minimum of \$25 per bi-weekly pay period, up to a maximum of 10 per cent, 15 per cent or 20 per cent (dependent on his or her employment agreement) of his or her gross regular earnings to the ESPP. For each \$1.00 contributed to the ESPP by the Employee, the Corporation matches and contributes \$1.00 on behalf of the Employee to the ESPP. Employees who have not exceeded their maximum contribution level may use their Profit Share Plan payments to "top-up" their ESPP contributions with WestJet matching this "top-up" amount. The matching contribution by the Corporation encourages employees to become "WestJet Owners" and WestJet believes this encourages longer-term thinking regardless of market or Share price fluctuations. In addition, dividends paid on Shares held by employees in the ESPP are reinvested to acquire additional Shares.

Under the ESPP, each Employee must elect the percentage of his or her pay, to a maximum of 10 per cent, 15 per cent or 20 per cent (dependent on his or her employment agreement), he or she wishes to contribute to the ESPP. As at December 31, 2018, approximately 79.2 per cent of eligible Employees participate in the ESPP, contributing on average 12.2 per cent of their salary.

Acquisition and withdrawal of shares

Each of the Employee's and WestJet's contributions to the ESPP are used each month to acquire Shares through open market purchases as soon as reasonably practicable.

Provided that Shares purchased under the ESPP have been held for one year, and subject to applicable securities laws, Employees may transfer, withdraw or sell ESP Shares purchased under the ESPP four times per year.

Subject to applicable securities laws, Employees may offer to sell Shares which have not been held for at least one year to the Corporation, as trustee of the ESPP for and on behalf of Employees participating in the ESPP, provided that the purchase price of any such ESP Shares sold is 50 per cent of the Current Market Price.

Cessation of employment

Upon cessation of employment for any reason, Employees are entitled to transfer all of their acquired Shares under the ESPP, but cease to be eligible to continue their participation in the ESPP.

Assignability of shares

Upon the completion of the one-year hold period, an Employee may transfer or sell his or her Shares at his or her discretion.

Amendments made by the Board since WestJet's 2018 AGM

The Board has not made any amendments to the ESPP since WestJet's 2018 AGM.

Amendments approved at WestJet's 2018 AGM

No amendments to the ESPP requiring Shareholder approval were put forward at WestJet's 2018 AGM.

Securities authorized for issuance under equity compensation plans

The following table sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2018.

		Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders	2009 SO Plan	11,193,031 ⁽¹⁾	22.11	450,999
	2008 ESU Plan ⁽²⁾	1,015,196 ⁽³⁾	—	— ⁽²⁾⁽⁴⁾
	KEP Plan ⁽²⁾	488,957	—	455,781
	Total	12,697,184		906,780

Notes:

- (1) The 2009 SO Plan of the Corporation provides for a "cashless" exercise of Options at the election of the employee or the Corporation. See "Stock Option Plan" above, regarding details of the "cashless" exercise. In cases of a "cashless" exercise, a lesser number of Shares are issued than the number of Options exercised. The Corporation utilizes its ability to require a "cashless" exercise when deemed necessary in order to manage the available Shares issued under the 2009 SO Plan. Such actual number of Shares issued will be deducted from the number of securities reserved and available for issuance under the 2009 SO Plan. During 2018, 100 per cent of Options exercised were "cashless" exercises.
- (2) Under the 2008 ESU Plan and the KEP Plan, the Corporation has the option to settle vested Unit Awards through open market purchases. During 2018, 100 per cent of vested Unit Awards were settled through open market purchases.
- (3) The number of securities shown to be issued is equal to sum of (i) the number of RSUs outstanding; and (ii) the maximum payout of the number of unvested PSUs outstanding. Actual number of PSUs will be based on the achievement of certain performance criteria under the 2008 ESU Plan. See "Long-term incentives – Performance share units" on page 51.
- (4) The number of units outstanding is 1,015,196, which is greater than the number of Shares available for issuance under reserve of 1,011,927 (the **Remaining Reserve**); however, if any units vest in excess of the Remaining Reserve, they will be settled through purchases on the secondary market or in cash, in accordance with the terms of the 2008 ESU Plan and if the Board elects to settle an additional amount of the outstanding units through purchases on the secondary market or in cash, the number of Shares remaining available for future issuance under the 2008 ESU Plan (in addition to Shares issuable in respect of outstanding units) will increase proportionately (subject to the Remaining Reserve). See "Executive Share Unit Plan – Shares Issued and Issuable" on page 69.

General and additional information

Indebtedness of Directors, executives and employees

No Director, Director nominee, executive or employee of WestJet, or any former Director, executive or employee of WestJet, or any associate of any of the foregoing, is, or has been, at any time during 2018, excluding routine indebtedness, indebted to WestJet or its subsidiaries, either in connection with purchase of WestJet securities or otherwise.

Audit committee disclosure

In connection with Audit Committee disclosure required under NI 52-110, please see "Audit Committee Disclosure" in the Corporation's Annual Information Form (**AIF**) filed under WestJet's profile on SEDAR at sedar.com.

Interest of informed persons in material transactions

To the knowledge of the Corporation, there were no material interests, direct or indirect, of Directors or executives of the Corporation, nor of any nominees for Director, nor any Shareholder who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying more than 10 per cent of the votes attached to the Shares of the Corporation, nor any other Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) nor any associate or affiliate of such persons in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Interest of certain persons and companies in matters to be acted upon

Management is not aware of any material interest of any Director or nominee for Director, or executive or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing that has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of Directors.

Exemptive relief from take-over bid and early warning rules

On September 21, 2012, WestJet received an exemption to treat WestJet's Variable Voting Shares and Common Voting Shares as a single class for the purposes of applicable take-over bid requirements and early warning reporting requirements contained under Canadian securities laws. Pursuant to an application by WestJet, the securities regulatory authorities in each of the provinces of Canada granted exemptive relief (the **Decision**) from (i) applicable formal take-over bid requirements, as contained under Canadian securities laws, such that those requirements would only apply to an offer to acquire 20 per cent or more of the outstanding Variable Voting Shares and Common Voting Shares of WestJet on a combined basis, (ii) applicable early warning reporting requirements, as contained under Canadian securities laws, such that those requirements would only apply to an acquirer who acquires or holds beneficial ownership of, or control or direction over, 10 per cent or more of the outstanding Variable Voting Shares and Common Voting Shares of WestJet on a combined basis (or five per cent in the case of acquisitions during a take-over bid), and (iii) applicable alternative monthly reporting requirements, as contained under Canadian securities laws, such that eligible institutional investors may meet the eligibility criteria for alternative monthly reporting by calculating its security holdings using a denominator comprised of all outstanding Common Voting Shares and Variable Voting Shares on a combined basis, and a numerator including all of the Common Voting Shares or Variable Voting Shares, as the case may be, beneficially owned or controlled by the institutional investor. A copy of the Decision is available under WestJet's profile on SEDAR at sedar.com.

The Decision takes into account that WestJet's dual class shareholding structure was implemented solely to ensure compliance with the foreign ownership requirements of the CTA. An investor does not control or choose which class of WestJet shares it acquires and holds. The class of shares ultimately available to an investor is only a function of the investor's status as a Canadian or non-Canadian (as defined under the CTA). At the time of the Decision, the relatively small number of outstanding Variable Voting Shares (the share class for non-Canadians), absent the Decision, may have dampened the desire of non-Canadians to acquire shares of WestJet in the ordinary course without the apprehension of inadvertently triggering the take-over bid rules or early warning reporting requirements.

Single ticker

The Common Voting Shares and the Variable Voting Shares trade on the TSX under the single ticker WJA.

Normal course issuer bid

In August 2017, we announced that the TSX had approved our normal course issuer bid (**NCIB**), which allowed for the repurchase and cancellation of up to 5,856,671 Shares, representing 5.0 per cent of our issued and outstanding Shares, between August 3, 2017 and August 2, 2018, through the facilities of the TSX or through alternative trading systems at the prevailing market price at the time of such transaction or such other means as may be permitted by the TSX. During that period 3,454,979 Shares were repurchased at an average price of \$25.61. The NCIB has now expired and has not been renewed.

Additional information relating to WestJet

Additional information relating to the Corporation is available under WestJet's profile on SEDAR at sedar.com.

Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited consolidated financial statements for the year ended December 31, 2018 and the related MD&A. Copies of the Corporation's consolidated financial statements and related MD&A are available upon request from the Corporation at investor_relations@westjet.com, by telephone at 1-877-493-7853, or by writing to Investor Relations at 22 Aerial Place N.E., Calgary, Alberta, Canada, T2E 3J1.

Other matters

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

Key operating indicators

Key operating indicators used in this Information Circular have the meanings ascribed thereto in WestJet's MD&A for the years ended December 31, 2018 and 2017 under the heading "Definition of key operating indicators" and filed under WestJet's profile on SEDAR at sedar.com.

Non-GAAP measures

WestJet uses certain non-GAAP performance measures in its design and operation of STIP and PSUs including CASM, excluding fuel and employee profit share, earnings margin and ROIC. These measures are used to provide Management with an alternative method for assessing WestJet's operating results in a manner that is focused on the performance of our ongoing operations and to provide a more consistent basis for comparison between periods. These measures are not in accordance with, or an alternative to, GAAP and do not have standardized meanings. Therefore, they may not be comparable to similar measures presented by other entities.

Cost per available seat mile (CASM)

Operating expenses divided by available seat miles. Available seat miles is a measure of total guest capacity, calculated by multiplying the number of seats available for guest use in an aircraft by stage length.

CASM, excluding fuel and employee profit share

We exclude the effects of aircraft fuel expense and employee profit share expense to assess the operating performance of our business. Fuel expense is excluded from our operating results because fuel prices are affected by a host of factors outside our control, such as significant weather events, geopolitical tensions, refinery capacity, and global demand and supply. Excluding this expense allows us to analyze our operating results on a comparable basis. Employee profit share expense is excluded from our operating results because of its variable nature and excluding this expense allows for greater comparability.

CASM, excluding fuel and employee profit share	2018 (\$)
Operating expenses	4,578,234,782
Less: Aircraft fuel expense	(1,231,632,343)
Employee profit share expense	(15,936,609)
Operating expenses, adjusted	3,330,665,830
Available seat miles	32,939,257,510
CASM, excluding fuel and employee profit share (cents)	10.11

Earnings margin

Used in the measurement of the STIP. Earnings margin is equal to total operating expenses before taxes, profit share for all employees, amounts expensed for STIP and other items over total revenue.

Earnings margin	2018 (\$)
Earnings before income tax	135,882,396
Add: Employee profit share	15,936,609
STIP	384,868

Earnings before income taxes, adjusted	152,203,873
Total revenue	4,733,462,076
Earnings margin	3.22%

Return on invested capital (ROIC)

ROIC is a measure commonly used to assess the efficiency with which a company allocates its capital to generate returns. For the purposes of measuring WestJet's relative position amongst the PSU peer group, disclosed under the heading "*Long-term incentives - performance share units*" beginning on page 51, ROIC is calculated as After-tax Return divided by Average Invested Capital.

Return: means earnings before tax, for the applicable performance period based on the regularly prepared and publicly available consolidated financial statements, plus to the extent deducted or included in the determination of such amount (without duplication): (i) finance costs (interest expense); (ii) implicit interest in aircraft lease expense (calculated as seven per cent of seven and a half times the trailing 12 months of aircraft lease expense); and (iii) special non-recurring items.

After-tax Return: means Return multiplied by one minus the effective corporate tax rate for the applicable performance period.

Average Invested Capital: means, for the applicable performance period and based on the regularly prepared and publicly available consolidated financial statements, the sum of: (i) average net book value of property, plant and equipment; (ii) average net book value of intangible assets; (iii) capitalized aircraft lease expense (calculated as seven and a half times the trailing 12 months of aircraft lease expense); and (iv) average net non-cash working capital.

Cautionary statement regarding forward-looking information

This Information Circular contains "forward-looking information" as defined under applicable Canadian securities legislation, including but not limited to our plans to implement the Amendments by way of an Arrangement pursuant to Section 193 of the ABCA, our belief that the Amendments will enable us to effectively regulate the ownership and voting control of Shares in compliance with the Canadian ownership and control requirements in the CTA, our expectations as to the effective date and approval of the Arrangement, our expectations with respect to the approval and implementation of the Preferred Share Amendments, Amended By-Law No. 1 and Amended Advance Notice By-Law, our views with respect to the growth and development of our business that may be implied through our STIP targets for 2019 and our intentions and expectations with respect to executive compensation. Forward-looking information may be identified by the use of the words "believe," "intend," "expect," "may," "will," "should," "potential", "plan", "target" or other similar terms. Readers are cautioned that our expectations, estimates, projections and assumptions used in the preparation of such forward-looking information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. Our forward-looking information is based on a number of material factors and assumptions including those related to exchange rates and fuel costs, customer travel patterns and needs, that our contractual counterparties and partners will substantially fulfill their obligations, anticipated tax rates, the legal and regulatory environment that will apply and the maintenance of our credit rating.

Our actual results, performance or achievements could differ materially from those expressed in, or implied by, such forward-looking information. WestJet can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits or costs we will derive from them. By its nature, forward-looking information is subject to numerous risks and uncertainties, including, but not limited to, the impact of general economic conditions, changing domestic and international industry conditions, changes in consumer demand, changes in fuel prices, delays in aircraft delivery, changes in guest demand, terrorism, currency fluctuations, interest rates, competition from other industry participants (including new entrants, and generally as to capacity fluctuations and the pricing environment), labour matters, government regulation, stock-market volatility, the ability to access sufficient capital from internal and external sources, the ability to effectively implement and maintain critical systems and additional risk factors discussed in our AIF, MD&A and other documents we file from time to time with securities regulatory authorities, which are available under WestJet's profile on SEDAR at sedar.com or, upon request, without charge from us.

The forward-looking information contained herein is expressly qualified by this cautionary statement. Our assumptions and beliefs relating to the forward-looking information referred to above are updated, as required, in conjunction with filing our quarterly and annual MD&A, and, except as otherwise required by law, we do not undertake to update any forward-looking information.

Questions? Need Help Voting?

Please contact our Strategic Shareholder Advisor and Proxy Solicitation Agent, Kingsdale Advisors

CONTACT US:

North American Toll Free Phone:

1-866-581-0508

@ E-mail: contactus@kingsdaleadvisors.com

 Fax: 416-867-2271

Toll Free Fax: 1-866-545-5580

 Outside North America, Banks and Brokers
Call Collect: 416-867-2272



Appendix A - Arrangement Resolution

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

- (1) The arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**"), as more particularly described in the Information Circular (the "**Information Circular**") of WestJet Airlines Ltd. ("**WestJet**") dated March 20, 2019 accompanying the notice of this meeting, as the Arrangement may be modified or amended in accordance with the Plan of Arrangement (as defined below), is hereby authorized, approved and adopted.
- (2) The plan of arrangement of WestJet (the "**Plan of Arrangement**"), as it has been or may be amended, modified or supplemented in accordance with its terms, the full text of which is set out as Appendix B to the Information Circular, is hereby authorized, approved and adopted.
- (3) Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the shareholders of WestJet or that the Arrangement has been approved by the Court of Queen's Bench of Alberta (the "**Court**"), the directors of WestJet are hereby authorized and empowered without further notice to or approval of the shareholders of WestJet (i) to amend the Plan of Arrangement, to the extent permitted by the Plan of Arrangement, and (ii) not to proceed with the Arrangement.
- (4) Any one director or officer of WestJet be and is hereby authorized and directed for and on behalf of WestJet to make an application to the Court for an order approving the Arrangement, to execute, under the corporate seal of WestJet or otherwise, and to deliver to the Registrar under the ABCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement.
- (5) Any one director or officer of WestJet be and is hereby authorized and directed for and on behalf of WestJet to execute or cause to be executed, under the corporate seal of WestJet or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

Appendix B - Plan of Arrangement

PLAN OF ARRANGEMENT UNDER SECTION 193 OF THE *BUSINESS CORPORATIONS ACT (ALBERTA)*

ARTICLE 1 INTERPRETATION

1.1 Definitions.

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings hereinafter set forth:

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9;
- (b) "**air service**" means a service, provided by means of an aircraft, that is publicly available for the transportation of passengers or goods, or both;
- (c) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to Section 193 of the ABCA set forth in this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation, the whole as supplemented, modified or amended;
- (d) "**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Meeting by the Shareholders voting together as a single class;
- (e) "**Articles**" means the articles of incorporation of the Corporation, as amended from time to time;
- (f) "**Articles of Arrangement**" means the articles in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted;
- (g) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in the City of Calgary, in the Province of Alberta, for the transaction of banking business;
- (h) "**By-Law 2005-1**" means By-Law No. 2005-1 of the Corporation;
- (i) "**Canadian**" means:
 - (a) a Canadian citizen or a permanent resident as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*, S.C. 2001, c. 27,
 - (b) a government in Canada or an agent or mandatary of such a government, or
 - (c) a corporation or entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 51% of the voting interests are owned and controlled by Canadians and where:
 - (i) no more than 25% of the voting interests are owned directly or indirectly by any single non-Canadian, either individually or in affiliation with another Person, and

- (ii) no more than 25% of the voting interests are owned directly or indirectly by one or more non-Canadians authorized to provide an air service in any jurisdiction, either individually or in affiliation with another Person;
- (j) "**Certificate**" means the certificate to be issued by the Registrar pursuant to subsection 193(11) of the ABCA giving effect to the Arrangement;
- (k) "**Common Voting Shares**" means the common voting shares in the share capital of the Corporation;
- (l) "**Corporation**" means WestJet Airlines Ltd., a corporation incorporated under the laws of the Province of Alberta;
- (m) "**Court**" means Court of Queen's Bench of Alberta in Calgary, Alberta;
- (n) "**CTA**" means the *Canada Transportation Act*, S.C. 1996, c. 10;
- (o) "**Effective Date**" means the date the Arrangement is effective under the ABCA, as endorsed by the Certificate;
- (p) "**Effective Time**" means 12:01 a.m. on the Effective Date, as endorsed by the Certificate;
- (q) "**Final Order**" means the final order of the Court approving the Arrangement as such order may be amended or varied by the Court (with the consent of the Corporation) at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is acceptable to the Corporation) on appeal;
- (r) "**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange;
- (s) "**Interim Order**" means the interim order of the Court, in a form acceptable to the Corporation, concerning the Arrangement and providing for, among other things, declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be amended or varied by the Court (with the consent of the Corporation);
- (t) "**Law**" means, with respect to any Person, any and all applicable laws (statutory, civil, common or otherwise), constitutions, treaties, conventions, ordinances, codes, rules, regulations, orders, injunctions, judgments, decrees, rulings or other similar requirements, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise;

- (u) **"Meeting"** means the annual and special meeting of the Shareholders, including any adjournment or postponement of such annual and special meeting, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;
 - (v) **"Non-Canadian"** means a Person who is not a Canadian;
 - (w) **"Non-Canadian Holder Authorized to Provide Air Service"** means one or more non-Canadian Shareholders authorized to provide an air service in any jurisdiction, either individually or in affiliation with another Person;
 - (x) **"Person"** includes an individual, limited or general partnership, limited liability corporation, limited liability partnership, trust, joint venture, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;
 - (y) **"Plan of Arrangement"** means this plan of arrangement under Section 193 of the ABCA, and any amendments or variations made in accordance therewith or made at the direction of the Court in the Final Order with the prior written consent of the Corporation;
 - (z) **"Registrar"** means the Registrar of Corporations for the Province of Alberta or the Deputy Registrar of Corporations duly appointed pursuant to Section 263 of the ABCA;
 - (aa) **"Shareholders"** means the holders and the beneficial owners of the Variable Voting Shares and the holders and the beneficial owners of the Common Voting Shares;
 - (bb) **"Shares"** means the Variable Voting Shares and the Common Voting Shares;
 - (cc) **"Single Non-Canadian Holder"** means any single non-Canadian Shareholder, either individually or in affiliation with another Person;
 - (dd) **"Transfer Agent"** means AST Trust Company (Canada); and
 - (ee) **"Variable Voting Shares"** means the variable voting shares in the share capital of the Corporation.
- 1.2 **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 **References.** Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 **Certain Phrases, etc.** Unless the context requires otherwise, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders.
- 1.5 **Business Day.** In the event that the date on which any action is required to be taken hereunder is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place, except that the Effective Date can fall on a date that is not a Business Day.

- 1.6 **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.
- 1.7 **Statutes.** References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- 1.8 **Governing Law.** This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
- 1.9 **Time References.** References to time herein are to local time, Calgary, Alberta.

ARTICLE 2 BINDING EFFECT

- 2.1 Upon the filing of the Articles of Arrangement and the issuance of the Certificate, this Plan of Arrangement shall become, at and after the Effective Time, effective and binding on: (i) all the Shareholders; (ii) the Corporation, (iii) the Transfer Agent, and (iv) all other Persons, without any further formality required on the part of any Person, except as expressly provided herein.

