

# Management information circular

Notice of 2018 annual meeting of shareholders of  
common voting shares and variable voting shares

May 8, 2018





March 21, 2018

Dear fellow shareholders,

It is our pleasure to invite you to attend the WestJet Airlines Ltd. 2018 annual 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 8, 2018.

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 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.

A webcast of the meeting will be available on the Corporation's website at [westjet.com](http://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".

**Clive J. Beddoe**  
Chair of the Board

A handwritten signature in black ink, appearing to read "Edward Sims".

**Edward Sims**  
President and Chief Executive Officer

# Notice of annual meeting of shareholders of WestJet Airlines Ltd.

## Date and time

Tuesday, May 8, 2018 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 meeting (the **Meeting**) is:

1. To receive and consider the consolidated financial statements of WestJet Airlines Ltd. (**WestJet**) for the year ended December 31, 2017 and the auditor's report thereon;
2. To fix the number of directors to be elected by shareholders at 12;
3. To elect our directors;
4. To appoint our auditors and to authorize the directors to set their remuneration;
5. To consider, on a non-binding advisory basis, a resolution on WestJet's approach to executive compensation; and
6. 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 (**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 21, 2018 (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) (formerly CST Trust Company), 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 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 4, 2018, 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 may waive, without notice, the time limit for deposit of proxies.

Calgary, Alberta, Canada  
March 21, 2018

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 meeting scheduled to be held at the WestJet Campus, Fred Ring building, 22 Aerial Place N.E., Calgary, Alberta, T2E 3J1 on Tuesday, May 8, 2018 at 10:00 a.m. (MDT) (the **Meeting**). Management is soliciting your proxy for use at the Meeting and any adjournment or postponement thereof.

This Information Circular describes the business of the Meeting, resolutions to be voted upon and the voting process, and provides information about the members (**Directors**) of WestJet's board of directors (the **Board**) and executive leadership team, the Directors nominated by WestJet for the year following the Meeting, our corporate governance practices and our 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 21, 2018 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 2017 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 2017 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 2017 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). Pursuant to WestJet's Advance Notice By-law, any nominations for the Meeting are required to be made not less than 30 days nor more than 65 days prior to the date of the Meeting. As at the date of this Information Circular, no additional nomination has been received by WestJet.

## Proposed change to restriction on foreign ownership

On November 3, 2016, the Canadian Minister of Transport announced the federal government's plans to increase the foreign ownership limit for Canadian commercial airlines from 25 per cent to 49 per cent, with no single foreign investor, or its affiliates, allowed to hold more than 25 per cent voting interest. We are unable to predict the final form such regulations will take, the timing for their enactment, or the potential effect on WestJet's Articles, By-laws and policies. See "*Restrictions on voting*" on page 2 for further information on voting restrictions and adjustments attached to the Variable Voting Shares as it relates to the Meeting.

## Glossary

Terms and abbreviations used in this Information Circular:

<b>2008 ESU Plan</b>	2008 Executive Share Unit Plan
<b>2009 SO Plan</b>	2009 Stock Option Plan
<b>AGM</b>	Annual General Meeting
<b>AST</b>	AST Trust Company (Canada) (formerly CST Trust Company)
<b>Board</b>	Board of Directors of WestJet Airlines Ltd.
<b>CASM</b>	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
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CGN Committee</b>	Corporate Governance and Nominating Committee of the Board
<b>Director</b>	Director of the Board
<b>DSU</b>	Deferred Share Unit
<b>EPS</b>	Earnings per Share
<b>ERM</b>	Enterprise Risk Management
<b>ESPP</b>	Employee Stock Purchase Plan
<b>EVP</b>	Executive Vice President
<b>KEP Plan</b>	Key Employee and Pilot Restricted Share Unit Plan
<b>MD&amp;A</b>	Management's Discussion and Analysis of Financial Condition and Operating Results
<b>Meridian</b>	Meridian Compensation Partners
<b>NEO</b>	Named Executive Officer
<b>OPA</b>	Owners' Performance Award
<b>Option</b>	Stock Option
<b>P&amp;C Committee or People and Compensation Committee</b>	People and Compensation Committee of the Board
<b>Profit Share Plan</b>	Employee Profit Sharing Plan
<b>PSU</b>	Performance Share Unit
<b>ROIC</b>	Return on Invested Capital
<b>RSU</b>	Restricted Share Unit
<b>SH&amp;E Committee</b>	Safety, Health and Environment Committee of the Board
<b>Share</b>	Common Voting Share or Variable Voting Share
<b>SEDAR</b>	System for Electronic Document Analysis and Retrieval
<b>SEDI</b>	System for Electronic Disclosure by Insiders
<b>SOG</b>	Share Ownership Guideline
<b>STIP</b>	Short Term Incentive Plan
<b>SVP</b>	Senior Vice President
<b>TSX</b>	Toronto Stock Exchange
<b>VP</b>	Vice President
<b>WEA</b>	WestJet Employee Association