ARTICLE 3 THE ARRANGEMENT

- 3.1 At the Effective Time, the following events shall occur and shall be deemed to occur in the following order without any further authorization, act or formality on the part of any Person:
- (a) the Corporation's Articles shall be amended, and shall be deemed to be amended, in the form attached as Schedule A hereto, to modify the rights attached to the Shares in order to reflect the amendments to the CTA implemented through *The Transportation Modernization Act* (Bill C-49);
 - (b) the Articles of Arrangement in the form attached as Schedule A hereto shall be adopted and the Corporation's Articles shall be amended accordingly;
 - (c) By-Law 2005-1 shall be amended and restated in the form attached as Schedule B hereto; and
 - (d) the Corporation shall be authorized to amend the statutory declaration and any form to be completed from time to time by Shareholders to determine their status as Canadian, non-Canadian, Single Non-Canadian Holder and Non-Canadian Authorized to Provide Air Service, such amendments to be made in accordance with the authority granted to the directors of the Corporation in By-Law 2005-1 by way of the Articles of Arrangement.
- 3.2 The Arrangement and the amendment of the Articles by way of Articles of Arrangement shall not trigger any right of dissent for the Shareholders, whether under the ABCA or otherwise.
- 3.3 Each Shareholder, with respect to each step set out in Section 3.1 applicable to such Shareholder, shall be deemed, at the time such step occurs, to have executed and delivered all necessary or required consents, releases, assignments, instruments, certificates, powers

of attorney and waivers, statutory or otherwise, relating to or in connection with the completion of such step.

- 3.4 The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with regard to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Section 3.1 has become effective in the sequence and at the times set out therein.
- 3.5 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time.

ARTICLE 4 AMENDMENTS AND WITHDRAWAL

- 4.1 The Corporation may amend this Plan of Arrangement at any time, provided that each such amendment must be set out in writing and filed with the Court.
- 4.2 Any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time by the Corporation without the approval of the Court or of the Shareholders, provided that it concerns a matter which, in the reasonable opinion of the Corporation, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any Shareholder.
- 4.3 Subject to Section 4.2, any amendment to this Plan of Arrangement may be proposed by the Corporation at any time prior to or at the Meeting with or without any other prior notice or communication to Shareholders, and if so proposed and accepted by the Persons voting at the Meeting (other than as required by the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 4.4 Subject to Section 4.2, the Corporation may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time with the approval of the Court, and, if and as required by the Court, after communication to Shareholders.
- 4.5 This Plan of Arrangement may be withdrawn and the Corporation may not proceed with this Plan of Arrangement prior to the Effective Time in accordance with the Arrangement Resolution.

ARTICLE 5 FURTHER ASSURANCES

- 5.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in Section 3.1 and shall become effective without any further act or formality, the Corporation shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required in order to further document or evidence any of the transactions or events set out herein.

SCHEDULE A

(see attached)

Appendix "A"

CLASSES OF SHARES

The authorized capital of the Corporation consists of the following:

- a. An unlimited number of Variable Voting Shares, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below;
- b. An unlimited number of Common Voting Shares, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below;
- c. An unlimited number of Non-Voting Shares, issuable in series, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below;
- d. An unlimited number of First Preferred Shares, issuable in series, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below;
- e. An unlimited number of Second Preferred Shares, issuable in series, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below; and
- f. An unlimited number of Third Preferred Shares, issuable in series, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below.

1. INTERPRETATION

1.1 Definitions

For purposes of the Articles, the following terms have the following meanings:

"ABCA" means the Business Corporations Act (Alberta), R.S.A. (2000), c. B-9, as amended;

"ABCA Regulations" means any regulations promulgated from time to time under the ABCA;

"affiliation" shall, for purposes of subparagraphs 2.1.1, 2.1.2 and 2.1.3 of this Appendix "A", have the meaning set forth in Subsection 55(2) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"Aggregate Votes" means the aggregate of the votes attached to all Voting Shares of the Corporation that may ordinarily be cast to elect directors of the Corporation;

"air service" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"Canadian" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"Common Voting Share" means the common voting shares of the share capital of the Corporation;

"corporation" includes a body corporate, partnership and unincorporated organization;

"CTA" means the Canada Transportation Act, S.C. 1996, Ch. 10, as amended;

"Non-Canadian Holder(s) Authorized to Provide Air Service" shall have the meaning set forth in subparagraph 2.1.2(i);

"Non-Voting Share" means the non-voting shares of the share capital of the Corporation;

"Offeror" has the meaning ascribed thereto in the ABCA;

"person" includes an individual, corporation, association, entity, government or agency thereof, trustee, executor, administrator and other legal representative, and references to "person" in the singular shall be deemed to include the plural and vice versa;

"Single Non-Canadian Holder" shall have the meaning set forth in subparagraph 2.1.1(i);

"Transfer Agent" means the transfer agent and the registrar of the Voting Shares of the Corporation;

"Variable Voting Share" means the variable voting shares of the share capital of the Corporation; and

"Voting Share" means the Variable Voting Shares and the Common Voting Shares of the share capital of the Corporation and includes a security currently convertible into such a share and currently exercisable options and rights to acquire such shares or such a convertible security.

2. VARIABLE VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to any other class of shares, the Variable Voting Shares shall, as a class, have the following rights, privileges, restrictions and conditions:

2.1 Voting

The holders of the Variable Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class shall be entitled to vote separately as a class as provided in the ABCA.

The Variable Voting Shares shall carry one vote per Variable Voting Share unless any of the thresholds set forth in subparagraphs 2.1.1, 2.1.2 or 2.1.3, as the case may be, would otherwise be surpassed at any time, in which case the vote attached to a Variable Voting Share will decrease as described in this Section 2.1 below.

2.1.1 Single Non-Canadian Holder

If at any time:

- (i) a single non-Canadian holder of Variable Voting Shares (a "**Single Non-Canadian Holder**"), either individually or in affiliation with any other person, owns directly or indirectly, a number of Variable Voting Shares that, as a percentage of the total number of all Voting Shares outstanding, exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation), or
- (ii) the total number of votes that would be cast by or on behalf of a Single Non-Canadian Holder, either individually or in affiliation with another person, at any shareholder meeting would exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share owned by such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder, will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares owned by such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder do not carry in the aggregate more than 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the Aggregate Votes

attached to all issued and outstanding Voting Shares of the Corporation, and (y) the total number of votes cast by or on behalf of such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder at any shareholder meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

For greater certainty, a single Non-Canadian Holder Authorized to Provide Air Service (as such term is defined in subparagraph 2.1.2(i)) shall also constitute a Single Non-Canadian Holder for purposes of subparagraph 2.1.1.

2.1.2 Non-Canadian Holder Authorized to Provide Air Service

If at any time:

- (i) one or more non-Canadians authorized to provide an air service in any jurisdiction (each, a "**Non-Canadian Holder Authorized to Provide Air Service**" and collectively, the "**Non-Canadian Holders Authorized to Provide Air Service**"), collectively own directly or indirectly, either individually or in affiliation with any other person, a number of Variable Voting Shares that, as a percentage of the total number of all Voting Shares outstanding, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 (if any, as may be required thereunder), exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation), or
- (ii) the total number of votes that would be cast by or on behalf of Non-Canadian Holders Authorized to Provide Air Service and persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any shareholder meeting would, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 (if any, as may be required thereunder) exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share owned by all Non-Canadian Holders Authorized to Provide Air Service and by any person in affiliation with such Non-Canadian Holders Authorized to Provide Air Service will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares owned by all Non-Canadian Holders Authorized to Provide Air Service and by any person in affiliation with such Non-Canadian Holders Authorized to Provide Air Service do not carry in the aggregate more than 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding Voting Shares of the Corporation, and (y) the total number of votes cast by or on behalf of all Non-Canadian Holders Authorized to Provide Air Service and by any person in affiliation with one or more Non-Canadian Holders Authorized to Provide Air Service at any shareholder meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

2.1.3 General – All Holders of Variable Voting Shares

If at any time:

- 2.1.3.1 the number of issued and outstanding Variable Voting Shares, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 and after the application of the automatic and proportionate decrease to the votes attached

to all of the Variable Voting Shares owned by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with one or more Non-Canadian Holders Authorized to Provide Air Service in accordance with subparagraph 2.1.2 (in each case, if any, as may be required under such subparagraphs), exceeds 49% of the total number of all issued and outstanding Voting Shares (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation), or

2.1.3.2 the total number of votes that would be cast by or on behalf of holders of Variable Voting Shares at any shareholder meeting would, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 and after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with one or more Non-Canadian Holders Authorized to Provide Air Service in accordance with subparagraph 2.1.2 (in each case, if any, as may be required under such subparagraphs), would exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share will decrease proportionately and automatically and without further act or formality only to such extent that, as a result (i) the Variable Voting Shares do not carry more than 49% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding Voting Shares of the Corporation, and (ii) the total number of votes cast by or on behalf of holders of Variable Voting Shares as a class at any shareholder meeting do not exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

2.2 Dividends

Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation ranking prior to the Variable Voting Shares, the holders of Variable Voting Shares shall be entitled to receive any dividend declared by the directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine. The Variable Voting Shares, the Common Voting Shares and the Non-Voting Shares shall rank equally as to dividends on a share-for-share basis, and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Variable Voting Shares, Common Voting Shares and Non-Voting Shares then outstanding, without preference or distinction.

2.3 Subdivision or Consolidation

No subdivision or consolidation of the Variable Voting Shares shall occur unless, simultaneously, the Variable Voting Shares, the Common Voting Shares and the Non-Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

2.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation ranking prior to the Variable Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of Variable Voting Shares, Common Voting Shares and Non-Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

2.5 Conversion

2.5.1 Automatic

Each issued and outstanding Variable Voting Share shall be automatically converted into one Common Voting Share without any further act on the part of the Corporation or of the holder, if:

- (i) such Variable Voting Share is or becomes beneficially owned and controlled, directly or indirectly, by a Canadian; or
- (ii) the provisions contained in the CTA relating to foreign ownership restrictions are repealed and not replaced with other similar provisions.

2.5.2 Upon an Offer

In the event that an offer is made to purchase Common Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed, to be made to all or substantially all the holders of Common Voting Shares in a province or territory of Canada to which the requirement applies, each Variable Voting Share shall become convertible at the option of the holder into one Common Voting Share at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the Offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Variable Voting Shares for the purpose of depositing the resulting Common Voting Shares pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to section 2.1, immediately above, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Common Voting Shares on behalf of the holder.

To exercise such conversion right, the holder or his attorney duly authorized in writing shall:

- (i) give written notice to the Transfer Agent of the exercise of such right and of the number of Variable Voting Shares in respect of which the right is being exercised;
- (ii) deliver to the Transfer Agent the share certificate or certificates representing the Variable Voting Shares in respect of which the right is being exercised; and
- (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Common Voting Shares resulting from the conversion of the Variable Voting Shares shall be delivered to the holders on whose behalf such deposit is being made.

If Common Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; or the offer is abandoned or withdrawn by the Offeror or the offer otherwise expires without such Common Voting Shares being taken up and paid for, the Common Voting Shares resulting from the conversion will be reconverted into Variable Voting Shares and a share certificate representing the Variable Voting Shares will be sent to the holder by the Transfer Agent. Common Voting Shares resulting from the conversion and taken up and paid for by the Offeror shall be re-converted into Variable Voting Shares at the time the Offeror is required under the applicable securities legislation to take up and pay for such shares if the Offeror is not a Canadian.

In the event that the Offeror takes up and pays for the Common Voting Shares resulting from conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

There will be no right to convert the Variable Voting Shares into Common Voting Shares in the following cases:

- (iv) the offer to purchase Common Voting Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed to be made to all or substantially all

of the holders of Common Voting Shares in a province or territory of Canada to which the requirement applies, that is, the offer is an "exempt take-over bid" within the meaning of the foregoing securities legislation; or

- (v) an offer to purchase Variable Voting Shares is made concurrently with the offer to purchase Common Voting Shares and the two offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Variable Voting Shares must be unconditional, subject to the exception that the offer for the Variable Voting Shares may contain a condition to the effect that the Offeror is not required to take up and pay for Variable Voting Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Common Voting Shares.

3. COMMON VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to the shares of any other class, the Common Voting Shares, as a class, shall have attached thereto the following rights, privileges, restrictions and conditions.

3.1 Voting

The holders of Common Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class shall be entitled to vote separately as a class as provided in the ABCA. Each Common Voting Share shall confer the right to one vote at all meetings of shareholders of the Corporation.

3.2 Dividends and Distributions

Subject to the rights, privileges, restrictions and conditions attached to any class of shares of the Corporation ranking prior to the Common Voting Shares, holders of Common Voting Shares shall be entitled to receive the dividends declared by the directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine. The Common Voting Shares, Variable Voting Shares and Non-Voting Shares shall rank equally as to dividends on a share for share basis and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Common Voting Shares, Variable Voting Shares and Non-Voting Shares then outstanding, without preference or distinction.

3.3 Subdivision or Consolidation

No subdivision or consolidation of the Common Voting Shares shall occur unless, simultaneously, the Common Voting Shares, the Variable Voting Shares and the Non-Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the respective rights of the holders of the shares of each of the said classes.

3.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any class of shares ranking prior to the Common Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purposes of winding-up its affairs, the holders of Common Voting Shares, Variable Voting Shares and Non-Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

3.5 Conversion

3.5.1 Automatic

Subject to the foreign ownership restrictions of the CTA, an issued and outstanding Common Voting Share shall be converted into one Variable Voting Share, automatically and without any further act of the Corporation or the holder,

if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, by a person who is not a Canadian.

3.5.2 Upon an Offer

In the event that an offer is made to purchase Variable Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed, to be made to all or substantially all the holders of Variable Voting Shares in a province or territory of Canada to which the requirement applies, each Common Voting Share shall become convertible at the option of the holder into one Variable Voting Share, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the Offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Common Voting Shares for the purpose of depositing the resulting Variable Voting Shares pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to paragraph 3.1, immediately above, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Variable Voting Shares on behalf of the holder.

To exercise such conversion right, the holder or his attorney duly authorized in writing shall:

- (i) give written notice to the Transfer Agent of the exercise of such right and of the number of Variable Voting Shares in respect of which the right is being exercised;
- (ii) deliver to the Transfer Agent the share certificate or certificates representing the Variable Voting Shares in respect of which the right is being exercised; and
- (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Variable Voting Shares resulting from the conversion of the Common Voting Shares will be delivered to the holders on whose behalf such deposit is being made.

If Variable Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; or the offer is abandoned or withdrawn by the Offeror or the offer otherwise expires without such Variable Voting Shares being taken up and paid for, the Variable Voting Shares resulting from the conversion will be re-converted into Common Voting Shares and a share certificate representing the Common Voting Shares will be sent to the holder by the Transfer Agent. Variable Voting Shares resulting from the conversion and taken up and paid for by the Offeror shall be re-converted into Common Voting Shares at the time the Offeror is required under the applicable securities legislation to take up and pay for such shares if the Offeror is Canadian.

In the event that the Offeror takes up and pays for the Variable Voting Shares resulting from conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

There will be no right to convert the Common Voting Shares into Variable Voting Shares in the following cases:

- (iv) the offer to purchase Variable Voting Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed to be made to all or substantially all of the holders of Variable Voting Shares in a province or territory of Canada to which the requirement applies that is, the offer is an "exempt takeover bid" within the meaning of the foregoing securities legislation; or
- (v) an offer to purchase Common Voting Shares is made concurrently with the offer to purchase Variable Voting Shares and the two offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Common Voting Shares must be unconditional, subject to the exception that the offer for the Common Voting Shares may contain a condition to the effect that the Offeror is not required to take up and pay for Common Voting Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Variable Voting Shares.

4. NON-VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to any other class of shares, the Non-Voting Shares shall have attached thereto the following rights, privileges, restrictions and conditions.

4.1 Creation

4.1.1 Series

The Non-Voting Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the Non-Voting Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the voting rights attached thereto (if any), the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than Non-Voting Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA or successor legislation thereto) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.

4.1.2 Amendment to Unissued Shares

Notwithstanding subparagraph 4.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of Non-Voting Shares.

4.1.3 Parity of Each Series

The Non-Voting Shares of each series shall rank on a parity with the Non-Voting Shares of every other series with respect to accumulated dividends and return of capital.

If any cumulative dividends or amounts payable on a return of capital are not paid in full, the Non-Voting Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Non-Voting Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends pro rata with the holders of all Non-Voting Shares.

4.2 Voting

Other than as expressly provided herein or under the ABCA, the Non-Voting Shares shall have no voting rights at meetings of shareholders.

4.3 Dividends

Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation ranking prior to the Non-Voting Shares, the holders of Non-Voting Shares shall be entitled to receive any dividend declared by the directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine. The Non-Voting Shares, the Common Voting Shares and the Variable Voting Shares shall rank equally as to dividends on a share-for-share basis, and all dividends declared

in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Non-Voting Shares, Common Voting Shares and Variable Voting Shares then outstanding, without preference or distinction.

4.4 Subdivision or Consolidation

No subdivision or consolidation of the Non-Voting Shares shall occur unless, simultaneously, the Non-Voting Shares, the Common Voting Shares and the Variable-Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

4.5 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation ranking prior to the Non-Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of Non-Voting Shares, Common Voting Shares and Variable Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

4.6 Conversion

4.6.1 No Right of Conversion

Except as provided for herein below, the Non-Voting Shares shall not have any conversion rights attached thereto.

4.6.2 Upon an Offer

In the event that an offer is made to purchase Common Voting Shares or Variable Voting Shares, as the case may be, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares or Variable Voting Shares, as the case may be, are then listed, to be made to all or substantially all the holders of Common Voting Shares or Variable Voting Shares, as the case may be, in a province or territory of Canada to which the requirement applies, each Non-Voting Share shall become convertible at the option of the holder into one Common Voting Share or Variable Voting Shares, as the case may be, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the Offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Non-Voting Shares for the purpose of depositing the resulting Common Voting Shares or Variable Voting Shares, as the case may be, pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to paragraph 4.2, immediately above, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Common Voting Shares or Variable Voting Shares, as the case may be, on behalf of the holder.

To exercise such conversion right, the holder or his attorney duly authorized in writing shall:

- (i) give written notice to the Transfer Agent of the exercise of such right and of the number of Non-Voting Shares in respect of which the right is being exercised;
- (ii) deliver to the Transfer Agent the share certificate or certificates representing the Non-Voting Shares in respect of which the right is being exercised; and
- (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Common Voting Shares or Variable Voting Shares, as the case may be, resulting from the conversion of the Non-Voting Shares shall be delivered to the holders on whose behalf such deposit is being made.

If Common Voting Shares or Variable Voting Shares, as the case may be, resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; or the offer is abandoned or withdrawn by the Offeror or the offer otherwise expires without such Common Voting Shares or Variable Voting Shares, as the case may be, being taken up and paid for, the Common Voting Shares or Variable Voting Shares, as the case may be, resulting from the conversion will be re-converted into Non-Voting Shares and a share certificate representing the Non-Voting Shares will be sent to the holder by the Transfer Agent. Common Voting Shares or Variable Voting Shares, as the case may be, resulting from the conversion and taken up and paid for by the Offeror shall be re-converted into Non-Voting Shares at the time the Offeror is required under the applicable securities legislation to take up and pay for such shares.

In the event that the Offeror takes up and pays for the Common Voting Shares or Variable Voting Shares, as the case may be, resulting from conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

There will be no right to convert the Non-Voting Shares into Common Voting Shares or Variable Voting Shares, as the case may be, in the following cases:

- (iv) the offer to purchase Common Voting Shares or Variable Voting Shares, as the case may be, is not required under applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares or Variable Voting Shares, as the case may be, are then listed to be made to all or substantially all of the holders of Common Voting Shares or Variable Voting Shares, as the case may be, in a province or territory of Canada to which the requirement applies, that is, the offer is an "exempt take-over bid" within the meaning of the foregoing securities legislation; or
- (v) an offer to purchase Non-Voting Shares is made concurrently with the offer to purchase Common Voting Shares or Variable Voting Shares, as the case may be, and the offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Non-Voting Shares must be unconditional, subject to the exception that the offer for the Non-Voting Shares may contain a condition to the effect that the Offeror is not required to take up and pay for Non-Voting Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Common Voting Shares or Variable Voting Shares, as the case may be.

4.7 Amendments to Outstanding Non-Voting Shares

- 4.7.1 The rights, privileges, restrictions and conditions attaching to the Non-Voting Shares as a class may be added to, changed or removed but only with the approval of the holders of the Non-Voting Shares given as herein specified.

The rights, privileges, restrictions and conditions attaching to the Non-Voting Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Non-Voting Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of holders of Non-Voting Shares duly called for such purpose and held upon at least twenty-one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding Non-Voting Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Non-Voting Share shall be entitled to one (1) vote for each Non-Voting Share held.

5. FIRST PREFERRED SHARES

The unlimited number of First Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

5.1 The First Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the First Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than First Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.

5.1.1 Subject to applicable law, the holders of First Preferred Shares shall not be entitled as such to any voting rights at any meeting of shareholders of the Corporation.

5.2 Notwithstanding subparagraph 5.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of First Preferred Shares.

5.3 The First Preferred Shares of each series shall rank on a parity with the First Preferred Shares of every other series with respect to accumulated dividends and return of capital. The First Preferred Shares shall be entitled to a preference over the Second Preferred Shares, the Common Voting Shares, the Variable Voting Shares, the Third Preferred Shares, the Non-Voting Shares and over any other shares of the Corporation ranking junior to the First Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the First Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the First Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends. The First Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs 5.1 to 5.5 hereof over the Second Preferred Shares, the Common Voting Shares, the Variable Voting Shares, the Third Preferred Shares, the Non-Voting Shares and any other shares ranking junior to the First Preferred Shares as may be determined in the case of each such series of First Preferred Shares.

5.4 The rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the First Preferred Shares given as herein specified.

5.5 The rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the First Preferred Shares given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of a least two-thirds of the votes cast at a meeting of holders of First Preferred Shares duly called for such purpose and held upon at least twenty-one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding First Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a

date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a First Preferred Share shall be entitled to one (1) vote in respect of each one (\$1) dollar of stated value of First Preferred Shares held.

6. SECOND PREFERRED SHARES

The unlimited number of Second Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

6.1 The Second Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the Second Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than Second Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.

6.1.1 Subject to applicable law, the holders of Second Preferred Shares shall not be entitled as such to any voting rights at any meeting of shareholders of the Corporation.

6.2 Notwithstanding subparagraph 6.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of Second Preferred Shares.

6.3 The Second Preferred Shares of each series shall rank on a parity with the Second Preferred Shares of every other series with respect to accumulated dividends and return of capital. The Second Preferred Shares shall be entitled to a preference over the Common Voting Shares, the Variable Voting shares, the Third Preferred Shares, the Non-Voting Shares and over any other shares of the Corporation ranking junior to the Second Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the Second Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Second Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends. The Second Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs 6.1 to 6.5 hereof over the Common Voting Shares, the Variable Voting Shares, the Third Preferred Shares, the Non-Voting Shares, and any other shares ranking junior to the Second Preferred Shares as may be determined in the case of each such series of Second Preferred Shares.

6.4 The rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Second Preferred Shares given as herein specified.

6.5 The rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Second Preferred Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of holders of Second Preferred Shares duly called for such purpose and held upon at least twenty-one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding Second Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

On every vote taken at every such meeting or adjourned meeting each holder of a Second Preferred Share shall be entitled to one (1) vote in respect of each one (\$1) dollar of stated value of Second Preferred Shares held.

7. THIRD PREFERRED SHARES

The unlimited number of Third Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

7.1 The Third Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the Third Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than Third Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.

7.1.1 Subject to applicable law, the holders of Third Preferred Shares shall not be entitled as such to any voting rights at any meeting of shareholders of the Corporation.

7.2 Notwithstanding subparagraph 7.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of Third Preferred Shares.

7.3 The Third Preferred Shares of each series shall rank on a parity with the Third Preferred Shares of every other series with respect to accumulated dividends and return of capital. The Third Preferred Shares shall be entitled to a preference over the Common Voting Shares, the Variable Voting Shares, the Non-Voting Shares and over any other shares of the Corporation ranking junior to the Third Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the Third Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Third Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall

be applied towards the payment in satisfaction of claims in respect of dividends. The Third Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs 7.1 to 7.5 hereof over the Common Voting Shares, the Variable Voting Shares, the Non-Voting Shares and any other shares ranking junior to the Second Preferred Shares as may be determined in the case of each such series of Third Preferred Shares.

7.4 The rights, privileges, restrictions and conditions attaching to the Third Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Third Preferred Shares given as herein specified.

7.5 The rights, privileges, restrictions and conditions attaching to the Third Preferred Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Third Preferred Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of holders of Third Preferred Shares duly called for such purpose and held upon at least twenty-one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding Third Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Third Preferred Share shall be entitled to one (1) vote in respect of each one (\$1) dollar of stated value of Third Preferred Shares held.

CONSTRAINTS ON OWNERSHIP AND TRANSFERS OF SHARES

1. CONSTRAINTS RELATING TO SHARES

1.1 Variable Voting Shares

The Variable Voting Shares may only be beneficially owned or controlled, directly or indirectly, by persons who are not Canadians.

1.2 Common Voting Shares

The Common Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians.

1.3 ABCA Constraints

In the event that any Canadian federal or provincial legislation or regulation applicable to the Corporation should become prescribed for the purposes of subsection 174(1)(b) of the ABCA or any other similar provision in the ABCA or ABCA Regulations, these provisions shall be read as if they included additional constraints that assist the Corporation or any of its affiliates or associates (within the meaning of the ABCA) to qualify under such prescribed law or regulation to receive licenses, permits, grants, payments or other benefits by reason of attaining or maintaining a specified level of Canadian ownership and control and such specified level of Canadian ownership and control shall be the level of Canadian ownership and control designated by such prescribed law or regulation of Canada or a province.

1.4 Joint Ownership

Where Voting Shares of the Corporation are beneficially owned or controlled by several persons jointly, the number of Voting Shares beneficially owned or controlled by any one such person shall include the number of Voting Shares beneficially owned or controlled jointly with such other persons. Where the Voting Shares are beneficially owned or controlled jointly by a person who is not Canadian and another person or persons, the Voting Shares shall be deemed to be owned or controlled by such person who is not a Canadian.

1.5 Exceptions

1.5.1 Nothing in these provisions shall be construed to apply in respect of Voting Shares of the Corporation that:

- (i) are held by one or more underwriters solely for the purpose of distributing the shares to the public; or
- (ii) are held by any person that is acting in relation to the shares solely in its capacity as an intermediary in the payment of funds or the delivery of securities, or both, in connection with trades in securities and that provides centralized facilities for the clearing of trades in securities.

1.5.2 The constraints imposed herein do not apply to the extent that a person who is not a Canadian holds Voting Shares by way of security only and such holding by way of security only is evidenced in such form as may be prescribed by the by-laws or resolutions adopted by the shareholders or directors of the Corporation and filed by such holder with the Corporation.

1.6 Powers of Directors

1.6.1 In the administration of these provisions, the directors of the Corporation shall enjoy, in addition to the powers set forth herein, all of the powers necessary or desirable, in their opinion, to carry out the intent and purpose hereof, including but not limited to all powers contemplated by the provisions relating to constrained share corporations in the ABCA and the ABCA Regulations.

1.6.2 Neither any shareholder of the Corporation nor any other interested person shall have any claim or action against the Corporation or against any director or officer of the Corporation nor shall the Corporation have any claim or action against any director or officer of the Corporation arising out of any act (including any omission to act) performed pursuant to or in intended pursuance of these provisions or any breach or alleged breach of such provisions.

SCHEDULE B

(see attached)

BY-LAW NO. 2005-1

A BY-LAW CONFERRING POWERS ON THE BOARD OF DIRECTORS TO IMPLEMENT AND APPLY CONSTRAINTS ON THE ISSUE, TRANSFER AND OWNERSHIP OF VOTING SHARES OF THE CORPORATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this by-law and in notices or other written communications pertaining hereto, unless otherwise dictated by the context, the following expressions have the meanings ascribed to them respectively herein below:

"Act" means the *Business Corporations Act (Alberta)* R.S.A. 2000, c. B-9 and the regulations made under such Act, as amended from time to time;

"affiliation" shall, for the purposes of paragraph 2.3.1 and 3.1.2 of this by-law, have the meaning set forth in Subsection 55(2) of the *Canada Transportation Act* or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"Agent" means a Person appointed to act on behalf of another;

"Canada Evidence Act" means the *Canada Evidence Act*, R.S.C. (1985), c. C-5 and the regulations made under such Act, as amended from time to time;

"*Canada Transportation Act*" means the *Canada Transportation Act*, S.C. 1996, c. 10 and the regulations made under such Act, as amended from time to time;

"Canadian" means a Canadian within the meaning of the *Canada Transportation Act*;

"Corporation" means WestJet Airlines Ltd.;

"Declaration" means a declaration within the meaning of paragraph 2.3 of this by-law;

"Depository" means Caisse canadienne de dépôts de valeurs limitée / Canadian Depository for Securities Limited or any other Person acting as an intermediary for the payment or delivery of securities in respect of securities transactions and providing centralized services for the compensation of securities transactions or providing centralized services as a depository in respect of the compensation of securities transactions;

"Non-Canadian" means a Person who is not a Canadian;

"Participant" means a holder of Voting Shares or the Agent of such holder registered with the Depository;

"Person" means an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;

"Registration System" means the services offered by the Depository;

"Transfer Agent" means AST Trust Company or any other corporation designated by the Board of Directors to act as Transfer Agent of the Corporation; and

"Voting Share" means a share that carries voting rights under all circumstances or by reason of an event that has occurred and is continuing and includes a security convertible into such a share and an exercisable option or right to acquire such a share or convertible security.

1.2 Interpretation

Terms in this by-law not defined herein but defined in the Act have the meanings ascribed to them in the Act. Any definition in this by-law that could be interpreted in a manner that is inconsistent with the Act will be interpreted so as to be consistent therewith.

2. DECLARATIONS

2.1 Holder

The Board of Directors may require, at all times, that any owner or holder of Voting Shares of its share capital, the Agent of such owner or holder, a Participant in whose name the Voting Shares of the Corporation are registered or the Depository, must provide any relevant information required to enable it to apply the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the *Canada Transportation Act* and the Articles of the Corporation.

2.2 Transfer or issue of shares

The Board of Directors may require, prior to accepting any transfer of or subscription for Voting Shares of the Corporation's share capital, that the prospective owner or holder, the Agent of such owner or holder, the Participant in whose name such Voting Shares are registered, or the Depository, provide any relevant information required to enable it to apply the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the *Canada Transportation Act* and the Articles of the Corporation.

2.3 Declaration and other information

In order to apply the provisions concerning the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the *Canada Transportation Act* and the Articles of the Corporation, the Board of Directors may, in its entire discretion:

2.3.1 require a Person in whose name Voting Shares of the Corporation are registered, the Agent of such Person, the Participant in whose name such shares are registered, or the Depository to provide a statutory Declaration under the *Canada Evidence Act* or otherwise concerning:

- (i) whether the shareholder is the beneficial owner of, or controls, Voting Shares of the Corporation or holds them for a beneficial owner;
- (ii) whether the shareholder is an affiliate or associate (each within the meaning of the Act) of or in affiliation with another shareholder;
- (iii) whether the shareholder or beneficial owner is a Canadian;

- (iv) whether the shareholder or beneficial owner is a single Non-Canadian owning greater than 25% of the number of outstanding Voting Shares, and the identity of any Person owning Voting Shares and in affiliation with such shareholder or beneficial owner;
- (v) whether the shareholder or beneficial owner is a Non-Canadian authorized to provide an air service in any jurisdiction, and the identify of any Person owning Voting Shares and in affiliation with such shareholder or beneficial owner;
- (vi) whether the shareholder or beneficial owner is in affiliation with any Person described in paragraph 2.3.1(iv) or 2.3.1(v) and, in any such circumstance, the identity of such affiliated shareholder; and
- (vii) any further facts that the directors consider relevant;

2.3.2 require any Person seeking to have a transfer of a Voting Share registered in his name or to have a Voting Share issued to him to provide a Declaration similar to the Declaration a Person may be required to provide under paragraph 2.3.1; and

2.3.3 determine the circumstances in which any Declarations are required, their form and the times when they are to be provided.

2.4 Failure to provide a declaration or any other information

When a Person, the Agent of such Person, the Participant in whose name the Voting Shares of the Corporation are registered, or the Depository are required to provide a Declaration or any other information required pursuant to this by-law and fail to comply with such obligation, the directors may take the following measures until such Person, the Agent of such Person, the Participant, or the Depository has provided the Declaration or the information concerned:

2.4.1 refuse to recognize all ownership rights attributable to the Voting Shares, including the voting rights attached to such Voting Shares, to register a transfer of a Voting Share in his name or, as the case may be in the name of the Person for whom the Participant or the Agent is acting or to issue a Voting Share to such Person or the Person for whom the Agent or the Participant is acting;

2.4.2 where the Voting Shares concerned are registered with the Depository, regardless of whether the failure is attributable to the Depository or the Participant, order the Depository to exclude the Voting Shares of the Participant from the Registration System and to refuse any new request by the Participant for registration in the Registration System; or

2.4.3 take any other measure deemed necessary in order to give effect to the provisions concerning the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the *Canada Transportation Act* and the Articles of the Corporation.

3. ADDITIONAL POWERS

The Board of Directors may, when it deems it appropriate in order to apply the provisions concerning the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the *Canada Transportation Act*, the Articles of the Corporation and this by-law:

3.1.1 name and sign any contract with third Persons, and particularly with the Transfer Agent and Depository, namely in order to assist in obtaining and following-up on the Declarations and various information it requires as well as in applying the sanctions related to a Person's failure to comply with the *Canada Transportation Act*, the Articles of the Corporation, or this by-law, as the case may be; and

3.1.2 implement all control mechanisms and adopt all the procedures it may require from time to time, and in particular; (i) implement and adopt certificates of control of the Canadian, Non-Canadian, single Non-Canadian owning greater than 25% of the number of outstanding Voting Shares, or Non-Canadian authorized to provide an air service in any jurisdiction status of the holders of Voting Shares of the Corporation's capital; and (ii) implement any specific compensation procedure in respect of the Voting Shares held by Canadians, Non-Canadians, single Non-Canadians owning greater than 25% of the number of outstanding Voting Shares, or Non-Canadians authorized to provide an air service in any jurisdiction, including any Person in affiliation therewith, and subject to the Registration System.

4. SHARE CERTIFICATES

The Board of Directors is authorized to adopt and make, from time to time, all the amendments to the Corporation's share certificate forms required to give effect to the provisions concerning the restrictions on the issue, transfer and ownership of Voting Shares of the Corporation set out in the Articles of the Corporation.

MADE by the Board the [•] day of [•], 2019.

President

Secretary

CONFIRMED by the Shareholders in accordance with the *Business Corporations Act* (Alberta), the [•] day of [•], 2019.

Secretary

Appendix C - Revised Articles of Incorporation

Appendix "A"

CLASSES OF SHARES

The authorized capital of the Corporation consists of the following:

- a. An unlimited number of Variable Voting Shares, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below;
- b. An unlimited number of Common Voting Shares, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below;
- c. An unlimited number of Non-Voting Shares, issuable in series, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below;
- d. An unlimited number of First Preferred Shares, issuable in series, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below;
- e. An unlimited number of Second Preferred Shares, issuable in series, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below; and
- f. An unlimited number of Third Preferred Shares, issuable in series, which class of shares shall have attached thereto the rights, privileges, restrictions and conditions set forth below.

1. INTERPRETATION

1.1 Definitions

For purposes of the Articles, the following terms have the following meanings:

"ABCA" means the Business Corporations Act (Alberta), R.S.A. (2000), c. B-99, as amended;

"ABCA Regulations" means any regulations promulgated from time to time under the ABCA;

"affiliation" shall, for purposes of subparagraphs 2.1.1, 2.1.2 and 2.1.3 of this Appendix "A", have the meaning set forth in Subsection 55(2) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"Aggregate Votes" means the aggregate of the votes attached to all Voting Shares of the Corporation that may ordinarily be cast to elect directors of the Corporation;

"Canadian air service" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"Canadian" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"Common Voting Share" means the common voting shares of the share capital of the Corporation;

"corporation" includes a body corporate, partnership and unincorporated organization;

"CTA" means the Canada Transportation Act, S.C. 1996, Ch. ~~40~~10, as amended;

"Non-Canadian Holder(s) Authorized to Provide Air Service" shall have the meaning set forth in subparagraph 2.1.2(i);

"Non-Voting Share" means the non-voting shares of the share capital of the Corporation;

"Offeror" has the meaning ascribed thereto in the ABCA;

"person" includes an individual, corporation, association, entity, government or agency thereof, trustee, executor, administrator and other legal representative, and references to "person" in the singular shall be deemed to include the plural and vice versa;

"Single Non-Canadian Holder" shall have the meaning set forth in subparagraph 2.1.1(i);

"Transfer Agent" means the transfer agent and the registrar of the Voting Shares of the Corporation;

"Variable Voting Share" means the variable voting shares of the share capital of the Corporation; and

"Voting Share" means the Variable Voting Shares and the Common Voting Shares of the share capital of the Corporation and includes a security currently convertible into such a share and currently exercisable options and rights to acquire such shares or such a convertible security.

~~1.2 — Control~~

~~For purposes of these Articles,~~

~~1.2.1 — a body corporate is controlled by a person if:~~

- ~~(i) — securities of the body corporate to which are attached more than fifty percent (50%) of the votes that may be cast to elect directors of the body corporate are held, otherwise than by way of security only, by or for the benefit of that person; and~~
- ~~(ii) — the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate; and~~

~~1.2.2 — a partnership or unincorporated organization is controlled by a person if an ownership interest therein representing more than fifty percent (50%) of the assets of the partnership or organization is held, otherwise than by way of security only, by or for the benefit of that person.~~

~~1.3 — Undefined Terms~~

~~All terms used herein that are not defined herein shall have the meanings ascribed thereto in the ABCA. Any provision herein shall be read so as to be consistent with the ABCA.~~

2. VARIABLE VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to any other class of shares, the Variable Voting Shares shall, as a class, have the following rights, privileges, restrictions and conditions:

2.1 Voting

The holders of the Variable Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class ~~are~~shall be entitled to vote separately as a class as provided in the ABCA.

The Variable Voting Shares shall carry one vote per Variable Voting Share, ~~unless~~unless any of the thresholds set forth in subparagraphs 2.1.1, 2.1.2 or 2.1.3, as the case may be, would otherwise be surpassed at any time, in which case the vote attached to a Variable Voting Share will decrease as described in this Section 2.1 below.

2.1.1 ~~the number of issued and outstanding Variable Voting Shares exceeds 25% of the total number of all issued and outstanding Voting Shares (or any higher percentage that the Governor in Council may specify pursuant to the CTA); or~~ Single Non-Canadian Holder

If at any time:

- (i) a single non-Canadian holder of Variable Voting Shares (a "Single Non-Canadian Holder"), either individually or in affiliation with any other person, owns directly or indirectly, a number of Variable Voting Shares that, as a percentage of the total number of all Voting Shares outstanding, exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation), or
- (ii) the total number of votes that would be cast by or on behalf of a Single Non-Canadian Holder, either individually or in affiliation with another person, at any shareholder meeting would exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share owned by such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder, will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares owned by such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder do not carry in the aggregate more than 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding Voting Shares of the Corporation, and (y) the total number of votes cast by or on behalf of such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder at any shareholder meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

For greater certainty, a single Non-Canadian Holder Authorized to Provide Air Service (as such term is defined in subparagraph 2.1.2(i)) shall also constitute a Single Non-Canadian Holder for purposes of subparagraph 2.1.1.

2.1.2 ~~the total number of votes cast by or on behalf of holders of Variable Voting Shares at any meeting exceeds 25% (or any higher percentage that the Governor in Council may specify pursuant to the CTA) of the total number of votes that may be cast at such meeting.~~ Non-Canadian Holder Authorized to Provide Air Service

If at any time:

- (i) one or more non-Canadians authorized to provide an air service in any jurisdiction (each, a "Non-Canadian Holder Authorized to Provide Air Service" and collectively, the "Non-Canadian Holders Authorized to Provide Air Service"), collectively own directly or indirectly, either individually or in affiliation with any other person, a number of Variable Voting Shares that, as a percentage of the total number of all Voting Shares outstanding, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 (if any, as may be required thereunder), exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation), or
- (ii) the total number of votes that would be cast by or on behalf of Non-Canadian Holders Authorized to Provide Air Service and persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any shareholder meeting would, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by

any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 (if any, as may be required thereunder) exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share owned by all Non-Canadian Holders Authorized to Provide Air Service and by any person in affiliation with such Non-Canadian Holders Authorized to Provide Air Service will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares owned by all Non-Canadian Holders Authorized to Provide Air Service and by any person in affiliation with such Non-Canadian Holders Authorized to Provide Air Service do not carry in the aggregate more than 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding Voting Shares of the Corporation, and (y) the total number of votes cast by or on behalf of all Non-Canadian Holders Authorized to Provide Air Service and by any person in affiliation with one or more Non-Canadian Holders Authorized to Provide Air Service at any shareholder meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

2.1.3 General – All Holders of Variable Voting Shares

If at any time:

2.1.3.1 the number of issued and outstanding Variable Voting Shares, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 and after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with one or more Non-Canadian Holders Authorized to Provide Air Service in accordance with subparagraph 2.1.2 (in each case, if any, as may be required under such subparagraphs), exceeds 49% of the total number of all issued and outstanding Voting Shares (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation), or

~~If either of the above noted thresholds is surpassed at any time,~~ 2.1.3.2 the total number of votes that would be cast by or on behalf of holders of Variable Voting Shares at any shareholder meeting would, after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with subparagraph 2.1.1 and after the application of the automatic and proportionate decrease to the votes attached to all of the Variable Voting Shares owned by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with one or more Non-Canadian Holders Authorized to Provide Air Service in accordance with subparagraph 2.1.2 (in each case, if any, as may be required under such subparagraphs), would exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

~~then the vote attached to each Variable Voting Share will decrease proportionately and automatically and without further act or formality to equal the maximum permitted vote per Variable Voting Share. Under the circumstance described in subparagraph 2.1.1 above, only to such extent that, as a result (i) the Variable Voting Shares as a class cannot do not carry more than 25~~ 49% (or any higher different percentage that the Governor in Council may specify pursuant to the CTA may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding Voting Shares of the Corporation. Under the circumstance described in subparagraph 2.1.2 above, the, and (ii) the total number of votes cast by or on behalf of holders of Variable Voting Shares as a class cannot, for a given ~~at any shareholder's meeting, carry more than 25~~ do not exceed 49% (or any higher different

percentage that ~~the Governor in Council may specify pursuant to the CTA~~ may be prescribed by law or regulation of Canada or a province of Canada applicable to the Corporation, and approved or adopted by the directors of the Corporation) of the total number of votes ~~that can be exercised~~ cast at ~~the~~ such meeting.