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## Voting information

### What will I be voting on?

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

1. To fix the number of Directors to be elected by Shareholders at 12;
2. To elect our Directors;
3. To appoint our auditors and authorize the Directors to set their remuneration; and
4. 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 21, 2018 (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?

All matters to be addressed at the Meeting must be approved by a simple majority of the votes cast by Shareholders, 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 114,069,150 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, 2017, 87,360,973 Common Voting Shares and 26,691,916 Variable Voting Shares were outstanding.

Except as set forth below, to the knowledge of our Directors and executive officers, as at March 21, 2018, 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 and Shares Variable Voting Shares and on a combined basis.

Shareholder	Number of Shares	% of Outstanding Shares as at March 21, 2018
Silchester International Investors LLP	11,808,900 <sup>(1)</sup>	10.35
Letko, Brosseau & Associates Inc.	11,792,387 <sup>(2)</sup>	10.34

#### Note:

- (1) Based on its alternative monthly report filed on March 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](http://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 4, 2018, 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 by the Board 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 *Canada Transportation Act*. The applicable provisions of the *Canada Transportation Act* 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; that is, WestJet must be controlled in fact by Canadians and at least 75 per cent of its voting interests must be owned and controlled by Canadians.

The definition of "Canadian" under Section 55(1) of the *Canada Transportation Act* 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 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 and controlled by Canadians.

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

Effective February 18, 2016, the Common Voting Shares and the Variable Voting Shares started trading on the TSX under the single ticker WJA. Prior to that date, the Common Voting Shares and Variable Voting Shares traded under separate symbols WJA and WJA.A, respectively. This consolidation of the ticker symbols was made solely for the administration of the trading of the Common Voting Shares and the Variable Voting Shares on the TSX and did not involve any amendments to WestJet's Articles, By-laws or capital structure, nor the terms and conditions of, or the voting and ownership restrictions applicable to, the Common Voting Shares and Variable Voting Shares or WestJet's policies related thereto.

**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 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 (i) 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 *Canada Transportation Act*), or (ii) 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 *Canada Transportation Act*) 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 (i) 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 *Canada Transportation Act*) 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 (ii) 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 *Canada Transportation Act*) 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 *Canada Transportation Act*) 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.

## 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.

**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 two ways to submit a completed proxy:



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 three ways to submit a completed voting instruction form for their ESPP Shares:



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

If a voting instruction form has been returned (by email, 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 (by email, 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 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. 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. 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. 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.

Non-registered shareholders have four ways to submit a completed voting instruction form:



On the Internet, by going to the website [proxyvote.com](http://proxyvote.com) and following the instructions on the screen. You will need the 16-digit Control Number found on your voting instruction form;



By telephone, by entering your voting instructions by telephone at 1-800-474-7493 (English) or 1-800-474-7501 (French);



By fax, by completing and signing the enclosed voting instruction form and forwarding it by fax to 1-905-507-7793 or 514-281-8911; or



By mail, by completing the voting instruction form as directed on the form and returning it in the business reply envelope provided (by your nominee's cut-off date and time).

**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. 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 7, 2018, 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.