2.2 Dividends

Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation ranking prior to the Variable Voting Shares, the holders of Variable Voting Shares shall be entitled to receive any dividend declared by the directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine. The Variable Voting Shares, the Common Voting Shares and the Non-Voting Shares shall rank equally as to dividends on a share-for-share basis, and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Variable Voting Shares, Common Voting Shares and Non-Voting Shares then outstanding, without preference or distinction.

2.3 Subdivision or Consolidation

No subdivision or consolidation of the Variable Voting Shares shall occur unless, simultaneously, the Variable Voting Shares, the Common Voting Shares and the Non-Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

2.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation ranking prior to the Variable Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of Variable Voting Shares, Common Voting Shares and Non-Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

2.5 Conversion

2.5.1 Automatic

Each issued and outstanding Variable Voting Share shall be automatically converted into one Common Voting Share without any further act on the part of the Corporation or of the holder, if:

- (i) such Variable Voting Share is or becomes beneficially owned and controlled, directly or indirectly, by a Canadian; or
- (ii) the provisions contained in the CTA relating to foreign ownership restrictions are repealed and not replaced with other similar provisions.

2.5.2 Upon an Offer

In the event that an offer is made to purchase Common Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed, to be made to all or substantially all the holders of Common Voting Shares in a province or territory of Canada to which the requirement applies, each Variable Voting Share shall become convertible at the option of the holder into one Common Voting Share at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the Offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Variable Voting Shares for the purpose of depositing the resulting Common Voting Shares pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to

section 2.1, immediately above, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Common Voting Shares on behalf of the holder.

To exercise such conversion right, the holder or his attorney duly authorized in writing shall:

- (i) give written notice to the Transfer Agent of the exercise of such right and of the number of Variable Voting Shares in respect of which the right is being exercised;
- (ii) deliver to the Transfer Agent the share certificate or certificates representing the Variable Voting Shares in respect of which the right is being exercised; and
- (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Common Voting Shares resulting from the conversion of the Variable Voting Shares shall be delivered to the holders on whose behalf such deposit is being made.

If Common Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; or the offer is abandoned or withdrawn by the Offeror or the offer otherwise expires without such Common Voting Shares being taken up and paid for, the Common Voting Shares resulting from the conversion will be reconverted into Variable Voting Shares and a share certificate representing the Variable Voting Shares will be sent to the holder by the Transfer Agent. Common Voting Shares resulting from the conversion and taken up and paid for by the Offeror shall be re-converted into Variable Voting Shares at the time the Offeror is required under the applicable securities legislation to take up and pay for such shares if the Offeror is not a Canadian.

In the event that the Offeror takes up and pays for the Common Voting Shares resulting from conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

There will be no right to convert the Variable Voting Shares into Common Voting Shares in the following cases:

- (iv) the offer to purchase Common Voting Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed to be made to all or substantially all of the holders of Common Voting Shares in a province or territory of Canada to which the requirement applies, that is, the offer is an "exempt take-over bid" within the meaning of the foregoing securities legislation; or
- (v) an offer to purchase Variable Voting Shares is made concurrently with the offer to purchase Common Voting Shares and the two offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Variable Voting Shares must be unconditional, subject to the exception that the offer for the Variable Voting Shares may contain a condition to the effect that the Offeror is not required to take up and pay for Variable Voting Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Common Voting Shares.

3. COMMON VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to the shares of any other class, the Common Voting Shares, as a class, shall have attached thereto the following rights, privileges, restrictions and conditions.

3.1 Voting

The holders of Common Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class ~~are~~ shall be entitled to vote separately as a class as provided in the ABCA. Each Common Voting Share shall confer the right to one vote at all meetings of shareholders of the Corporation.

3.2 Dividends and Distributions

Subject to the rights, privileges, restrictions and conditions attached to any class of shares of the Corporation ranking prior to the Common Voting Shares, holders of Common Voting Shares shall be entitled to receive the dividends declared by the directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine. The Common Voting Shares, Variable Voting Shares and Non-Voting Shares shall rank equally as to dividends on a share for share basis and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Common Voting Shares, Variable Voting Shares and Non-Voting Shares then outstanding, without preference or distinction.

3.3 Subdivision or Consolidation

No subdivision or consolidation of the Common Voting Shares shall occur unless, simultaneously, the Common Voting Shares, the Variable Voting Shares and the Non-Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the respective rights of the holders of the shares of each of the said classes.

3.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any class of shares ranking prior to the Common Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purposes of winding-up its affairs, the holders of Common Voting Shares, Variable Voting Shares and Non-Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

3.5 Conversion

3.5.1 Automatic

Subject to the foreign ownership restrictions of the CTA, an issued and outstanding Common Voting Share shall be converted into one Variable Voting Share, automatically and without any further act of the Corporation or the holder, if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, by a person who is not a Canadian.

3.5.2 Upon an Offer

In the event that an offer is made to purchase Variable Voting Shares, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed, to be made to all or substantially all the holders of Variable Voting Shares in a province or territory of Canada to which the requirement applies, each Common Voting Share shall become convertible at the option of the holder into one Variable Voting Share, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the Offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Common Voting Shares for the purpose of depositing the resulting Variable Voting Shares, pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to paragraph 3.1, immediately above, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Variable Voting Shares on behalf of the holder.

To exercise such conversion right, the holder or his attorney duly authorized in writing shall:

- (i) give written notice to the Transfer Agent of the exercise of such right and of the number of Variable Voting Shares, in respect of which the right is being exercised;
- (ii) deliver to the Transfer Agent the share certificate or certificates representing the Variable Voting Shares, in respect of which the right is being exercised; and

- (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Variable Voting Shares, resulting from the conversion of the Common Voting Shares will be delivered to the holders on whose behalf such deposit is being made.

If Variable Voting Shares, resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; or the offer is abandoned or withdrawn by the Offeror or the offer otherwise expires without such Variable Voting Shares, being taken up and paid for, the Variable Voting Shares, resulting from the conversion will be re-converted into Common Voting Shares and a share certificate representing the Common Voting Shares will be sent to the holder by the Transfer Agent. Variable Voting Shares, resulting from the conversion and taken up and paid for by the Offeror shall be re-converted into Common Voting Shares at the time the Offeror is required under the applicable securities legislation to take up and pay for such shares if the Offeror is Canadian.

In the event that the Offeror takes up and pays for the Variable Voting Shares, resulting from conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

There will be no right to convert the Common Voting Shares into Variable Voting Shares, in the following cases:

- (iv) the offer to purchase Variable Voting Shares, is not required under applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares, are then listed to be made to all or substantially all of the holders of Variable Voting Shares, [in a province or territory of Canada to which the requirement applies](#) that is, the offer is an "exempt takeover bid" within the meaning of the foregoing securities legislation; or
- (v) an offer to purchase Common Voting Shares is made concurrently with the offer to purchase Variable Voting Shares, and the [two](#) offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Common Voting Shares must be unconditional, subject to the exception that the offer for the Common Voting Shares may contain a condition to the effect that the Offeror is not required to take up and pay for Common Voting Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Variable Voting Shares.

4. NON-VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to any other class of shares, the Non-Voting Shares shall have attached thereto the following rights, privileges, restrictions and conditions.

4.1 Creation

4.1.1 Series

The Non-Voting Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the Non-Voting Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the voting rights attached thereto (if any), the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than Non-Voting Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA or successor legislation thereto) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.

4.1.2 Amendment to Unissued Shares

Notwithstanding subparagraph 4.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of Non-Voting Shares.

4.1.3 Parity of Each Series

The Non-Voting Shares of each series shall rank on a parity with the Non-Voting Shares of every other series with respect to accumulated dividends and return of capital.

If any cumulative dividends or amounts payable on a return of capital are not paid in full, the Non-Voting Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Non-Voting Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends pro rata with the holders of all Non-Voting Shares.

4.2 Voting

Other than as expressly provided herein or under the ABCA, the Non-Voting Shares shall have no voting rights at meetings of shareholders.

4.3 Dividends

Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation ranking prior to the Non-Voting Shares, the holders of Non-Voting Shares shall be entitled to receive any dividend declared by the directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine. The Non-Voting Shares, the Common Voting Shares and the Variable Voting Shares shall rank equally as to dividends on a share-for-share basis, and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Non-Voting Shares, Common Voting Shares and Variable Voting Shares then outstanding, without preference or distinction.

4.4 Subdivision or Consolidation

No subdivision or consolidation of the Non-Voting Shares shall occur unless, simultaneously, the Non-Voting Shares, the Common Voting Shares and the Variable-Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

4.5 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation ranking prior to the Non-Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of Non-Voting Shares, Common Voting Shares and Variable Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

4.6 Conversion

4.6.1 No Right of Conversion

Except as provided for herein below, the Non-Voting Shares shall not have any conversion rights attached thereto.

4.6.2 Upon an Offer

In the event that an offer is made to purchase Common Voting Shares or Variable Voting Shares, as the case may be, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares or Variable Voting Shares, as the case may be, are then listed, to be made to all or substantially all the holders of Common Voting Shares or Variable Voting Shares, as the case may be, in a province or territory of Canada to which the requirement applies, each Non-Voting Share shall become convertible at the option of the holder into one Common Voting Share or Variable Voting Shares, as the case may be, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the Offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Non-Voting Shares for the purpose of depositing the resulting Common Voting Shares or Variable Voting Shares, as the case may be, pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to paragraph 4.2, immediately above, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Common Voting Shares or Variable Voting Shares, as the case may be, on behalf of the holder.

To exercise such conversion right, the holder or his attorney duly authorized in writing shall:

- (i) give written notice to the Transfer Agent of the exercise of such right and of the number of Non-Voting Shares in respect of which the right is being exercised;
- (ii) deliver to the Transfer Agent the share certificate or certificates representing the Non-Voting Shares in respect of which the right is being exercised; and
- (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Common Voting Shares or Variable Voting Shares, as the case may be, resulting from the conversion of the Non-Voting Shares shall be delivered to the holders on whose behalf such deposit is being made.

If Common Voting Shares or Variable Voting Shares, as the case may be, resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; or the offer is abandoned or withdrawn by the Offeror or the offer otherwise expires without such Common Voting Shares or Variable Voting Shares, as the case may be, being taken up and paid for, the Common Voting Shares or Variable Voting Shares, as the case may be, resulting from the conversion will be re-converted into Non-Voting Shares and a share certificate representing the Non-Voting Shares will be sent to the holder by the Transfer Agent. Common Voting Shares or Variable Voting Shares, as the case may be, resulting from the conversion and taken up and paid for by the Offeror shall be re-converted into Non-Voting Shares at the time the Offeror is required under the applicable securities legislation to take up and pay for such shares.

In the event that the Offeror takes up and pays for the Common Voting Shares or Variable Voting Shares, as the case may be, resulting from conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

There will be no right to convert the Non-Voting Shares into Common Voting Shares or Variable Voting Shares, as the case may be, in the following cases:

- (iv) the offer to purchase Common Voting Shares or Variable Voting Shares, as the case may be, is not required under applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares or Variable Voting Shares, as the case may be, are then listed to be made to all or substantially all of the

holders of Common Voting Shares or Variable Voting Shares, as the case may be, in a province or territory of Canada to which the requirement applies, that is, the offer is an "exempt take-over bid" within the meaning of the foregoing securities legislation; or

- (v) an offer to purchase Non-Voting Shares is made concurrently with the offer to purchase Common Voting Shares or Variable Voting Shares, as the case may be, and the offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Non-Voting Shares must be unconditional, subject to the exception that the offer for the Non-Voting Shares may contain a condition to the effect that the Offeror is not required to take up and pay for Non-Voting Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Common Voting Shares or Variable Voting Shares, as the case may be.

4.7 Amendments to Outstanding Non-Voting Shares

- 4.7.1 The rights, privileges, restrictions and conditions attaching to the Non-Voting Shares as a class may be added to, changed or removed but only with the approval of the holders of the Non-Voting Shares given as herein specified.

The rights, privileges, restrictions and conditions attaching to the Non-Voting Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or otherwise varied only with the sanction of the holders of the Non-Voting Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of holders of Non-Voting Shares duly called for such purpose and held upon at least twenty-one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding Non-Voting Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Non-Voting Share shall be entitled to one (1) vote for each Non-Voting ~~Shares~~Share held.

5. FIRST PREFERRED SHARES

The unlimited number of First Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- 5.1 The First Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the First Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than First Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.

5.1.1 Subject to applicable law, the holders of First Preferred Shares shall not be entitled as such to any voting rights at any meeting of shareholders of the Corporation.

5.2 Notwithstanding subparagraph 5.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of First Preferred Shares.

5.3 The First Preferred Shares of each series shall rank on a parity with the First Preferred Shares of every other series with respect to accumulated dividends and return of capital. The First Preferred Shares shall be entitled to a preference over the Second Preferred Shares, the Common Voting [Shares](#), the Variable Voting Shares, the Third Preferred Shares, the Non-Voting Shares and over any other shares of the Corporation ranking junior to the First Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the First Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the First Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends. The First Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs 5.1 to 5.5 hereof over the Second Preferred Shares, the Common Voting Shares, the Variable Voting Shares, the Third Preferred Shares, the Non-Voting Shares and any other shares ranking junior to the First Preferred Shares as may be determined in the case of each such series of First Preferred Shares.

5.4 The rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the First Preferred Shares given as herein specified.

5.5 The rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the First Preferred Shares given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of a least two-thirds of the votes cast at a meeting of holders of First Preferred Shares duly called for such purpose and held upon at least twenty-one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding First Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a First Preferred Share shall be entitled to one (1) vote in respect of each one (\$1) dollar of stated value of First Preferred Shares held.

6. SECOND PREFERRED SHARES

The unlimited number of Second Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

6.1 The Second Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix

the designation, rights, privileges, restrictions and conditions to be attached to the Second Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than Second Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.

6.1.1 Subject to applicable law, the holders of Second Preferred Shares shall not be entitled as such to any voting rights at any meeting of shareholders of the Corporation.

6.2 Notwithstanding subparagraph 6.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of Second Preferred Shares.

6.3 The Second Preferred Shares of each series shall rank on a parity with the Second Preferred Shares of every other series with respect to accumulated dividends and return of capital. The Second Preferred Shares shall be entitled to a preference over the Common Voting Shares, the Variable Voting shares, the Third Preferred Shares, the Non-Voting Shares and over any other shares of the Corporation ranking junior to the Second Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the Second Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Second Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends. The Second Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs 6.1 to 6.5 hereof over the Common Voting Shares, the Variable Voting Shares, the Third Preferred Shares, the Non-Voting Shares, and any other shares ranking junior to the Second Preferred Shares as may be determined in the case of each such series of Second Preferred Shares.

6.4 The rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Second Preferred Shares given as herein specified.

6.5 The rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Second Preferred Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of holders of Second Preferred Shares duly called for such purpose and held upon at least twenty-one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding Second Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

On every vote taken at every such meeting or adjourned meeting each holder of a Second Preferred Share shall be entitled to one (1) vote in respect of each one (\$1) dollar of stated value of Second Preferred Shares held.

7. THIRD PREFERRED SHARES

The unlimited number of Third Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

7.1 The Third Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the Third Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than Third Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.

7.1.1 Subject to applicable law, the holders of Third Preferred Shares shall not be entitled as such to any voting rights at any meeting of shareholders of the Corporation.

7.2 Notwithstanding subparagraph 7.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of Third Preferred Shares.

7.3 The Third Preferred Shares of each series shall rank on a parity with the Third Preferred Shares of every other series with respect to accumulated dividends and return of capital. The Third Preferred Shares shall be entitled to a preference over the Common Voting Shares, the Variable Voting Shares, the Non-Voting Shares and over any other shares of the Corporation ranking junior to the Third Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the Third Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Third Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends. The Third Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs 7.1 to 7.5 hereof over the Common Voting Shares, the Variable Voting Shares, the Non-Voting Shares and any other shares ranking junior to the Second Preferred Shares as may be determined in the case of each such series of Third Preferred Shares.

7.4 The rights, privileges, restrictions and conditions attaching to the Third Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Third Preferred Shares given as herein specified.

7.5 The rights, privileges, restrictions and conditions attaching to the Third Preferred Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Third Preferred Shares given in such a manner as may then be

required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of holders of Third Preferred Shares duly called for such purpose and held upon at least twenty-one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding Third Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Third Preferred Share shall be entitled to one (1) vote in respect of each one (\$1) dollar of stated value of Third Preferred Shares held.

~~RESTRICTIONS~~CONSTRAINTS ON ~~SHARE~~OWNERSHIP AND TRANSFERS OF SHARES

1. ~~CONSTRAINTS ON OWNERSHIP OF~~RELATING TO SHARES

1.1 Variable Voting Shares

The Variable Voting Shares may only be beneficially owned or controlled, directly or indirectly, by persons who are not Canadians.

1.2 Common Voting Shares

The Common Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians.

1.3 ABCA Constraints

In the event that any Canadian federal or provincial legislation or regulation applicable to the Corporation should become prescribed for the purposes of subsection 174(1)(b) of the ABCA or any other similar provision in the ABCA or ABCA Regulations, these provisions shall be read as if they included additional constraints that assist the Corporation or any of its affiliates or associates (within the meaning of the ABCA) to qualify under such prescribed law or regulation to receive licenses, permits, grants, payments or other benefits by reason of attaining or maintaining a specified level of Canadian ownership and control and such specified level of Canadian ownership and control shall be the level of Canadian ownership and control designated by such prescribed law or regulation of Canada or a province.

1.4 Joint Ownership

Where Voting Shares of the Corporation are beneficially owned or controlled by several persons jointly, the number of Voting Shares beneficially owned or controlled by any one such person shall include the number of Voting Shares beneficially owned or controlled jointly with such other persons. Where the Voting Shares are beneficially owned or controlled jointly by a person who is not Canadian and another person or persons, the Voting Shares shall be deemed to be owned or controlled by such person who is not a Canadian.

1.5 Exceptions

1.5.1 Nothing in these provisions shall be construed to apply in respect of Voting Shares of the Corporation that:

- (i) are held by one or more underwriters solely for the purpose of distributing the shares to the public; or
- (ii) are held by any person that is acting in relation to the shares solely in its capacity as an intermediary in the payment of funds or the delivery of securities, or both, in connection with trades in securities and that provides centralized facilities for the clearing of trades in securities.

1.5.2 The constraints imposed herein do not apply to the extent that a person who is not a Canadian holds Voting Shares by way of security only and such holding by way of security only is evidenced in such form as may be prescribed by the by-laws or resolutions adopted by the shareholders or directors of the Corporation and filed by such holder with the Corporation.

1.6 Powers of Directors

1.6.1 In the administration of these provisions, the directors of the Corporation shall enjoy, in addition to the powers set forth herein, all of the powers necessary or desirable, in their opinion, to carry out the intent and purpose hereof, including but not limited to all powers contemplated by the provisions relating to constrained share corporations in the ABCA and the ABCA Regulations.

1.6.2 Neither any shareholder of the Corporation nor any other interested person shall have any claim or action against the Corporation or against any director or officer of the Corporation nor shall the Corporation have any claim or action against any director or officer of the Corporation arising out of any act (including any omission to act) performed pursuant to or in intended pursuance of these provisions or any breach or alleged breach of such provisions.

~~CONSOLIDATION/SPLIT/EXCHANGE SCHEDULE~~

~~Each issued and outstanding Common Share which is not owned and controlled by a Canadian within the meaning of the Canada Transportation Act, 1996, c. 10, as constituted at close of market on the date of amendment on the Certificate of Amendment to be issued by the Registrar pursuant to the Business Corporations Act, R.S.A. 2000, c. B-9 following the filing of the Articles of Amendment, is hereby converted into one Variable Voting Share of the share capital of the Corporation and that Common Share is cancelled.~~

~~Each issued and outstanding Common Share owned and controlled by a Canadian within the meaning of the Canada Transportation Act, 1996, c. 10, as constituted at close of market on the day prior to the date of amendment on the Certificate of Amendment to be issued by the Registrar pursuant to the Business Corporations Act, R.S.A. 2000, c. B-9 following the filing of the Articles of Amendment, is hereby converted into one Common Voting Share of the Share Capital of the Corporation and that Common Share is cancelled.~~

Appendix D - Revised By-Law No. 2005-1

BY-LAW NO. 2005-1

A BY-LAW CONFERRING POWERS ON THE BOARD OF DIRECTORS TO IMPLEMENT AND APPLY CONSTRAINTS ON THE ISSUE, TRANSFER AND OWNERSHIP OF VOTING SHARES OF THE CORPORATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this by-law and in notices or other written communications pertaining hereto, unless otherwise dictated by the context, the following expressions have the meanings ascribed to them respectively herein below:

"Act" means the *Business Corporations Act* (Alberta) R.S.A. 2000, c. B-9 and the regulations made under such Act, as amended from time to time;

"affiliation" shall, for the purposes of paragraph 2.3.1 and 3.1.2 of this by-law, have the meaning set forth in Subsection 55(2) of the *Canada Transportation Act* or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"Agent" means a Person appointed to act on behalf of another;

"Canada Evidence Act" means the *Canada Evidence Act*, R.S.C. (1985), c. C-5 and the regulations made under such Act, as amended from time to time;

"*Canada Transportation Act*" means the *Canada Transportation Act*, S.C. 1996, c. 10 and the regulations made under such Act, as amended from time to time;

"Canadian" means a Canadian within the meaning of the *Canada Transportation Act*;

"Corporation" means WestJet Airlines Ltd.;

"Declaration" means a declaration within the meaning of ~~subsection~~paragraph 2.3 of this by-law;

"Depository" means Caisse canadienne de ~~dépôt~~dépôts de valeurs ~~Limitée~~limitée / Canadian Depository for Securities Limited or any other Person acting as an intermediary for the payment or delivery of securities in respect of securities transactions and providing centralized services for the compensation of securities transactions or providing centralized services as a depository in respect of the compensation of securities transactions;

"Non-Canadian" means a Person who is not a Canadian;

"Participant" means a holder of Voting Shares or the Agent of such holder registered with the Depository;

"Person" means an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;

"Registration System" means the services offered by the Depository;

"Transfer Agent" means ~~CIBC Mellon~~ [AST](#) Trust Company or any other corporation designated by the Board of Directors to act as Transfer Agent of the Corporation; and

"Voting Share" means a share that carries voting rights under all circumstances or by reason of an event that has occurred and is continuing and includes a security convertible into such a share and an exercisable option or right to acquire such a share or convertible security.

1.2 Interpretation

Terms in this by-law not defined herein but defined in the Act have the meanings ascribed to them in the Act. Any definition in this by-law that could be interpreted in a manner that is inconsistent with the Act will be interpreted so as to be consistent therewith.

2. DECLARATIONS

2.1 Holder

The Board of Directors may require, at all times, that any owner or holder of Voting Shares of its share capital, the Agent of such owner or holder, a Participant in whose name the Voting Shares of the Corporation are registered or the Depository, must provide any relevant information required to enable it to apply the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the [Canada Transportation Act](#) and the Articles of the Corporation.

2.2 Transfer or issue of shares

The Board of Directors may require, prior to accepting any transfer of or subscription for Voting Shares of the Corporation's share capital, that the prospective owner or holder, the Agent of such owner or holder, the Participant in whose name such Voting Shares are registered, or the Depository, provide any relevant information required to enable it to apply the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the [Canada Transportation Act](#) and the Articles of the Corporation.

2.3 Declaration and other information

In order to apply the provisions concerning the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the [Canada Transportation Act](#) and the Articles of the Corporation, the Board of Directors may, in its entire discretion:

2.3.1 require a Person in whose name Voting Shares of the Corporation are registered, the Agent of such Person, the Participant in whose name such shares are registered, or the Depository to provide a statutory Declaration under the *Canada Evidence Act* or otherwise concerning:

- (i) whether the shareholder is the beneficial owner of, or controls, Voting Shares of the Corporation or holds them for a beneficial owner;
- (ii) whether the shareholder is an affiliate or associate ~~of~~ (each within the meaning of the Act) of or in affiliation with another shareholder;
- (iii) whether the shareholder or beneficial owner is a Canadian;

- (iv) whether the shareholder or beneficial owner is a single Non-Canadian owning greater than 25% of the number of outstanding Voting Shares, and the identity of any Person owning Voting Shares and in affiliation with such shareholder or beneficial owner;
- (v) whether the shareholder or beneficial owner is a Non-Canadian authorized to provide an air service in any jurisdiction, and the identify of any Person owning Voting Shares and in affiliation with such shareholder or beneficial owner;
- (vi) whether the shareholder or beneficial owner is in affiliation with any Person described in paragraph 2.3.1(iv) or 2.3.1(v) and, in any such circumstance, the identity of such affiliated shareholder; and
- (vii) ~~(iv)~~ any further facts that the directors consider relevant;

2.3.2 require any Person seeking to have a transfer of a Voting Share registered in his name or to have a Voting Share issued to him to provide a Declaration similar to the Declaration a Person may be required to provide under paragraph 2.3.1; and

2.3.3 determine the circumstances in which any Declarations are required, their form and the times when they are to be provided.

2.4 Failure to provide a declaration or any other information

When a Person, the Agent of such Person, the Participant in whose name the Voting Shares of the Corporation are registered, or the Depository are required to provide a Declaration or any other information required pursuant to this by-law and fail to comply with such obligation, the directors may take the following measures until such Person, the Agent of such Person, the Participant, or the Depository has provided the Declaration or the information concerned:

2.4.1 refuse to recognize all ownership rights attributable to the Voting Shares, including the voting rights attached to such Voting Shares, to register a transfer of a Voting Share in his name or, as the case may be in the name of the Person for whom the Participant or the Agent is acting or to issue a Voting Share to such Person or the Person for whom the Agent or the Participant is acting;

2.4.2 where the Voting Shares concerned are registered with the Depository, regardless of whether the failure is attributable to the Depository or the Participant, order the Depository to exclude the Voting Shares of the Participant from the Registration System and to refuse any new request by the Participant for registration in the Registration System; or

2.4.3 take any other measure deemed necessary in order to give effect to the provisions concerning the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the Canada Transportation Act and the Articles of the Corporation.

3. **ADDITIONAL POWERS**

The Board of Directors may, when it deems it appropriate in order to apply the provisions concerning the restrictions on the issue, transfer, ownership, control or voting of Voting Shares of the Corporation set out in the Canada Transportation Act, the Articles of the Corporation and this by-law:

3.1.1 name and sign any contract with third Persons, and particularly with the Transfer Agent and Depository, namely in order to assist in obtaining and following-up on the Declarations and various information it requires as well as in applying the sanctions related to a Person's failure to comply with the [Canada Transportation Act](#), the Articles of the Corporation, or this by-law, as the case may be; and

3.1.2 implement all control mechanisms and adopt all the procedures it may require from time to time, and in particular; (i) implement and adopt certificates of control of the Canadian~~-or Non-Canadian~~, [Non-Canadian, single Non-Canadian owning greater than 25% of the number of outstanding Voting Shares, or Non-Canadian authorized to provide an air service in any jurisdiction](#) status of the holders of Voting Shares of the Corporation's capital; and (ii) implement any specific compensation procedure in respect of the Voting Shares held by Canadians~~-or Non-Canadians~~, [Non-Canadians, single Non-Canadians owning greater than 25% of the number of outstanding Voting Shares, or Non-Canadians authorized to provide an air service in any jurisdiction, including any Person in affiliation therewith](#), and subject to the Registration System.

4. SHARE CERTIFICATES

The Board of Directors is authorized to adopt and make, from time to time, all the amendments to the Corporation's share certificate forms required to give effect to the provisions concerning the restrictions on the issue, transfer and ownership of Voting Shares of the Corporation set out in the Articles of the Corporation.

Appendix E - Interim Order

See next page for Interim Order.



COURT FILE NUMBER
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE

1901-02402

CALGARY

I hereby certify this to be a true copy of
the original Order
dated this 15 day of Feb 2019

IN THE MATTER OF SECTION 193 OF THE
BUSINESS CORPORATIONS ACT, RSA 2000, c
B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED
ARRANGEMENT TO AMEND THE ARTICLES
OF WESTJET AIRLINES LTD

_____ for Clerk of the Court

WESTJET AIRLINES LTD.

APPLICANT

NOT APPLICABLE

RESPONDENT

DOCUMENT

INTERIM ORDER

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

BLAKE, CASSELS & GRAYDON LLP

3500, 855 – 2nd Street SW

Calgary, AB T2P 4J8

Attention: David Tupper
Ross Bentley

Telephone: 403-260-9722
403-260-9720

Facsimile: 403-260-9700

Email: david.tupper@blakes.com
ross.bentley@blakes.com

File Ref: 73386/66

DATE ON WHICH ORDER WAS PRONOUNCED

February 15, 2019

NAME OF JUDGE WHO MADE THIS ORDER

Justice Neufeld

LOCATION OF HEARING

Calgary

UPON the Originating Application (the "**Originating Application**") of WestJet Airlines Ltd.
(the "**WestJet**");

AND UPON reading the Originating Application, the affidavit of Barbara Munroe, sworn
February 7, 2019 (the "**Affidavit**") and the documents referred to therein;

AND UPON HEARING counsel for WestJet;

FOR THE PURPOSES OF THIS ORDER:

- (a) the capitalized terms not defined in this Order (the "**Order**") shall have the meanings attributed to them in the draft arrangement disclosure of WestJet (the "**Arrangement Disclosure**"), which is attached as Exhibit "A" to the Affidavit; and
- (b) all references to "Arrangement" used herein mean the arrangement as set forth in the plan of arrangement attached the Arrangement Disclosure.

IT IS HEREBY ORDERED THAT:

Abridging Time for Filing and Service

1. The time for filing and service of the within Originating Application and the Affidavit is abridged.

General

2. WestJet shall seek approval of the Arrangement as described in the Arrangement Disclosure by holders of voting shares, both common voting shares and variable voting shares (the "**Securityholders**"), in the manner set forth below.

The Meeting

3. WestJet shall call and conduct a special meeting (the "**Meeting**") of Securityholders on May 7, 2019. At the Meeting, the Securityholders will consider and vote on a resolution to approve the Arrangement substantially in the form attached to the Arrangement Disclosure (the "**Arrangement Resolution**") and will consider such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Arrangement Disclosure.
4. A quorum at the Meeting shall be two persons, one of whom shall be or shall be representing a Canadian, and holding or representing not less than 10% of the shares entitled to be voted at the Meeting.
5. Each voting share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be

considered at the Meeting, subject to the current limitations in WestJet's articles of incorporation on voting interests of non-Canadians.

6. The record date for Securityholders entitled to receive notice of and vote at the Meeting shall be March 20, 2019 (the "**Record Date**"). Only Securityholders whose names have been entered on the register of Securityholders as at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting provided that, to the extent a Securityholder transfers the ownership of any voting shares after the Record Date and the transferee of those voting shares produces properly endorsed share certificates or otherwise establishes ownership of such voting shares and demands, not later than 10 days before the Meeting, to be included on the list of Securityholders entitled to vote at the Meeting, such transferee will be entitled to vote those voting shares at the Meeting.
7. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the ABCA, the articles and by-laws of WestJet in effect at the relevant time, the Arrangement Disclosure, the rulings and directions of the Chair of the Meeting, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the ABCA or the articles or by-laws of WestJet, the terms of this Order shall govern.

Conduct of the Meeting

8. The only persons entitled to attend the Meeting shall be Securityholders or their authorized proxy holders, WestJet's directors and officers and its auditors, WestJet's legal counsel, and such other persons who may be permitted to attend by the Chair of the Meeting.
9. The number of votes required to pass the Arrangement Resolution shall be not less than two-thirds of the votes cast by Securityholders present in person or represented by proxy at the Meeting.
10. To be valid, a proxy must be deposited with AST Trust Company (Canada) in the manner described in the Arrangement Disclosure.
11. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.
12. WestJet is authorized to adjourn or postpone the Meeting on one or more occasions

(whether or not a quorum is present, if applicable) and for such period or periods of time as WestJet deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as WestJet determines is appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postponed, as the context allows.

Amendments to the Arrangement

13. WestJet is authorized to make such amendments, revisions or supplements to the Arrangement as it may determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Arrangement. The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Order.

Amendments to Meeting Materials

14. WestJet is authorized to make such amendments, revisions or supplements ("**Additional Information**") to the Arrangement Disclosure, form of proxy ("**Proxy**"), notice of the Meeting ("**Notice of Meeting**"), and notice of Originating Application ("**Notice of Originating Application**") as it may determine, and WestJet may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by WestJet. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Arrangement Disclosure, would have been disclosed in the Arrangement Disclosure, then:
 - (a) WestJet shall advise the Securityholders of the material change or material fact by disseminating a news release (a "**News Release**") in accordance with applicable securities laws and the policies of the Toronto Stock Exchange; and
 - (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, WestJet shall not be required to deliver an

amendment to the Arrangement Disclosure to the Securityholders or otherwise give notice to the Securityholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid.

Dissent Rights and Single Voting Class

15. Securityholders are not given rights to dissent with respect to the Arrangement Resolution and holders of common voting shares and variable voting shares shall vote as a single class.

Notice

16. The following materials shall be sent to those Securityholders who hold voting shares as of the Record Date, the directors of WestJet, and auditors of WestJet: the Arrangement Disclosure, substantially in the form attached as Exhibit "A" to the Affidavit, with such amendments thereto as counsel to WestJet may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order); the Notice of the Meeting; the Proxy; the Notice of Originating Application; this Order; and any other communications or documents determined by WestJet to be necessary or advisable (collectively, the "**Meeting Materials**"). The Meeting Materials shall be sent by one or more of the following methods:
 - (a) in the case of registered Securityholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of WestJet as of the Record Date not later than 21 days prior to the Meeting;
 - (b) in the case of non-registered Securityholders, either by providing sufficient copies of the Meeting Materials to intermediaries, in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") or by providing notice to intermediaries of the availability of the Meeting Materials in compliance with the "notice and access" procedures contemplated by NI 54-101 and National Instrument 51-102 — *Continuous Disclosure Obligations*; and
 - (c) in the case of the directors and auditors of WestJet, by email, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual

directors or firm of auditors, as applicable, not later than 21 days prior to the date of the Meeting.

17. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Securityholders, the directors, and auditors of WestJet of:
 - (a) the Originating Application;
 - (b) this Order;
 - (c) the Notice of the Meeting; and
 - (d) the Notice of Originating Application.

Final Application

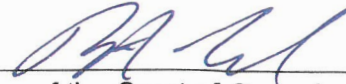
18. Subject to further order of this Court, and provided that the Securityholders have approved the Arrangement in the manner directed by this Court and the directors of WestJet have not revoked their approval, WestJet may proceed with an application for a final Order of the Court approving the Arrangement (the "**Final Order**") on May 9, 2019 at 10:00 a.m. (Calgary (MT) time) or as soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the certificate of arrangement, WestJet, all Securityholders and all other persons affected will be bound by the Arrangement in accordance with its terms.
19. Any Securityholder or other interested party (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon WestJet, on or before 12:00pm (Calgary (MT) time) on May 1, 2019, a notice of intention to appear ("**Notice of Intention to Appear**"). The Notice of Intention to Appear shall include the Interested Party's address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail) and indicate whether such Interested Party intends to support or oppose the application or make submissions at the application. The Notice of Intention to Appear shall also include a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. All of these materials must be served on the solicitors for WestJet, Blake, Cassels & Graydon

LLP, Attention: David Tupper / Ross Bentley.

20. If the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 19 of this Order, shall be given notice of the adjourned date.

Leave to Vary Interim Order

21. WestJet is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.



Justice of the Court of Queen's
Bench of Alberta

Appendix F - Notice of Application in respect of Final Order

CLERK OF THE COURT
FILED
FEB 15 2019
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER 1901- 02402
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE

CALGARY

IN THE MATTER OF SECTION 193 OF THE
BUSINESS CORPORATIONS ACT, RSA 2000, c
B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED
ARRANGEMENT TO AMEND THE ARTICLES
OF WESTJET AIRLINES LTD.

APPLICANT

WESTJET AIRLINES LTD.

RESPONDENT

NOT APPLICABLE

DOCUMENT

ORIGINATING APPLICATION

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street SW
Calgary, AB T2P 4J8

Attention: David Tupper
Ross Bentley

Telephone: 403-260-9722
403-260-9720

Facsimile: 403-260-9700

Email: david.tupper@blakes.com
ross.bentley@blakes.com

File Ref: 73386/66

Interim Order Application

Date: February 15, 2019

Time: 12:00 p.m.

Where: Calgary Courts Centre

Before Whom: Justice Neufeld

Basis for this Originating Application:

1. The Applicant, WestJet Airlines Ltd. ("**WestJet**"), requests that this Honourable Court consider and approve a proposed plan of arrangement (the "**Arrangement**") that WestJet seeks to implement pursuant to section 193 of the *Business Corporations Act*, RSA 2000, c B-9, as amended (the "**ABCA**").
2. WestJet is a corporation existing and registered under the ABCA and has its registered office in Calgary, Alberta. WestJet is an air service provider that, through a wholly-owned subsidiary partnership, currently indirectly holds a domestic service operating license pursuant to the *Canada Transportation Act*, SC 1996, c 10 (the "**CTA**"). WestJet is a reporting issuer pursuant to the securities laws of each province of Canada.
3. The purpose of the Arrangement is to amend WestJet's articles of incorporation (the "**Articles**") and its By-law No. 2005-1 ("**By-law 2005-1**") to ensure compliance with recent amendments to the CTA (the "**CTA Amendments**").
4. WestJet currently has two classes of outstanding shares, common voting shares ("**Common Voting Shares**") and variable voting shares ("**Variable Voting Shares**" and together with the Common Voting Shares, the "**Voting Shares**").
5. Prior to the CTA Amendments, the CTA restricted the aggregate permitted holdings of voting interests by non-Canadians in Canadian air service providers like WestJet to 25% of the total voting interests. In order to comply with the foreign-ownership restrictions contained in the CTA prior to the CTA Amendments, WestJet's Articles require that only persons who are "Canadians", as defined in the CTA, are to hold Common Voting Shares and only non-Canadians are to hold Variable Voting Shares. The Articles contain provisions that cause the automatic conversion of Common Voting Shares held by non-Canadians into Variable Voting Shares (and vice versa).
6. The Articles also include a provision that reduces the voting power of the Variable Voting Shares to 25% of the aggregate votes attached to all outstanding Voting Shares "or any higher percentage that the Governor in Counsel may specify pursuant to the CTA". If the number of Variable Voting Shares exceeds 25% of the total number of Voting Shares, then the collective number of votes associated with all Variable Voting Shares as a class is proportionally reduced to 25%, with the voting rights of such shareholders being reduced on a pro rata basis.

7. The CTA Amendments increased the *aggregate* permitted holdings of voting interests by non-Canadians from 25% to 49% (the "**Aggregate Limit**") but introduced 25% restrictions on holdings of voting interests by *single* non-Canadians and by non-Canadian air service providers (the "**Single Limits**"). The Articles do not permit WestJet to take advantage of the increased Aggregate Limit from 25% to 49% for permitted holdings of voting interests by non-Canadians. If WestJet amends its Articles to accommodate the increased Aggregate Limit, there is also currently nothing in the Articles that would restrict the voting rights of an individual non-Canadian or non-Canadian air service provider to 25%.
8. If WestJet does not comply with the Aggregate Limit or Single Limits, the CTA requires that the Canadian Transportation Agency suspend WestJet's domestic license. Moreover, if WestJet does not amend its Articles to reflect the increased Aggregate Limit from 25% to 49%, WestJet will be unable to take advantage of the increased access to foreign investment contemplated by the CTA Amendments. Accordingly, ensuring WestJet's Articles reflect the CTA Amendments is of fundamental importance to WestJet and the public more generally.
9. The Arrangement would amend the variable voting mechanisms within the Variable Voting Shares class in order to respond to the CTA Amendments.
10. Specifically, the Arrangement proposes to increase the Aggregate Limit in WestJet's Articles to 49% in accordance with the CTA Amendments.
11. The Arrangement also proposes an amendment to the Articles to provide that, if a single non-Canadian shareholder (or affiliated shareholders) or air service provider (or affiliated shareholders) acquires 25% or more of the Voting Shares, the voting rights of that shareholder would be limited to 25%, and may be further reduced on a per share basis. This reflects the fact that any such shareholder necessarily falls within the class of non-Canadians subject to and affected by the Aggregate Limit and also within one of the classes of non-Canadians subject to and affected by one of the Single Limits. Such a shareholder could be subject to prorating of voting rights necessary to respect both such limits.
12. In addition, the Arrangement includes a proposed amendment and restatement of By-law 2005-1 to add to such by-law additional categories of information that the board of directors may request of shareholders or their agents in order to identify shareholders who may be or become subject to the Single Limits.

13. The Arrangement is described in detail in the draft arrangement disclosure attached as Exhibit "A" to the Affidavit of Barbara Munroe, sworn on February 7, 2019. If approved and completed, the Arrangement will result in WestJet's continued compliance with the CTA and enhanced access to foreign investment.
14. It is impracticable to effect the results contemplated by the Arrangement under any provision of the ABCA other than section 193.
15. The Arrangement is the most effective means of achieving Parliament's objectives for the CTA Amendments to increase foreign ownership in Canadian air service providers while simultaneously maintaining Canadian control of such service providers. The alternative, to create two new classes of non-resident voting shares, is impracticable, would thwart Parliament's objectives for the CTA Amendments, and is contrary to the interests of WestJet and its shareholders (the "**Shareholders**").
16. The Arrangement is fair and reasonable to the Shareholders and all other affected persons.

Remedy sought:

17. As a first step, an Interim Order:
 - (a) declaring that the time for filing and service of this Originating Application and the Affidavit of Barbara Munroe, sworn on February 7, 2019, may be abridged;
 - (b) giving directions for the calling, giving of notice, and holding of a special meeting (the "**Meeting**") of the Shareholders for the purpose of considering and, if thought advisable, approving, with or without variation, a special resolution approving the proposed Arrangement;
 - (c) giving directions about the manner of conducting the vote of Shareholders on the resolution to approve the Arrangement;
 - (d) giving directions about the return of this Originating Application;
 - (e) giving WestJet leave to apply to vary the Interim Order; and
 - (f) giving directions about such other matters as may be required for the proper consideration of the Arrangement.