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, 2017 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. Each of the Directors in office immediately prior to the Meeting will retire from office at 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 at 12. **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 at 12.**

### 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 12 proposed nominees for election as Directors of WestJet:

- |    |                  |    |                       |     |                   |
|----|------------------|----|-----------------------|-----|-------------------|
| 1. | Clive J. Beddoe  | 5. | Christopher M. Burley | 9.  | L. Jacques Ménard |
| 2. | Brad Armitage    | 6. | Brett Godfrey         | 10. | Janice Rennie     |
| 3. | Hugh Bolton      | 7. | Allan W. Jackson      | 11. | Karen Sheriff     |
| 4. | Ron A. Brenneman | 8. | S. Barry Jackson      | 12. | Edward Sims       |

Detailed information about these nominees is contained in this Information Circular under the heading "*Information concerning Directors and the Director nominees*" beginning on page 8. 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](http://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, 2017 and 2016 to KPMG LLP were \$858,600 and \$886,202, respectively, as detailed in the following table:

	2017 (\$)	2016 (\$)
Audit fees <sup>(1)</sup>	790,000	705,000
Audit-related fees <sup>(2)</sup>	55,000	168,500
Tax fees <sup>(3)</sup>	13,600	12,702
<b>Total</b>	<b>858,600</b>	<b>886,202</b>

#### Notes:

- (1) Audit fees in 2017 and 2016 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 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. Audit-related fees for 2016 were paid for professional services rendered in relation to WestJet's June 2016 U.S.-dollar note offering, the audit of our passenger facility schedules for 2015, and specified procedures performed on WestJet's 2015 Québec sales and 2015 Ontario Travel Agency Sales and trust account statements.
- (3) Tax fees for 2017 include services with respect to tax structures, compliance and reporting matters. Tax fees for 2016 include services with respect to U.S. indirect tax and other various taxation matters.

**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. 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 28.

**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:**

**"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 21, 2018."

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 Directors and the 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 Directors 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: 71  
Calgary, Alberta, Canada

#### Chair

Director since:  
Jun. 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 (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 served as President of WestJet until September 2006 and the CEO of WestJet until September 2007. 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 Jarislawsky 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 <sup>(1)</sup>	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>
Board (Chair)	11 of 11	100%	<ul style="list-style-type: none"> <li>• SQI Diagnostics (TSXV)</li> </ul>
SH&E	4 of 4		

#### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	791,925	6,465	798,390	21,045,560	1,000,000	Yes
2016	791,925	4,725	796,650	18,354,816	1,000,000	Yes

#### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	42,583,722	3,493,537	46,077,259
Percentage of votes	92.42%	7.58%	100%



## Brad Armitage



Age: 48  
Halifax, Nova Scotia  
Canada

Director since:  
Feb. 6, 2017

**Non-Independent**

Mr. Brad Armitage is the Chair of the WestJet Employee Association. He first joined WestJet in 2011 as a Customer Service Agent and in 2012, he joined the employee association 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 Queens University.

Membership	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>
Board	11 of 11	100%	<ul style="list-style-type: none"> <li>None</li> </ul>
SH&E	3 of 3 <sup>(5)</sup>		

### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	960	n/a	960	25,305	n/a <sup>(6)</sup>	n/a <sup>(6)</sup>
2016	252	n/a	252	5,806	n/a <sup>(6)</sup>	n/a <sup>(6)</sup>

### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	44,197,370	1,897,889	46,095,259
Percentage of votes	95.92%	4.08%	100%

## Hugh Bolton



Age: 79  
Edmonton, Alberta,  
Canada

Director since:  
Aug. 2, 2005

**Independent**

Mr. Hugh Bolton is currently the non-executive Chair of the Board of Directors of EPCOR Utilities Inc. (a private energy and energy-related services provider). From 1992 to 1997, Mr. Bolton was Chairman and Chief Executive Partner of Coopers and Lybrand Canada, Chartered Accountants. He is a former board member of Teck Resources Limited, Capital Power Corporation, Canadian National Railway Company, TD Bank Financial Group, and Matrikon Inc.

Mr. Bolton is a fellow of the Institute of Chartered Professional Accountants of Alberta and holds a B.A. in economics from the University of Alberta. In 2006, he was made a fellow of the Institute of Corporate Directors (Canada), in 2010 he received the lifetime achievement award from the Alberta Institute of Chartered Accountants, and in 2015 he received an Honorary Doctor of Laws degree from the University of Alberta. In 2017, Mr. Bolton was awarded the Peter Dey Governance Achievement Award, which recognizes outstanding and ongoing achievements in corporate governance.

Membership	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>
Board	11 of 11	100%	<ul style="list-style-type: none"> <li>Teck Resources Limited (2001 to 2015) (TSX)</li> <li>Capital Power Corporation (2009 to 2014) (TSX)</li> <li>Canadian National Railway Company (2003 to 2014) (TSX)</li> <li>Toronto Dominion Bank (2003 to 2014) (TSX)</li> </ul>
Audit (Chair)	4 of 4		
CGN	4 of 4		

### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	5,000	28,352	33,352	879,159	575,000	Yes
2016	5,000	25,430	30,430	701,107	575,000	Yes

### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	43,492,558	2,584,701	46,077,259
Percentage of votes	94.39%	5.61%	100%



## Ron A. Brenneman



Age: 71  
Calgary, Alberta, Canada

Director since:  
Sept. 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 Ltd. 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	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>
Board	11 of 11	100%	<ul style="list-style-type: none"> <li>Ithaca Energy Inc. (2010 to 2017) (formerly TSX and AIM)</li> <li>BCE Inc. (2003 to 2017) (TSX)</li> <li>The Bank of Nova Scotia (2000 to 2017) (TSX)</li> </ul>
SH&E	4 of 4		
P&C	4 of 4		

### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	70,000	9,467	79,467	2,094,750	575,000	Yes
2016	50,000	6,964	56,964	1,312,451	575,000	Yes

### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	43,587,924	2,489,335	46,077,259
Percentage of votes	94.60%	5.40%	100%

## Christopher M. Burley



Age: 56  
Calgary, Alberta, Canada

**Vice Chair**

Director since:  
Sept. 21, 2015

**Independent**

Mr. Christopher Burley is a corporate director and Vice Chair of WestJet's Board of Directors. 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	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>
Board (Vice Chair)	11 of 11	100%	<ul style="list-style-type: none"> <li>Nutrien Ltd. (formerly Potash Corporation of Saskatchewan) (NYSE, TSX)</li> <li>Parallel Energy Inc. (2011 to 2016) (formerly TSX)</li> </ul>
Audit	4 of 4		
P&C	4 of 4		
CGN	4 of 4		

### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	20,000	12,847	32,847	865,847	575,000	Yes
2016	20,000	6,990	26,990	621,850	575,000	Yes

### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	43,660,721	2,416,538	46,077,259
Percentage of votes	94.76%	5.24%	100%

## Brett Godfrey



Age: 54  
Clayfield, Queensland,  
Australia  
Director since:  
Aug. 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	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>
Board	10 of 11	93%	<ul style="list-style-type: none"> <li>Auckland International Airport Ltd. (NZX, ASX)</li> </ul>
SH&E	4 of 4		

### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	16,097	11,128	27,225	717,651	575,000	Yes
2016	16,097	8,282	24,379	561,692	575,000	By 2018 <sup>(6)</sup>

### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	44,247,559	1,829,700	46,077,259
Percentage of votes	96.03%	3.97%	100%

## Allan W. Jackson



Age: 77  
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	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>
Board	11 of 11	100%	<ul style="list-style-type: none"> <li>Canadian Western Bank (1984 to 2016) (TSX)</li> </ul>
Audit	4 of 4		
P&C (Chair)	4 of 4		
CGN	4 of 4		

### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	25,000	57,439	82,439	2,173,092	575,000	Yes
2016	25,000	50,390	75,390	1,736,986	575,000	Yes

### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	42,245,102	3,832,157	46,077,259
Percentage of votes	91.68%	8.32%	100%

## S. Barry Jackson



Age: 65  
Calgary, Alberta,  
Canada  
Director since:  
Feb. 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, Geologists and Geophysicists of Alberta. He was made a fellow of the Institute of Corporate Directors in 2010.