18. As a second step, if the resolution in support of the Arrangement is approved by the Shareholders, a Final Order:
- (a) deeming service of notice of this Originating Application, the notice in respect of the Meeting, and the Interim Order good and sufficient;
 - (b) declaring that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair and reasonable to the Shareholders and other affected parties, both from a substantive and procedural point of view;
 - (c) approving the Arrangement pursuant to section 193 of the ABCA and the terms and conditions of the Plan of Arrangement as described in the Affidavit of Barbara Munroe, sworn on February 7, 2019;
 - (d) permitting WestJet to seek leave to vary the Final Order at any time prior to filing the Articles of Arrangement or to seek advice and directions as to the implementation of the Final Order;
 - (e) declaring that the Arrangement will, upon the filing of Articles of Arrangement in accordance with the ABCA, be effective in accordance with its terms; and
 - (f) giving directions about the service of the Final Order.

Affidavit or other evidence to be used in support of this application:

19. The Affidavit of Barbara Munroe, sworn on February 7, 2019, to be filed herewith.

Applicable Acts and regulations:

20. Section 193 of the ABCA.
21. The CTA, including sections 55(1), 61, and 63.
22. The *Alberta Rules of Court*, including, without limitation, Rule 3.8.
23. Such further and other authority as counsel may advise.

Appendix G - Revised Preferred Share Terms

PREFERRED SHARE TERMS

1. ~~FIRST~~-PREFERRED SHARES

~~The unlimited number of First~~Up to 56,750,000 Preferred Shares, issuable in series, which Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- 1.1 The ~~First~~ Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the ~~First~~-Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, subject to paragraph 1.5, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than ~~First~~-Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.
 - 1.1.1 Subject to applicable law, the holders of ~~First~~ Preferred Shares shall not be entitled as such to any voting rights at any meeting of shareholders of the Corporation.
- 1.2 Notwithstanding subparagraph 1.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of ~~First~~ Preferred Shares.
- 1.3 The ~~First~~ Preferred Shares of each series shall rank on a parity with the ~~First~~-Preferred Shares of every other series with respect to accumulated dividends and return of capital. The ~~First~~-Preferred Shares shall be entitled to a preference over the ~~Second Preferred Shares, the Common Voting Shares,~~ the Variable Voting Shares, ~~the Third Preferred Shares,~~ the Non-Voting Shares and over any other shares of the Corporation ranking junior to the ~~First~~ Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the ~~First~~ Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the ~~First~~ Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends. The ~~First~~ Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs 1.1 to ~~1.5~~1.6 hereof over ~~the Second Preferred Shares,~~ the Common Voting Shares, the Variable Voting Shares, ~~the Third Preferred Shares,~~ the Non-Voting Shares and any other shares ranking junior to the ~~First~~-Preferred Shares as may be determined in the case of each such series of ~~First~~-Preferred Shares.
- 1.4 The rights, privileges, restrictions and conditions attaching to the ~~First~~ Preferred Shares as a class or any series thereof may be added to, changed or removed but only with the such approval ~~of the holders of the First Preferred Shares given as herein specified~~as may be required by law.
- 1.5 The Preferred Shares may be convertible into Common Voting Shares, Variable Voting Shares or another series of Preferred Shares provided that the maximum number of Common Voting Shares and Variable Voting Shares, in aggregate, that may be issuable upon conversion of all series of Preferred Shares shall be limited to 22,750,000 Common Voting Shares and Variable Voting Shares, in aggregate.
- 1.6 ~~1.5~~The rights, privileges, restrictions and conditions attaching to the ~~First~~ Preferred Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or

otherwise varied only with the sanction of the holders of the ~~First~~ Preferred Shares given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of a least two-thirds of the votes cast at a meeting of holders of ~~First~~ Preferred Shares duly called for such purpose and held upon at least twenty-one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding ~~First~~ Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a ~~First~~ Preferred Share shall be entitled to one (1) vote in respect of each one (\$1) dollar of stated value of ~~First~~ Preferred Shares held.

~~2. SECOND PREFERRED SHARES~~

~~The unlimited number of Second Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:~~

~~2.1 The Second Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the Second Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than Second Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.~~

~~2.1.1 Subject to applicable law, the holders of Second Preferred Shares shall not be entitled as such to any voting rights at any meeting of shareholders of the Corporation.~~

- ~~2.2 Notwithstanding subparagraph 2.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of Second Preferred Shares.~~
- ~~2.3 The Second Preferred Shares of each series shall rank on a parity with the Second Preferred Shares of every other series with respect to accumulated dividends and return of capital. The Second Preferred Shares shall be entitled to a preference over the Common Voting Shares, the Variable Voting shares, the Third Preferred Shares, the Non-Voting Shares and over any other shares of the Corporation ranking junior to the Second Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the Second Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Second Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends. The Second Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs 2.1 to 2.5 hereof over the Common Voting Shares, the Variable Voting Shares, the Third Preferred Shares, the Non-Voting Shares, and any other shares ranking junior to the Second Preferred Shares as may be determined in the case of each such series of Second Preferred Shares.~~
- ~~2.4 The rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Second Preferred Shares given as herein specified.~~
- ~~2.5 The rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Second Preferred Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of holders of Second Preferred Shares duly called for such purpose and held upon at least twenty one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding Second Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.~~

~~On every vote taken at every such meeting or adjourned meeting each holder of a Second Preferred Share shall be entitled to one (1) vote in respect of each one (\$1) dollar of stated value of Second Preferred Shares held.~~

~~3. THIRD PREFERRED SHARES~~

~~The unlimited number of Third Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:~~

- ~~3.1 The Third Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the Third Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights, and whether into or for securities of the Corporation or otherwise, the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than Third Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation or creation or issue of debt or equity securities; the whole subject to filing with the Registrar (as defined in the ABCA) of Articles of Amendment setting~~

~~forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.~~

~~3.1.1 — Subject to applicable law, the holders of Third Preferred Shares shall not be entitled as such to any voting rights at any meeting of shareholders of the Corporation.~~

~~3.2 — Notwithstanding subparagraph 3.1.1, the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of Third Preferred Shares.~~

~~3.3 — The Third Preferred Shares of each series shall rank on a parity with the Third Preferred Shares of every other series with respect to accumulated dividends and return of capital. The Third Preferred Shares shall be entitled to a preference over the Common Voting Shares, the Variable Voting Shares, the Non-Voting Shares and over any other shares of the Corporation ranking junior to the Third Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the Third Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Third Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends. The Third Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs 3.1 to 3.5 hereof over the Common Voting Shares, the Variable Voting Shares, the Non-Voting Shares and any other shares ranking junior to the Second Preferred Shares as may be determined in the case of each such series of Third Preferred Shares.~~

~~3.4 — The rights, privileges, restrictions and conditions attaching to the Third Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Third Preferred Shares given as herein specified.~~

~~3.5 — The rights, privileges, restrictions and conditions attaching to the Third Preferred Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Third Preferred Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two thirds of the votes cast at a meeting of holders of Third Preferred Shares duly called for such purpose and held upon at least twenty one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty (20%) per cent of the outstanding Third Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Third Preferred Share shall be entitled to one (1) vote in respect of each one (\$1) dollar of stated value of Third Preferred Shares held.~~

1.7

Appendix H - Amended and Restated By-Law 1

GENERAL BY-LAW AMENDED AND RESTATED BY-LAW NO. 1

A BY-LAW RELATING GENERALLY TO THE CONDUCT OF THE AFFAIRS OF

WESTJET AIRLINES LTD.

(hereinafter called the "**Corporation**")

(Amended and Restated as of March 12, 2019)

IT IS HEREBY ENACTED as a by-law of the Corporation as follows:

DIVISION ONE INTERPRETATION

1.01 Definitions

In the by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "**Act**" means the *Business Corporations Act* ~~of~~ (Alberta);
- (b) "**appoint**" includes "elect" and vice versa;
- (c) "**articles**" means the articles of incorporation or continuance of the Corporation, as from time to time amended or restated;
- (d) "**board**" means the board of directors of the Corporation;
- (e) "**business day**" means a day which is not a non-business day;
- (f) "**by-laws**" means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (g) "**Canadian**" has the meaning given such term in the *Canada Transportation Act*;
- (h) "**electronic means**" means in an electronic form, accessible so as to be useable for subsequent reference, and capable of being retained;
- (i) "**lead director**" means a director appointed as such by the board who is not an officer or employee of the Corporation, to serve at any time when the chairman is an officer or employee of the Corporation;
- (j) "**meeting of shareholders**" includes an annual and a special meeting of shareholders;
- (k) "**non-business day**" means Saturday, Sunday and any other day that is a holiday as from time to time defined in ~~The~~ the *Interpretation Act* ~~of~~ (Alberta);
- (l) "**Regulations**" means the regulations under the Act ~~as published or from time to time~~;
- (m) "**signing officer**" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by ~~section~~ Section 3.01 of this by-law or by a resolution passed pursuant thereto; and
- (n) "**special meeting of shareholders**" means a meeting of any particular class or classes of shareholders and a meeting of all shareholders entitled to vote at any annual meeting of shareholders at which special business is to be transacted.

Save as aforesaid, all terms which are contained in the by-laws of the Corporation and which are defined in the Act or the Regulations shall, unless the context otherwise specifies or requires, have the meanings given to such terms in the Act or the Regulations. Words importing the singular number include the plural and vice versa; the masculine shall include the feminine; and the word "person" shall include an individual, partnership, association, body corporate, body politic, trustee, executor, administrator and legal representative.

1.02 Amendments to Legislation and Regulations

Any reference to legislation or regulations of a government herein includes such legislation or regulation as from time to time amended and every enactment that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of an act or regulation shall be read as references to the substituted provisions therefore in the new act or regulation.

1.03 Headings and Sections

Headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions. "Section" followed by a number means a reference to a specified section of this by-law.

1.04 Conflict with Act or Articles

This by-law is subject to and read in conjunction with the Act and the articles. If there is any conflict or inconsistency between any provision of the Act or articles and this by-law, the provisions of the Act or the articles, as the case may be, shall govern.

DIVISION TWO BANKING AND SECURITIES

2.01 Banking Arrangements

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefore, shall be transacted with such banks, trust companies or other bodies corporate or organizations or any other persons as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of power as the board may from time to time prescribe or authorize.

2.02 Voting Rights in Other Bodies Corporate

The signing officers of the Corporation may execute and deliver instruments of proxy and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of such voting certificates or evidence of the right to exercise such voting rights. In addition, the board, or failing the board, the signing officers of the Corporation, may direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

DIVISION THREE EXECUTION OF INSTRUMENTS

3.01 Authorized Signing Officers

Unless otherwise authorized by the board, deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any two of the president, chairman of the board, any vice-president, any director, secretary, treasurer, any assistant secretary or any assistant treasurer or any other officer created by by-law or by the board. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate

seal to any instrument requiring the same, but no instrument is invalid merely because the corporate seal is not affixed thereto.

3.02 Cheques, Drafts and Notes

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or person or persons, whether or not officers of the Corporation, and in such manner as the board may from time to time designate by resolution.

DIVISION FOUR DIRECTORS

4.01 Number

~~The~~Until changed in accordance with the Act, the board shall consist of such number of directors as is fixed by the articles, or where the articles specify a variable number, shall consist of such number of directors as is not less than the minimum nor more than the maximum number of directors provided in the articles and as shall be fixed from time to time by resolution of the shareholders.

4.02 Canadian Status

A majority of directors of the Corporation shall be ~~resident~~ Canadians.

4.03 Election and Term

Subject to the articles or a unanimous shareholder agreement, the election of directors shall take place at each annual meeting of shareholders and all of the directors then in office, unless elected for a longer period of time (not to exceed the close of the third ~~(3rd)~~ annual meeting of shareholders following election), shall retire but, if qualified, shall be eligible for re-election. ~~The number of directors to be elected at any such meeting, subject to the articles, shall be the number of directors then in office, or the number of directors whose terms of office expire at the meeting, as the case may be. Where the shareholders adopt an amendment to the articles to increase the number or minimum number of directors, the shareholders may, at the meeting at which they adopt the amendment, elect the additional number of directors authorized by the amendment.~~ If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.04 Removal of Directors

Subject to the Act and the articles, the shareholders may by ordinary resolution passed at a special meeting remove any director from office, ~~except a director elected by employees or creditors pursuant to the articles or a unanimous shareholder agreement,~~ and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the board.

4.05 Consent

A person who is elected or appointed a director is not a director unless:

- (a) he was present at the meeting when he was elected or appointed and did not refuse to act as a director, or
- (b) if he was not present at the meeting when he was elected or appointed:
 - (i) he consented in writing to act as a director before his election or appointment or within ~~ten~~(10) days after it, or
 - (ii) he has acted as a director pursuant to the election or appointment.

4.06 Vacation of Office

A director of the Corporation ceases to hold office when:

- (a) he dies or resigns;
- (b) he is removed ~~in accordance with section 109 of the Act~~ from office by the Act ~~shareholders~~; or
- (c) he ~~becomes disqualified under subsection 105(1) of the Act~~ ceases to be qualified for election as a director;
or
- (d) his written resignation is sent or delivered to the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

4.07 Committee of Directors

The directors may appoint from among their number a committee of directors, however designated, of which at least one-half of the members must be ~~resident~~ Canadians, and ~~subject to section 115 of the Act~~, may delegate to such committee any of the powers of the directors except those which pertain to items which, under the Act, a committee of the board has no authority to exercise. A committee may be comprised of one director.

4.08 Transaction of Business of Committee

Subject to the provisions of this by-law with respect to participation in a meeting, the powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all of the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place ~~in~~ within or outside Alberta and may be called by any one member of the committee giving notice in accordance with the by-laws governing the calling of meetings of the board.

4.09 Procedure

Unless otherwise determined herein or by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

4.10 Remuneration and Expenses

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

4.11 Vacancies

Subject to the Act, a quorum of the board may fill a vacancy among the directors. If there is not a quorum of directors, or if there has been a failure to elect the number or minimum number of directors required by the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

4.12 Action by the Board

The board shall manage or supervise the management of the business and affairs of the Corporation. Notwithstanding a vacancy among the directors, a quorum of directors may exercise all the powers of the directors. If the Corporation has only one director, that director may constitute a meeting.

DIVISION FIVE
MEETING OF DIRECTORS

5.01 Place of Meeting

Meetings of the board may be held at any place within or outside Alberta.

5.02 Notice of Meeting

Unless the board has made regulations otherwise, meetings of the board may be summoned on ~~twenty-four~~ (not less than 24) hours' notice, given ~~verbally or in writing, and whether by means of telephone or telegraph, electronic means, or any other means of communication~~ in the manner provided in Section 13.01 to each director. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

- (a) submit to the shareholders any question or matter requiring approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor;
- (c) appoint additional directors;
- (d) issue securities, except in the manner and on the terms authorized by the board;
- (e) declare dividends;
- (f) purchase, redeem or otherwise acquire shares issued by the Corporation, except in the manner and on the terms authorized by the board;
- (g) pay a commission for the sale of shares;
- (h) approve a management proxy circular;
- (i) approve any financial statements to be placed before the shareholders at an annual meeting; or
- (j) adopt, amend or repeal by-laws.

Provided, however, that a director may in any manner, and either before or after the meeting, waive notice of a meeting and attendance of a director at a meeting of the board shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

For the first meeting of the board to be held immediately following an election of directors no notice of such meeting shall be necessary, and for a meeting of the board at which a director is to be appointed to fill a vacancy in the board, no notice of such meeting shall be necessary to the newly elected or appointed director or directors in order to legally constitute the meeting, provided, in each case, that a quorum of the directors is present.

5.03 Adjourned Meeting

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

5.04 Calling of the Meetings

Meetings of the board shall be held from time to time at such time and at such place as the board, the chairman of the board, the lead director, the president or any two directors may determine. Should more than one of the above-named call a meeting at or for substantially the same time, there shall be only one meeting held and such meeting shall occur at the time and place determined by, in order of priority, the board, any two directors, the chairman, or the president.

5.05 Regular Meetings

The board may, from time to time, appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, and forthwith to each director subsequently elected or appointed, but no other notice shall be required for any such regular meeting except where the Act or this by-law requires the purpose thereof or the business to be transacted thereat to be specified.

5.06 Chairman

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, lead director or president. If no such person is present, the directors present shall choose one of their number to be chairman.

5.07 Lead Director

The board may, from time to time appoint a lead director. The board may specify the duties of, and in accordance with this by-law and subject to the provisions of the Act, the powers of such person.

5.08 Quorum

Subject to Section 5.09, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the directors holding office or such greater number of directors as the board may from time to time determine.

5.09 One-Half Canadian Representation at Meetings

Other than to fill a vacancy on the Board, directors shall not transact business at a meeting of directors unless a majority of the directors present are ~~resident~~ Canadians. Notwithstanding the foregoing, directors may transact business at a meeting of directors when less than a majority of the directors present are ~~resident~~ Canadians if:

- (a) a ~~resident~~ Canadian director who is unable to be present approves in writing or by electronic means, telephone or other communications facilities the business transacted at the meeting; and
- (b) the number of ~~resident~~ Canadian directors present at the meeting, together with any ~~resident~~ Canadian director who gives his approval under clause (a), totals at least a majority of the directors present at the meeting.

5.10 Voting

Questions arising at any meeting of the board shall be decided by a majority of votes, and in the event of any equality of votes, the chairman of the meeting shall not ~~have~~ be entitled to a second or casting vote.

5.11 Participation in Meeting

A director may participate in a meeting of the board or a committee of the board by electronic means, telephone, or other communication facilities as permit all persons participating in the meeting to hear or otherwise communicate with each other, and a director participating in such meeting by such means is deemed to be present at the meeting.

5.12 Resolution in Lieu of Meeting

Notwithstanding any of the foregoing provisions of this by-law, a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board or a committee of directors is as valid as if it had been passed at a meeting of the board or committee of directors, as the case may be. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors. Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed and may be signed in counterpart.

5.13 Amendments to the Act

It is hereby affirmed that the intention of Sections 4.07 and 5.09, as they relate to Canadian representation, is to comply with the minimum requirements of the Act, the *Canada Transportation Act*, and the Canada Transportation Agency and in the event that such minimum requirements shall be amended, deleted or replaced such that no, or lesser, requirements with respect to Canadian representation are then in force, such sections shall be deemed to be correspondingly amended, deleted or replaced without any further act of the directors or shareholders of the Corporation.

DIVISION SIX PROTECTION OF DIRECTORS AND OFFICERS

6.01 Conflict of Interest

A director or officer shall not be disqualified from his office, or be required to vacate his office, by reason only that he is a party to, or is a director or officer or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation or a subsidiary thereof. Such a director or officer shall, however, disclose the nature and extent of his interest in the contract or transaction or proposed contract or transaction at the time and in the manner provided by the Act. Subject to the provisions of the Act, a director or officer shall not by reason only of his office be accountable to the Corporation or to its shareholders for any profit or gain realized from such a contract or transaction, and such contract or transaction shall not be void or voidable by reason only of the director's interest therein, provided that the required declaration and disclosure of interest is properly made, the contract or transaction is approved by the directors or shareholders, if necessary, and it was fair and reasonable to the Corporation at the time it was approved and, if required by the Act, the director refrains from voting as a director on the contract or transaction.

Even if the above conditions are not met, a director or officer acting honestly and in good faith shall not be accountable to the Corporation or to its shareholders for any profit realized from a material contract or material transaction for which disclosure is required by the Act, and such contract or transaction shall not be void or voidable by reason only of the director or officer's interest therein, provided that the material contract or material transaction was approved or confirmed by special resolution at a meeting of the shareholders, disclosure of the interest was made to the shareholders in a manner sufficient to indicate its nature before such contract or transaction was approved or confirmed, and such contract or transaction was reasonable and fair to the Corporation at the time it was approved or confirmed.

6.02 Limitation of Liability

No director or officer, for the time being of the Corporation, shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person, corporation or other entity with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any other loss, conversion, misapplication, misappropriation of or any damage resulting from dealings with any money, securities or other assets of or belonging to the Corporation or for any damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the express requirements of the Act and the Regulations thereunder or from liability for any breach thereof. The directors, for the time being of the Corporation, shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board.

No act or proceeding of any director or officer or the board shall be deemed invalid or ineffective by reason of the subsequent ascertainment of any irregularity in regard to such act or proceeding or the election, appointment or qualification of such director or officer or board.

6.03 Indemnity

To the maximum extent permitted by the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate.

Nothing herein contained shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this Section 6.03.

6.04 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 6.03 against any liability incurred by him:

- (a) in his capacity as a director or officer of the Corporation, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the Corporation; or
- (b) in his capacity as a director or officer of ~~the~~ another body corporate where he acts or acted in that capacity at the Corporation's request, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the body corporate.

6.05 Advance of Funds

The Corporation may advance funds to a director or officer in order to defray the costs, charges and expenses of proceedings for which the Act permits indemnification, provided that if the director or officer does not meet the conditions required for indemnity under the Act; namely (a) was substantially successful on the merits in the defence of the action or proceeding; (b) acted honestly and in good faith, with a view to the best interests of the Corporation, and in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer had reasonable grounds for believing that the director's or officer's conduct was lawful; and (c) is fairly and reasonably entitled to indemnity; he or she shall repay the funds advanced.

DIVISION SEVEN OFFICERS

7.01 Election or Appointment

The board may, from time to time, appoint a chairman of the board, a president, one or more vice-presidents, a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Except for the chairman of the board who must be a director, an officer may, but need not be, a director and one person may hold more than one office.

7.02 Chairman of the Board

The chairman of the board shall, when present, preside at all meetings of the board and at all meetings of shareholders. The board may assign to the chairman of the board any of the powers and duties that, by any provision of this by-law, are assigned to the president; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the president, if a director.

7.03 President

The president shall, subject to the authority of the board have general supervision of the business and affairs of the Corporation. The president shall also have such other powers and duties as the Board may specify of that office; provided, however, that unless he is a director he shall not preside as chairman at any meeting of the board.

7.04 Vice-President(s)

During the absence or disability of the president, his duties shall be performed and his powers exercised by the vice-president or, if there is more than one, by the vice-president designated from time to time by the board or the president; provided, however, that a vice-president who is not a director shall not preside as chairman at any meeting of the board. A vice-president shall have such other powers and duties as the board or the president may specify.

7.05 Secretary

The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of directors and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board or the president may specify.

7.06 Treasurer

The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions and he shall have such other powers and duties as the board or the president may specify.

7.07 Powers and Duties of Other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the president may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the president otherwise directs.

7.08 Variation of Powers and Duties

The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

7.09 Vacancies

If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board, by resolution, may appoint a person to fill such vacancy.

7.10 Remuneration and Removal

The remuneration of all officers appointed by the board shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers shall be subject to removal by resolution of the board at any time, with or without cause, notwithstanding any agreement to the contrary, provided however that this right of removal shall not limit in any way such officer's right to damages by virtue of such agreement or any other rights resulting from such removal in law or equity. Each officer appointed by the board shall otherwise hold office until his successor is appointed or until his earlier resignation.

7.11 Agents and Attorneys

The Corporation, by or under the authority of the board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

7.12 Conflict of Interest

An officer shall disclose his interest in any material contract or material transaction or proposed material contract or proposed material transaction with the Corporation in accordance with ~~section~~[Section 6.01](#).

7.13 Fidelity Bonds

The board may require such officers, employees and agent of the Corporation, as the board deems advisable, to furnish bonds for the faithful discharge of their powers and duties, in such forms and with such surety as the board may from time to time determine.

DIVISION EIGHT SHAREHOLDERS' MEETINGS

8.01 Annual Meetings

Subject to the Act, the annual meeting of shareholders shall be held at such time and on such day in each year and at such place or places as the board may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors if required by the Act or the articles, and for the transaction of such other business as may properly be brought before the meeting.

8.02 Special Meetings

The board shall have the power to call a special meeting of shareholders at any time.

8.03 Place of Meetings

Meetings of shareholders shall be held as provided for in the articles, or failing any reference in the articles, at such place in Canada as the board may determine.

Subject to the Act and Regulations, if the directors or the shareholders of the Corporation call a meeting of shareholders, the directors or the shareholders, as the case may be, may determine that the meeting shall be held entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the meeting. Any meeting of shareholders will be subject to procedures, if any, established by the directors.

8.04 Record Date for Notice

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than fifty (50) days and not less than twenty-one (21) days, as a record date for the determination of shareholders entitled to notice of or to vote at the meeting. If no record date is fixed, the record date for the determination of the shareholders entitled to receive notice of or to vote at the meeting shall be the close of business on the date immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

8.05 Notice of Meeting

Notice of the time and place of each meeting of shareholders shall be ~~sent~~[given in the manner provided in Section 13.01](#) not less than ~~twenty-one (21)~~ days and not more than ~~fifty (50)~~ days before the meeting to each ~~shareholder entitled to vote at the meeting, each~~ director ~~and, to~~ the auditor of the Corporation. ~~Such notice may be sent by electronic means, or by mail addressed to, or may be delivered personally to, the shareholder, at his latest address as shown in the records of the~~

~~Corporation or its transfer agent, to the director, at his latest address as shown in the records of the Corporation or in the last notice filed pursuant to section 106 or 113 of the Act, or to the auditor, at his most recent address as shown in the records of the Corporation, and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting.~~ A notice of meeting of shareholders sent by mail to a shareholder, director or auditor in accordance with the above is deemed to be served on the day on which it was deposited in the mail. A notice of a meeting is not required to be sent to shareholders who are not registered on the records of the Corporation or its transfer agent on the record date as determined according to ~~section~~Section 8.04 ~~hereof~~. Notice of a meeting of shareholders at which special business is to be transacted shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A special meeting and an annual meeting may be convened by one and the same notice and it shall not be an objection to the notice that it only convenes the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

8.06 Right to Vote

Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in Section 8.07 ~~hereof~~, every person who is named in such list shall be entitled to vote the shares shown thereon opposite his name except to the extent that such person has transferred any of his shares after the record date set pursuant to Section 8.04 ~~hereof~~, or, if no record date is fixed, after the date on which the list referred to in Section 8.07 is prepared, and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, demands not later than ~~ten (10)~~ days before the meeting that his name be included to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the close of business on the record date, or if no record date is set, at the close of business on the date preceding the date notice is sent, is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

8.07 List of Shareholders Entitled to Notice

The Corporation shall prepare a list of shareholders entitled to receive notice of a meeting, arranged in alphabetical order, and showing the number of shares held by each shareholder ~~in accordance with section 137 of~~ entitled to vote at the ~~Act~~ meeting. If a record date for the meeting is fixed pursuant to ~~section~~Section 8.04 ~~hereof~~ by the board, the shareholders listed shall be those registered at the close of business on the record date. If no record date is fixed by the board, the shareholders listed shall be those listed at the close of business on the last business day immediately preceding the day on which notice of a meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where its central securities register is maintained and at the place where the meeting is held.

8.08 Meetings Without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act:

- (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held; and
- (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held.

At such meetings any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to a meeting being held at such place.

8.09 Waiver of Notice

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the

meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

8.10 Chairman, Secretary and Scrutineers

The chairman of the board or, in his absence, the president, if such an officer has been elected or appointed and is present, or otherwise a vice-president (in order of seniority of service with the Corporation), shall be chairman of any meeting of shareholders. If no such officer is present within ~~fifteen (15)~~ minutes from the time fixed for holding the meeting, or declines to be chairman of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

8.11 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

8.12 Quorum

A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or by any other by-law) shall be two ~~(2)~~ persons in number, one of whom shall be, or be representing, a Canadian, and holding or representing not less than ~~ten (10%) per cent~~ ~~25%~~ of the shares entitled to be voted at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting; provided that at least one Canadian shall be present in person or represented by proxy. If a quorum is not present at the opening of the meeting of shareholders, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

8.13 Participation in Meeting

A shareholder or any other person entitled to attend a meeting may participate in a meeting of shareholders by electronic means, telephone or other communication facilities as permit all persons participating in the meeting to hear or otherwise communicate with each other if the Corporation makes such communication's facility available, and a person participating in such a meeting by such means is deemed to be present at the meeting. Any such meeting will be subject to the provisions of the Act, Regulations and procedures, if any, established by the directors.

8.14 Proxyholders and Representatives

Votes at meetings of the shareholders may be given either personally or by proxy; or, in the case of a shareholder, who is a body corporate or association, by an individual authorized by a resolution of the board or governing body of the body corporate or association to represent it at a meeting of shareholders of the Corporation, upon producing a certified copy of such resolution or otherwise establishing his authority to vote to the satisfaction of the secretary or the chairman.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and is valid only at the meeting in respect of which it is given or any adjournment of that meeting. A person appointed by proxy need not be a shareholder.

8.15 Time for Deposit of Proxies

The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than ~~forty-eight (48)~~ hours exclusive of Saturdays, Sundays and holidays, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with

the Corporation or an agent thereof specified in such notice or, if no such time having been specified in such notice, it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

8.16 Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or duly represented at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.

8.17 Votes to Govern

Except as otherwise required by the Act, all questions proposed for the consideration of shareholders at a meeting of shareholders shall be determined by a majority of the votes cast and in the event of an equality of votes at any meeting of shareholders, the chairman shall not ~~have~~ be entitled to a second or casting vote.

8.18 Conduct of Vote

Subject to the Act, voting at a meeting of shareholders shall be by a show of hands, unless a ballot is required or demanded as hereinafter provided, and may be held, subject to the Act, entirely by electronic means, telephone or other communication facility, if the corporation makes such a communication facility available. Every person who is present or otherwise participating in the meeting pursuant to ~~section~~ Section 8.13 ~~hereof~~ and entitled to vote shall have one vote. Whenever a vote shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or defeated and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of shareholders upon the said question.

8.19 Ballots

On any question proposed for consideration at a meeting of shareholders:

- (a) a shareholder, proxyholder or other person entitled to vote may demand and the chairman may require that a ballot be taken either before or upon the declaration of the result of any vote; and
- (b) a ballot shall be conducted where proxies representing at least 5% of the votes attached to shares represented at the meeting, either by shareholders personally or by proxy, require the proxyholders to vote against a matter.

If a ballot is demanded on the election of a chairman or on the question of an adjournment it shall be taken forthwith without an adjournment. A ballot demanded or required on any other question shall be taken in such manner as the chairman shall direct. A demand or requirement for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares that he is entitled to vote at the meeting upon the question, to the number of votes as provided for by the articles or, in the absence of such provision in the articles, to one vote for each share he is entitled to vote. The result of the ballot so taken shall be the decision of the shareholders upon the question. The demand or requirement for a ballot shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the ballot has been demanded or required.

8.20 Adjournment

The chairman at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than ~~thirty (30)~~ days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the time of the adjournment. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of ~~thirty (30)~~ days or more, notice of the adjourned meeting shall be given in the same manner as notice for an

original meeting ~~but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than ninety (90) day, subsection 149(1) of the Act does not apply.~~

8.21 Resolution in Lieu of a Meeting

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and a resolution in writing dealing with all matters required to be dealt with at a meeting of shareholders and signed by all the shareholders entitled to vote at such meeting, satisfies all the requirements of the Act relating to meetings of shareholders. A copy of every such resolution in writing shall be kept with minutes of the meetings of shareholders. Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed and may be signed in counterpart.

8.22 Only One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented constitutes a meeting.

DIVISION NINE SHARES

9.01 Non-Recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

9.02 Certificates

The shareholder is entitled at his option to a share certificate that complies with the Act or a non-transferable written acknowledgement of his right to obtain a share certificate from the Corporation in respect of the securities of the Corporation held by him. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as described by the Act and as the board shall from time to time approve. A share certificate shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on the share certificate may be printed or otherwise mechanically reproduced on it.

9.03 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issuance of a new share certificate or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

9.04 Joint Holders

The Corporation is not required to issue more than one share certificate in respect of a share held jointly by several persons, and delivery of a certificate to one of several joint holders is sufficient delivery to all. Any one of such holders may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such certificate.

Where shares are owned or controlled jointly by one or more persons who are non- Canadian, the shares shall be deemed to be owned or controlled, as the case may be, by non-Canadians.

DIVISION TEN
TRANSFER OF SECURITIES

10.01 Registration of Transfer

If a share in registered form is presented for registration of transfer, the Corporation shall register the transfer if:

- ~~(a) — the share is endorsed by an appropriate person, as defined in section 64 of the Act;~~
- (a) ~~(b)~~ reasonable assurance is given that the endorsement is genuine and effective;
- (b) ~~(c)~~ the Corporation has no duty to enquire into adverse claims or has discharged any such duty;
- (c) ~~(d)~~ any applicable law has been complied with;
- (d) ~~(e)~~ the transfer is rightful or is to a bona fide purchaser;
- (e) ~~(f)~~ the transfer fee, if any, has been paid; and
- (f) ~~(g)~~ the parties to the transfer have complied with all by-laws, regulations and policies of the Corporation.

10.02 Transfer Agents and Registrar

The board may from time to time by resolution appoint or remove one or more trust companies registered under the Trust Companies Act as its agent or agents to maintain a central securities register or registers, and an agent or agents to maintain a branch securities register or registers. Agents so appointed may be designated as transfer agent or registrar according to their functions, and a person may be appointed and designated with functions as both registrar and transfer or branch transfer agent. Registration of the issuance or transfer of a security in the central securities register or in a branch securities register is complete and valid registration for all purposes.

10.03 Securities Registers

A central securities register of the Corporation shall be kept at its registered office or at any other place in Alberta designated by the board to record the shares and other securities issued by the Corporation in registered form, showing with respect to each class or series of shares and other securities:

- (a) the names, alphabetically arranged, and the latest known address of each person who is or has been a holder;
- (b) the number of shares or other securities held by each holder; and
- (c) the date and particulars of the issuance and transfer of each share or other security.

A branch securities register or registers may be kept either in or outside Alberta at such place or places as the board may determine. A branch securities register shall only contain particulars of securities issued or transferred at that branch. Particulars of each issue or transfer of a security registered in a branch securities register shall also be kept in the corresponding central securities register.

10.04 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

DIVISION ELEVEN
DIVIDENDS AND RIGHTS

11.01 Dividends

Subject to the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully-paid shares of the Corporation.

11.02 Dividend Cheques

A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and shall be mailed by prepaid ordinary mail to such registered holder at his address recorded in the Corporation's securities register or registers or such address as such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

11.03 Non-Receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

11.04 Unclaimed Dividends

No dividend shall bear interest against the Corporation. Any dividend unclaimed after a period of six ~~(6)~~ years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

DIVISION TWELVE
INFORMATION AVAILABLE TO SHAREHOLDERS

12.01 Confidential Information

Except as provided by the Act, no shareholders shall be entitled to obtain information respecting any details or conduct of the Corporation's business which, in the opinion of the directors, it would be inexpedient in the interests of the Corporation to communicate to the public.

12.02 Conditions of Access to Information

The directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholders shall have any right to inspect any document or book or register or account record of the Corporation except as conferred by statute or authorized by the board or by a resolution of the shareholders.

12.03 Registered Office and Separate Records Office

The registered office of the Corporation shall be at a place within Alberta and at such location therein as the board may from time to time determine. The records office will be at the registered office or at such location, if any, within Alberta, as the board may from time to time determine.

DIVISION THIRTEEN
NOTICES

13.01 Method of Giving Notices

~~A notice or document required by the Act, the Regulations, the articles or the by-laws to be sent to a shareholder or director of the Corporation may be sent by electronic means or by prepaid mail addressed to, or may be delivered personally to; (which term includes any document or communication) to be given (which term includes sent, delivered or served) pursuant to the Act, the Regulations, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor, or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication or if sent to him by electronic means in accordance with the provisions of applicable laws relating to the sending of such documents by electronic means. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch; and a notice so sent by electronic means shall be deemed to have been given when transmitted. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.~~

- ~~(a) — the shareholder at his latest address as shown in the records of the Corporation or its transfer agent; and~~
- ~~(b) — the director at his latest address as shown in the records of the Corporation or in the last notice filed under section 106 or 113.~~

~~A notice or document sent by mail in accordance with the foregoing to a shareholders or director of the Corporation is deemed to be received by him at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the shareholders or director did not receive the notice or document at the time or at all.~~

13.02 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all of such joint holders but notice addressed to one of such persons shall be sufficient notice to all of them.

13.03 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholders from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

13.04 Non-Receipt of Notices

If a notice or document is sent to a shareholder in accordance with Section 13.01 and the notice or document is returned on two ~~(2)~~ consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notice or documents to the shareholder until the shareholder informs the Corporation in writing of his new address; provided always, that in the event of the return of a notice of a shareholders meeting mailed to a shareholder in accordance with Section 13.01 the notice shall be deemed to be received by the shareholder on the date deposited in the mail notwithstanding its return.

13.05 Omissions and Errors

Subject to the Act, the accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

13.06 Signature on Notices

Unless otherwise specifically provided, the signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

13.07 Waiver of Notice

If a notice or document is required by the Act or the Regulations, the articles, the by-laws or otherwise to be sent, the sending of the notice or document may be waived or the time for the notice or document may be waived or abridged at any time with the consent in writing of the person entitled to receive it. The consent of a person entitled to waive the requirement for the sending of a notice or document or to waive or abridge the time for the notice or the document may be sent by electronic means in accordance with the provisions of the *Electronic Transactions Act*.

DIVISION FOURTEEN
MISCELLANEOUS

14.01 Severability

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

14.02 Effective Date

This by-law shall come into force when approved by the board in accordance with the Act.

~~MADE ENACTED~~ by the Board the ~~27th~~^{12th} day of ~~July~~^{March}, ~~2005~~²⁰¹⁹.

President ~~and Chief Executive Officer~~

~~Secretary~~<sup>Executive Vice-President, Corporate Services and
General Counsel</sup>

~~CONFIRMED by the Shareholders in accordance with the *Business Corporations Act (Alberta)*, the 30th day of August,
2005.~~

Secretary

Appendix I - Amended and Restated Advance Notice By-Law

ADVANCE NOTICE BY-LAW AMENDED AND RESTATED BY-LAW NO. 2

A BY-LAW RELATING TO THE ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS OF

WESTJET AIRLINES LTD.

(hereinafter called the "**Corporation**")

(Amended and Restated as of March 12, 2019)

The purpose of this Advance Notice By-Law (the "**By-law**") is to establish the conditions and framework under which holders of record of Common Voting Shares and Variable Voting Shares (collectively "**Shares**") of the Corporation may exercise their right to submit director nominations by fixing a deadline by which such nominations must be submitted by a shareholder to the Corporation prior to any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form. It is the position of the Corporation and the board of directors of the Corporation (the "**Board**") that this By-law is beneficial to shareholders and other stakeholders. This By-law will be subject to periodic review and will reflect changes as required by applicable law, securities regulatory authorities or stock exchanges and, at the discretion of the Board, amendments necessary to meet evolving industry standards.

DIVISION ONE ADVANCE NOTICE OF NOMINATION OF DIRECTORS

1.01 Nomination Procedures

Subject to the *Business Corporations Act* (Alberta) (the "**Act**"), the *Canada Transportation Act* (the "**CTA**"), Applicable Securities Laws (defined herein) and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if the election of directors is a matter specified in the notice of meeting. Such nominations may be made in the following manner:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of meeting of the shareholders of the Corporation made in accordance with the provisions of the Act; or
- (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the giving of the notice provided below in this By-law and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more Shares carrying the right to vote at such meeting or who ~~beneficially owns~~has beneficial ownership of Shares pursuant to the Act that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation and (ii) who complies with the notice procedures set ~~forth~~forth below in this By-Law.

1.02 Timely Notice

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal offices of the Corporation.

1.03 Manner of Timely Notice

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be given:

- (a) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than 30-~~nor more than 65~~ days prior to the date of the meeting; provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the date on which the first public announcement ~~(the "Notice Date")~~ of the date of the meeting was made (each such date being, the "Notice Date"), notice by the Nominating Shareholder may be made not later than the close of business on the ~~tenth (10th)~~ day following the Notice Date; ~~and~~
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the ~~fifteenth (15th)~~ day following the ~~day on which the first public announcement of the date of the meeting shareholders was made.~~Notice Date; and
- (c) in the case of an annual meeting (including an annual and special meeting) of shareholders or a special meeting of shareholders called for the purpose of electing directors (whether or not also called for other purposes) where notice and access is used for delivery of proxy related materials, not less than 40 days prior to the date of the meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than the close of business on the 10th day following the Notice Date and, in the case of a special meeting of shareholders, not later than the close of business on the 15th day following the Notice Date.

In no event shall any adjournment, postponement, or reconvening of a meeting, or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

1.04 Proper Form of Notice

To be in proper written form, a Nominating Shareholders' notice to the Corporate Secretary of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "Proposed Nominee") (i) the name, age, business ~~address~~ and ~~residence~~residential address of the ~~person~~Proposed Nominee, (ii) the principal occupation, business or employment of the ~~person~~Proposed Nominee, both present and in the five years preceding the notice, (iii) whether the ~~person~~Proposed Nominee is a "resident Canadian" within the meaning of the Act, (iv) whether the ~~person~~Proposed Nominee is a "Canadian" within the meaning of the CTA, (v) the ~~class or series and~~ number of ~~shares in the capital securities of each class of voting securities~~ of the Corporation ~~which are or any of its subsidiaries beneficially owned, or controlled or which are owned beneficially or of record by the person~~directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; ~~and~~ ~~(vi, (vi) a description of any relationship, agreement, arrangement or understanding (financial, compensation or indemnity related or otherwise) between the Nominating Shareholder and the Proposed Nominee, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder or the Proposed Nominee, in connection with the Proposed Nominee's nomination and election as a director, (vii) whether the Proposed Nominee is party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Corporation and the interests of the Proposed Nominee; and (viii) any other information relating to the person~~Proposed Nominee that would be required to be disclosed in a dissident's proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act ~~and/or any~~ Applicable Securities Laws; ~~and~~
- (b) as to the Nominating Shareholder ~~giving the notice, (i) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, (ii) the class or series and~~ the beneficial owner, if any, on whose behalf the nomination is being made or any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities (i)

their name, business and residential address, (ii) the number of ~~shares in the capital securities of each class of voting securities~~ of the Corporation ~~which are controlled or which are owned beneficially or of record by the Nominating Shareholder or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such person,~~ as of the record date for the meeting ~~of shareholders~~ (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, ~~and~~ (iii) full particulars regarding any proxy, contract, arrangement, ~~agreement,~~ understanding or relationship pursuant to which ~~such Nominating Shareholder~~ it has a right to vote or to direct or ~~to~~ control the voting of any ~~Shares~~ shares of the Corporation and their interests in, or rights or obligations associated with, any agreements, arrangements or understandings, the purpose or effect of which is to alter, directly or indirectly, its economic interest in a security of the Corporation or the person's economic exposure to the Corporation, (iv) whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination, and (v) any other information relating to such person that would be required to be made in a dissident's proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or any Applicable Securities Laws; and

(c) a written duly signed consent by each Proposed Nominee to being named as a nominee for election to the board and to serve as a director of the Corporation, if elected.