Membership	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>	
Board	11 of 11	100%	<ul style="list-style-type: none"> <li>TransCanada Corporation (TSX)</li> <li>TransCanada PipeLines Limited (TSX)</li> </ul>	<ul style="list-style-type: none"> <li>Nexen Inc. (2001 to 2013) (formerly TSX)</li> </ul>
P&C	4 of 4			
SH&E (Chair)	4 of 4			

### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	10,000	41,544	51,544	1,358,700	575,000	Yes
2016	10,000	35,247	45,247	1,042,491	575,000	Yes

### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	43,482,275	2,594,984	46,077,259
Percentage of votes	94.37%	5.63%	100%

## L. Jacques Ménard, C.C., G.O.Q.



Age: 72  
Montréal, Québec,  
Canada  
Director since:  
Aug. 3, 2011  
**Independent**

Mr. L. Jacques Ménard is the current Deputy Chairman (formerly, Chairman) of BMO Nesbitt Burns (an investment advisory and wealth management firm) and Président Emeritus, Québec (formerly, Président) of BMO Financial Group (a highly diversified financial services organization). He currently sits on several boards including Claridge Inc. and the Montréal Symphony Orchestra, is the Chairman of Montréal International, and is a former director of Stingray Digital Group Inc. (a publicly traded music and in-store media solutions provider). Mr. Ménard is the former Chairman of Hydro-Québec, the Investment Dealers Association of Canada and was co-chair of the Federal Task Force on Financial Literacy. Mr. Ménard is a graduate of Collège Sainte-Marie, holds a Bachelor of Commerce from Loyola College and a Master of Business Administration from the University of Western Ontario. He has received honorary doctorates from Concordia University, York University, the Université de Montréal, McGill University, Université du Québec and the Université de Sherbrooke. Mr. Ménard is a Companion of the Order of Canada and a Grand Officer of the Order of Québec.

Membership	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>	
Board	11 of 11	100%	<ul style="list-style-type: none"> <li>Stingray Digital Group Inc. (2010 to 2017) (TSX)</li> </ul>	
Audit	4 of 4			
CGN (Chair)	4 of 4			

### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	25,000	19,337	44,337	1,168,723	575,000	Yes
2016	10,000	13,535	23,535	542,246	575,000	By 2018 <sup>(7)</sup>

### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	44,207,378	1,869,881	46,077,259
Percentage of votes	95.94%	4.06%	100%

## Janice Rennie



Age: 60  
Edmonton, Alberta,  
Canada

Director since:  
Aug. 3, 2011

**Independent**

Ms. Janice Rennie currently sits on the board of Major Drilling Group Inc. (a drilling services company), Methanex Corp. (a methanol producer), West Fraser Timber Co. Ltd. (an integrated forestry company) and EPCOR Utilities Inc. She has held senior management positions with a number of companies including, most recently, EPCOR Utilities Inc. 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	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>	
Board	11 of 11		<ul style="list-style-type: none"> <li>Major Drilling Group International Inc. (TSX)</li> <li>Methanex Corp. (TSX, NASDAQ)</li> <li>West Fraser Timber Co. Ltd. (TSX)</li> <li>Teck Resources Limited (2007 to 2015) (TSX)</li> </ul>	
Audit	4 of 4	100%		
P&C	4 of 4			

### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	6,500	21,952	28,452	749,995	575,000	Yes
2016	6,500	17,689	24,189	557,315	575,000	By 2018 <sup>(7)</sup>

### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	43,599,062	2,478,197	46,077,259
Percentage of votes	94.62%	5.38%	100%