References made to a "Nominating Shareholder" in this Section 41.04 shall be deemed to refer to each shareholder that nominates a person for election as a director in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal. ~~The Corporation may require any proposed director nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed director nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder of the Corporation's understanding of the independence, or lack thereof, of such proposed director nominee.~~

1.05 Notice to be Updated

To be considered timely and in proper written form, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessarily, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

1.06 Power of the Chair

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-Law; provided, however, that nothing in this By-Law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of the Corporation of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

1.07 Delivery of Notice

Notwithstanding any other provision of this By-law, notice given to the Corporate Secretary of the corporation may only be given by personal delivery, ~~facsimile transmission~~ or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, or by email (at the aforesaid address) ~~or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received)~~ to the Corporate Secretary of the Corporation at the address of the principal executive offices of the Corporation; provided that if such delivery of electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

1.08 Increase in Number of Directors to be Elected

Notwithstanding any other provision of this By-law, in the event that the number of directors to be elected at a meeting is increased effective after the time period for which the Nominating Shareholder's notice would otherwise be due, a notice with respect to nominees for the additional directorships required by this section shall be considered timely if it is given not later than the close of business on the ~~tenth~~-(10th) day following the day on which the first public announcement of such increase was made by the Corporation.

1.09 Board Discretion

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this By-law.

1.10 Definitions

- (a) **"Affiliate"**, when used to indicate a relationship with a specific person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person.
- (b) **"Applicable Securities Laws"** means the *Securities Act* (Alberta) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published instruments, policies, bulletins notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada.
- (c) **"Associate"**, when used to indicate a relationship with a specified person, shall mean (i) any body corporate or trust of which such person beneficially owns, directly or indirectly, voting securities carrying more than 10 per cent of the voting rights attached to all voting securities of such body corporate or trust for the time being outstanding, (ii) any partner of that person, (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (iv) a spouse of such specified person, (v) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (vi) any relative of such specified person or of a person mentioned in clauses (iv) or (v) of this definition if that relative has the same residence as the specified person.
- (d) **"beneficially owns" or "beneficially owned"** means, in connection with the ownership of shares in the capital of the Corporation by a person, (i) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (ii) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (iii) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person beneficially owns pursuant to this clause (iii) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (iv) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities.

- (e) **"Derivatives Contract"** shall mean a contract between two parties (the **"Receiving Party"** and the **"Counterparty"**) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Corporation or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the **"Notional Securities"**), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Corporation or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts.
- (f) **"public announcement"** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

DIVISION TWO
EFFECTIVE DATE

2.01 Effective Date

This By-law shall come into force when approved by the Board in accordance with the Act.}]

ENACTED by the Board the 412th day of ~~February, 2014.~~ March, 2019.

~~"Gregg Saretsky"~~

President and Chief Executive Officer

~~"Barbara Munroe"~~

Executive Vice-President, Corporate Secretary Services and
General Counsel

Appendix J - Corporate Governance Guidelines

The Board of Directors of WestJet is responsible for the supervision of Management and the overall stewardship and governance of the Corporation and acts in accordance with the Articles and By-laws of WestJet, the mandate adopted for the Board (attached as Appendix K and available in the corporate governance section of WestJet's website at westjet.com), the Corporation's *Code of Business Conduct* (the **Code**) and with a view to the best interests of the Corporation and its Shareholders. In addition, the Board, directly, and through its various committees, complies with evolving Canadian corporate governance requirements including those established under NI 52-110, NP 58-201 and National Instrument 58-101 – *Disclosure of Corporate Governance Practices (NI 58-101)*.

The statement of corporate governance practices in the table that follows provides our response to each of the disclosure obligations set out in NI 58-101.

1. Board of Directors

(a) Disclose the identity of Directors who are independent.	Eleven of the 13 Directors are independent. For further details please see " <i>Board independence</i> " on page 28.
(b) Disclose the identity of Directors who are not independent and describe the basis for that determination.	Messrs. Sims and Armitage are not independent. For details please see " <i>Board independence</i> " on page 28.
(c) Disclose whether or not a majority of the Directors are independent.	A majority of the Board is independent, including the Vice Chair, Mr. Burley, and Chair, Mr. Beddoe. As indicated in item 1(a) above, 11 of the 13 Directors are independent.
(d) If a Director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or foreign jurisdiction, identify both the director and the other issuer.	The outside directorships of WestJet Directors are described under " <i>Information concerning Director nominees</i> " beginning on page 19.
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year.	The independent Directors meet separately at the beginning or end of each scheduled Board and committee meeting without the presence of Management. For details on the number of meetings held in 2018, please see " <i>Board and committee meetings held and attendance</i> " on page 32 and " <i>In-camera sessions</i> " on page 33. Since December 31, 2018, the Board has held two <i>in camera</i> sessions without the presence of Management.
(f) Disclose whether or not the Chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his role and responsibilities.	The Chair of the Board is an independent Director. For further details please see " <i>Board independence</i> " on page 28. The role and responsibilities of the Chair of the Board are described under " <i>Position descriptions</i> " on page 27.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	For details on the attendance record for Directors in 2018, please see " <i>Board and committee meetings held and attendance</i> " on page 32.

2. Board mandate

Disclose the text of the board's written mandate.	The Board's mandate is set out in Appendix K to this Information Circular and is also available in the corporate governance section of WestJet's website at westjet.com .
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3. Position descriptions

- (a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee.

The Board has developed written position descriptions for the Chair of the Board, Vice Chair of the Board and Committee Chairs, which are available in the corporate governance section of WestJet's website at westjet.com.

The role and responsibilities of the Chair of the Board, Vice Chair of the Board and Committee Chairs are described under "*Position descriptions*" on page 27.

- (b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If not, briefly describe how the Board delineates the role and responsibilities of the CEO.

The Board has developed a written position description for the CEO, which is available in the corporate governance section of WestJet's website at westjet.com.

4. Orientation and continuing education

- (a) Briefly describe what measures the Board takes to orient new directors regarding

For details, please see "*Director orientation and continuing education*" on page 28.

- (i) the role of the board, its committees and Directors; and
(ii) the nature and operation of the issuer's business.

- (b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

For details, please see "*Director orientation and continuing education*" on page 28.

5. Ethical business conduct

- (a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If so:

The Code consists of policies relating to the ethical and legal standards of conduct to be followed by employees and agents of the Corporation. The Code, adopted by the Board in August 2002, and updated periodically since that date, is designed to define individual and corporate responsibility and is reviewed and updated regularly.

- (i) Disclose how a person or company may obtain a copy of the code;
(ii) Describe how the Board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and
(iii) Provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

- (i) The Code can be made available upon written request or may be found with the Corporation's other filings on SEDAR at sedar.com or in the corporate governance section of WestJet's website at westjet.com.

- (ii) All Directors and senior management are required to annually re-read the Code and sign an acknowledgment stating that they have read the Code and that they agree to comply with it. In order to ensure compliance, all persons subject to the Code are requested to acknowledge their understanding of it, and are subject to sanctions for violation of the Code. In addition, persons subject to the Code are encouraged to report violations, and may do so through the Corporation's *Confidential and Anonymous Hotline*.

- (iii) No material change report was required or filed in relation to any departure from the Code, during the Corporation's most recently completed financial year which ended December 31, 2018.

- (b) Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Pursuant to the By-laws of WestJet and the *Business Corporations Act* (Alberta) (**ABCA**), the Director or Executive must declare the nature and extent of his or her interest in the transaction or arrangement at the time and in the manner provided in the ABCA. As required by the ABCA, the Director shall refrain from voting on the transaction or arrangement in which he or she has an interest.

- (c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

The *Disclosure, Confidentiality and Trading Policy*, the *Business Integrity Policy*, the *Code of Business Conduct*, the *Respect in the Workplace Policy* and the *Confidential and Anonymous Hotline Policy and Procedure* adopted by the Board all serve to encourage and promote a culture of ethical business conduct.

6. Nomination of directors

- (a) Describe the process by which the board identifies new candidates for board nomination.

For further details, please see "*Director selection*" on page 25.

- (b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If not, describe what steps the board takes to encourage an objective nomination process.

The CGN Committee of the Board is comprised of four independent Directors. For further information, please see "*Board committees*" on page 30.

- (c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

For further details, please see "*Board committees*" on page 30.

7. Compensation

- (a) Describe the process by which the board determines the compensation for the issuer's directors and officers.

For complete details on this process, please see "*Director compensation*" beginning on page 35 and "*Executive compensation discussion and analysis*" beginning on page 39.

- (b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The People and Compensation Committee of the Board is comprised of seven independent Directors. For further information, please see "*Board committees*" on page 30.

- (c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

For further information, please see "*Board committees*" on page 30 and "*Compensation decision-making process*" on page 41.

8. Other board committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board has a SH&E Committee. For further details, please see "*Board committees*" on page 30.

9. Assessments

Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

For further information, please see "*Director assessments*" on page 29.

10. Director Term Limits and Other Mechanisms of Board Renewal

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

WestJet maintains a corporate retirement policy but does not have a mandatory retirement age nor has it adopted term limits for its Directors. With respect to board renewal, the CGN Committee maintains an evergreen list of potential directors that considers complementing the current skills matrix as well as a variety of diversity factors. For further information, please see "*Board tenure*" on page 27.

11. Policies Regarding the Representation of Women on the Board

(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

WestJet has not adopted a written policy relating to the identification and nomination of women directors. The Corporation believes that incorporating diversity in its existing corporate governance practices is more appropriate than a separate written policy. In its approach to board diversity, WestJet focuses on the process surrounding Board succession and director nominations. The CGN Committee regularly reviews the profile of the Board, including the size of the Board, the average age and tenure of individual directors and the specific skills and criteria applicable to Directors and Director nominees.

For further information, please see "*Board diversity*" on page 26.

(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:

- (i) a short summary of its objectives and key provisions,
- (ii) the measures taken to ensure that the policy has been effectively implemented,
- (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and
- (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

As noted above, WestJet has not adopted a written policy relating to the identification and nomination of women directors.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

When reviewing Board succession plans and director nominations, WestJet considers candidates based on a balance of skills, knowledge and experience. Behavioural qualities such as credibility, integrity and communication and leadership skills are also taken into account. In doing so, the CGN Committee is committed to identifying a diverse slate of candidates that also takes into account gender, age, race, ethnicity, sexual orientation, religious beliefs and cultural background, for consideration with a view to ensuring that the Board benefits from a broad range of perspectives and relevant experience. For further information, please see "*Board diversity*" on page 26.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

When considering promotions, new hires and developmental opportunities for executive officer and senior management positions, WestJet focuses on leadership strength, skills, knowledge and industry relevant experience. In doing so, WestJet is committed to identifying a diverse slate of both internal and external candidates. WestJet's recruitment team, in partnership with external search groups, develops the slate of candidates for consideration, specifically targeting a minimum of one female candidate for all executive officer and senior leadership positions. When a qualified female candidate is not identified for consideration, an explanation is provided to WestJet's EVP, People and Culture.

14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

- (b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.

WestJet has not adopted a target regarding women on the Board.

WestJet does not believe targets are an appropriate method of increasing diversity on the Board. WestJet believes in the encompassing of diversity and inclusion criteria in overall corporate culture and that a process-based method for reviewing directors on a variety of diversity factors, including gender, is more appropriate.

In 2017, WestJet signed the Catalyst Accord 2022, which calls on Canadian boards and CEOs to pledge to accelerate the advancement of women in business through the following two actions: Increasing the average percentage of women on boards and in executive positions in corporate Canada to 30 per cent or greater by 2022 and sharing key metrics with Catalyst for annual benchmarking of the collective progress.

For further information, please see "*Board diversity*" on page 26.

- (c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

At the present time, WestJet has not adopted a target for the number of women in executive officer or senior leadership positions. WestJet believes that a process-based method for reviewing senior leaders on a variety of diversity factors, including gender, is more appropriate. WestJet will, however, continue to evaluate the appropriateness of adopting a target in the future.

It is vital for businesses and leaders to create inclusive work environments that encourage and promote women to lead. WestJet believes in engaging with identified high-potential women within the Corporation, working with them to help develop their skills, acquire experience and have the opportunities necessary to become effective leaders.

Diversity and inclusion at WestJet encompasses employment equity, diversity in talent and evolving an inclusive culture. WestJet's hiring policy is to recruit and select the best applicant for employment solely on the basis of their qualifications for the position. The Corporation's People team continues to review and update the practical application of diversity in the workforce through such things as updated job postings to reflect gender neutral language; a focus on pro-active sourcing to provide a diverse slate of candidates for leadership positions; and employment equity self-identification surveys.

During 2018, WestJet continued its significant focus on respect in the workplace initiatives including the continued embedding of total diversity through the talent management and succession planning process with a focus on four key groups: visible minorities, persons with disabilities, aboriginals and women. To do so, the Corporation leveraged its recruitment efforts, educating and communicating with employees and networking with WestJet's community partners to identify best practices.

15. Number of Women on the Board and in Executive Officer Positions

- (a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.

Three of the 13 (23%) Directors are women.

For further information, please see "*Information concerning Director nominees*" beginning on page 19.

- (b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

One of WestJet's executive officers is a woman (11%) and three of the 28 (11%) senior leaders at WestJet (includes President and CEO, EVPs, SVPs and VPs) are women.

Appendix K - Mandate of the Board of Directors

The Board of Directors (the "**Board**") of the Corporation is responsible for sustaining and strengthening the Corporation, to make it agile, resilient and well-positioned to prevail in a range of alternative futures. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. In general terms, the Board will:

- A. in consultation with the President and Chief Executive Officer ("**CEO**") of the Corporation, define the strategic objectives of the Corporation;
- B. supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation's strategic objectives as defined by the Board;
- C. discharge the duties imposed on the Board by applicable laws; and
- D. for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will perform the following duties:

Strategic Direction, Operating, Capital and Financial Plans

- 1. require the President and CEO to present annually to the Board a long range strategic plan and an annual business plan (including operating and capital expenditure budgets) which plans must:
 - (a) be designed to achieve the Corporation's strategic objectives,
 - (b) identify the principal strategic and operational opportunities and risks of the Corporation's business, and
 - (c) be approved by the Board as a pre-condition to the implementation of such plans;
- 2. approve the annual operating and capital expenditure budgets;
- 3. at every meeting of the Board, discuss and monitor progress towards the achievement of the Corporation's goals established in the long range strategic and annual business plans and to revise and alter its direction through management in light of changing circumstances;
- 4. at every meeting of the Board, discuss and review recent developments in the Corporation's industry and gauge what impact such developments may have on the Corporation's goals established in the long range strategic and annual business plans;
- 5. identify and monitor the principal risks of the Corporation's business and take all reasonable steps for the implementation of appropriate systems to manage these risks;
- 6. approve issuances of additional shares or other securities to the public, the repurchase of shares (including the terms of any issuer bid), and the declaration and payment of dividends;
- 7. review any shareholder proposal received by the Corporation and provide the Corporation's response;

Management and Organization

- 8. to the extent feasible, satisfy itself as to the integrity of the President and CEO and other senior officers of the Corporation and that the President and CEO and other senior officers strive to create a culture of integrity throughout the Corporation;
- 9. appoint the President and CEO and determine the terms of the President and CEO's employment with the Corporation;
- 10. in consultation with the President and CEO, develop a mandate for the President and CEO;
- 11. evaluate the performance of the President and CEO at least annually;

12. in consultation with the President and CEO, establish the limits of management's authority and responsibility in conducting the Corporation's business;
13. ratify the appointment of all Vice President and Senior Vice President positions of the Corporation at the next quarterly meeting of the Board following such appointment;
14. ratify the appointment of all Executive Vice President positions of the Corporation at the next quarterly meeting of the Board following such appointment so long as the President and CEO consults with the members of the Board prior to such appointment;
15. receive annually from the President and CEO the evaluation of the performance of each Executive Vice President;
16. in consultation with the People and Compensation Committee, review annually the succession plans of the Corporation for the President and CEO and all senior management including the training and monitoring of such persons;
17. approve any proposed significant change in the executive management organization structure of the Corporation;
18. approve all retirement plans for officers of the Corporation;
19. generally provide advice and guidance to the President and CEO and the Executive Vice President management team;

Finances and Controls

20. monitor the appropriateness of the Corporation's capital structure;
21. require that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
22. in consultation with the President and CEO, establish the ethical standards to be observed by all officers and employees of the Corporation and require that such standards are reflected in the Corporation's Code of Business Conduct;
23. require that the President and CEO institute and monitor processes and systems designed for compliance with applicable laws by the Corporation and its officers and employees;
24. require that the President and CEO institute, and maintain the integrity of, internal control and information systems, including maintenance of all required records and documentation;
25. approve contracts to be entered into by the Corporation that are un-budgeted and outside the signing authority limits of the President and CEO and Executive Vice President management team;
26. recommend to the shareholders of the Corporation a firm of chartered accountants to be appointed as the Corporation's auditors;
27. take all necessary actions to gain reasonable assurance that all financial information made public by the Corporation (including the Corporation's annual and quarterly financial statements) is accurate and complete and represents fairly the Corporation's financial position and performance;
28. review annually the directors' and officers' liability insurance policy and coverage, as well as amount of at risk liability;

Governance

29. in consultation with the Chair and Vice Chair of the Board, develop position descriptions for the Chair and Vice Chair of the Board and if required, in consultation with the Lead Director, a position description for the Lead Director;
30. in consultation with the Corporate Governance and Nominating Committee, develop the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines applicable to the Corporation;
31. bi-annually review and, if advisable, approve any amendments to the Corporation's Competition Law Policy and associated procedures;

32. in consultation with the President and CEO and the Corporate Governance and Nominating Committee, annually review and, if advisable, approve any amendments to the Corporation's Disclosure, Confidentiality and Trading Policy and annually review management's compliance with such policy;
33. facilitate the continuity, effectiveness and independence of the Board by, amongst other things,
- (a) selecting nominees for election to the Board;
 - (b) appointing a Chair of the Board who is independent or if that person is not independent, appointing a Lead Director;
 - (c) appointing from amongst the independent directors an audit committee, a compensation committee and such other committees of the Board as the Board deems appropriate;
 - (d) defining the mandate of each committee of the Board;
 - (e) ensuring that processes are in place to assess the size of the Board, the effectiveness of the Chair of the Board, the Board as a whole, including the skill sets possessed by the Board and any areas of potential weakness, each committee of the Board and each director, and that such processes are utilized in accordance with the forward agenda of the Corporate Governance and Nominating Committee;
 - (f) reviewing the orientation and education program for new members to the Board for adequacy and effectiveness;
 - (g) implementing communications policies to enable all stakeholders of the Corporation to have direct access to communicate with the independent members of the Board;
 - (h) establishing a system to enable any director to engage an outside adviser at the expense of the Corporation; and
 - (i) implementing and annually reviewing procedures to require that all committees of the Board function independently of management;
34. review annually the adequacy and form of the compensation of directors;

Business Continuity and Cybersecurity

35. require that the Chief Information Officer institute processes and systems designed for disaster recovery, redundancy, business continuity and risk management, with respect to the Corporation's significant information technology, data and other operational systems;
36. require that the Chief Information Officer institute and maintain processes and systems designed to protect and defend against cyber attacks, risks and vulnerabilities.

Members of the Board

37. Board members are expected to:
- (a) demonstrate high ethical standards and integrity in their personal and professional dealings;
 - (b) act honestly and in good faith with a view to the best interests of the Corporation;
 - (c) devote sufficient time to the affairs of the Corporation and exercise care, diligence and skill in fulfilling their responsibilities both as Board members and as members of any committees of the Board;
 - (d) devote sufficient time to ongoing continuing education specific to the business of the Corporation, together with the skills required for the discharge of Board and committee work;
 - (e) provide independent judgment on a broad range of issues;
 - (f) understand and challenge the strategic and business plans and the strategic direction of the Corporation;
 - (g) raise questions and issues to encourage effective participation in Board meetings and meetings of any committee of the Board;

- (h) make all reasonable efforts to attend all meetings of the Board and of any committees of the Board;
- (i) diligently review the materials provided by management in advance of any meeting of the Board or any committee of the Board;

Delegation

- 38. the Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board;

Meetings

- 39. the Board shall meet at least four times per year and/or as deemed appropriate by the Chair of the Board;
- 40. minutes of each meeting shall be prepared;
- 41. the President and CEO or his or her designate(s) may be present at all meetings of the Board, provided that the Board shall hold an *in camera* session of the Board with independent Board members only at every quarterly meeting of the Board; and
- 42. senior leaders, and such other staff and external representatives as appropriate to provide information to the Board, shall attend meetings at the invitation of the Chair of the Board or the Board.

The Board shall review this mandate annually and make such modifications or additions as are, in the opinion of the Board, desirable to maintain best practices in corporate governance within its industry.

Approved, amended and ratified to: October 29, 2018

Last reviewed: October 29, 2018