## Karen Sheriff



Age: 60  
Toronto, Ontario,  
Canada

Director since:  
Jan. 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 Alliant 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 Master's 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	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>	
Board	11 of 11		<ul style="list-style-type: none"> <li>BCE (TSX)</li> <li>Bell Alliant Inc. (2004 to 2014) (TSX)</li> </ul>	
SH&E	4 of 4	100%		
P&C	4 of 4			

### Share ownership<sup>(3)</sup>

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	9,000	10,880	19,880	524,037	575,000	By 2021 <sup>(7)</sup>
2016	5,000	5,583	10,583	243,832	575,000	By 2021 <sup>(7)</sup>

### Voting results of 2017 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	43,651,471	2,425,788	46,077,259
Percentage of votes	94.74%	5.26%	100%

## Edward Sims



Age: 54  
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 joined WestJet as EVP, Commercial on May 29, 2017, responsible for all aspects of the commercial function, including sales, marketing, loyalty programs, network planning, revenue management, WestJet Vacations, corporate development and airline partnerships.

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 <sup>(8)</sup>	2017 attendance		Other public company directorships in the past 5 years <sup>(2)</sup>
Board	n/a	n/a	• None

### Share ownership<sup>(3)</sup>

Year	Shares (#)	RSUs (#)	Total Shares and RSUs (#)	Total market value of Shares and RSUs <sup>(4)</sup> (\$)	Minimum SOG (\$)	Meets requirements
2017	n/a	14,677	14,677	386,886	n/a	By 2022 <sup>(9)</sup>

### 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, 2017, Mr. Armitage acquired 112 more Shares through the ESPP. As at March 21, 2018, there have been no other changes to the share ownership of the Director nominees from December 31, 2017.
- (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 29, 2017, being the last trading day of 2017, the share price was \$26.36 and at December 31, 2016, the share price was \$23.04).
- (5) Mr. Armitage was appointed to the Board and the SH&E committee effective February 6, 2017.
- (6) As the WEA representative on the Board, Mr. Armitage is exempt from the minimum ownership requirements for Directors.
- (7) For the period indicated, the Director either was not obligated to meet WestJet's share ownership guidelines 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 21.
- (8) 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 so did not attend meetings as a director in 2017.
- (9) Mr. Sims has until May 2022 to meet his minimum share ownership requirement.

### 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 21, 2018.

## 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 18 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 one of the proposed Directors each year. Effective February 6, 2017, WestJet appointed Brad Armitage as the new employee representative on the Board, filling the vacancy created by the resignation of Antonio Faiola. Mr. Armitage succeeded Mr. Faiola as the Chair of the WEA in early 2017.

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 following chart sets out 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.

	Airline specific	Audit and financial accounting	Marketing/communication industry	Retail/consumer-based industry	Corporate finance and investment management	Oil and gas	Corporate governance	Compensation	CEO of public company	Public board	Extensive U.S. or international knowledge	Strategic planning and risk management	Legal, regulatory and government
Beddoe	•		•		•			•	•	•		•	
Armitage	•												•
Bolton		•			•		•	•		•		•	
Brenneman				•	•	•		•	•	•	•	•	
Burley		•			•	•	•	•		•		•	
Godfrey	•	•	•				•		•	•	•	•	
A. Jackson					•		•	•		•		•	
B. Jackson						•	•	•	•	•		•	
Ménard					•		•			•		•	•
Rennie		•			•		•	•		•		•	
Sheriff	•		•	•			•	•	•	•	•	•	
Sims	•		•	•			•				•	•	

The CGN Committee 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. In the past, the Board has also used a third-party advisor to assist in recruitment of new directors, but relies primarily on recommendations from its current Board members after a review of the competencies and skills of nominees it believes are required for the Board.

## Board diversity

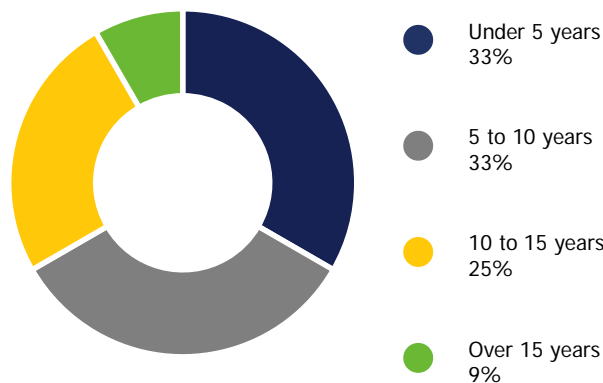
WestJet broadly integrates diversity across the Corporation, including the representation of women on the Board and in senior management. In addition to the traditional concepts of diversity, WestJet believes it is also important to achieve a diversity of knowledge, expertise and skills on the Board that support the Corporation's strategic vision and effectively represent the interest of Shareholders. 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. 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. 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. Two (17 per cent) of WestJet's 12 Director nominees are women. As at March 21, 2018, the average age of WestJet's Director nominees is 64 years.

### Board tenure



WestJet's current average Board tenure of Director nominees is eight years. As at March 21, 2018, four Director nominees have served on the Board for a period of less than five years, four 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 one Director nominee has served for more than 15 years.

WestJet maintains a corporate retirement policy but does not have a mandatory retirement age nor does it limit the time a Director can serve. 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. Over the past five years, with three longer-serving Directors retiring, WestJet has welcomed two 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](http://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: (i) chairing every meeting of the Board and encouraging free and open discussion at the meetings; (ii) adopting procedures to enable the Board to conduct its work effectively, including overseeing committee structures and composition, scheduling and management of meetings; (iii) leading *in-camera* sessions without the presence of Management; (iv) ensuring that the Board is provided with appropriate time and resources to carry out its responsibilities; (v) providing the proper flow of information to the Board; (vi) establishing a line of communication with senior management of the Corporation; and (vii) 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 each Committee Chair to: (i) ensure the mandate of the applicable committee is carried out; (ii) to 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; (iii) to 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 (iv) to report to the Board on the meetings of the applicable committee.

In July 2016, the CGN Committee recommended and the Board approved the creation of the position of Vice Chair of the Board and it was further approved that Mr. Burley be appointed to such position. It is the responsibility of the Vice Chair of the Board to: (i) assist the Chair of the Board in performing his or her duties and responsibilities; (ii) assist the Chair of the Board to provide leadership to



ensure that the Board functions independently of management of the Corporation and other non-independent directors; and (iii) 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.

### 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 during 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 10 of its 12 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 the past seven years.

All 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 2017:

	Topic	Hosted/Presented by	Attended by
February 2017	IFRS standards update	Management	Audit Committee
February 2017	Developments in corporate governance	Management	CGN Committee P&C Committee
May 2017	Dangerous goods	Management	SH&E Committee
July 2017	Technology system outage risk and cybersecurity Risk	Management	Board
July 2017	PSU change of control practices	Management	P&C Committee
July 2017	Performance based navigation approach	Management	SH&E Committee
October 2017	Data analytics	External Consultants	Board
October 2017	Business integrity update	Management	CGN Committee
October 2017	Lightning strikes	Management	SH&E 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 2017, Directors attended, participated and presented in seminars and conferences on a variety of matters and topics such as effective board presentations, corporate governance, cyber security, the economy, securities law, enterprise risk, climate change impact, audit trends and audit committee effectiveness.

### 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. 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 early 2016, 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.

### 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](http://westjet.com) and under WestJet's profile on SEDAR at [sedar.com](http://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. 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](http://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. In February 2015, the Board approved the adoption of a formal ERM Policy and the development and implementation of an ERM system across the Corporation on an integrated basis. 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. In 2017, the ERM policy was updated to implement and integrate the ERM based on international standards of risk management (specifically, ISO31000:2009). 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](http://westjet.com).

The following table sets out committee memberships for all Director nominees as at March 21, 2018.

	Audit	P&C	CGN	SH&E
<b>Non-Independent</b>				
Sims <sup>(1)</sup>				
Armitage				•
<b>Independent</b>				
Beddoe <sup>(2)</sup>				•
Bolton	Chair		•	
Brenneman		•		•
Burley	•	•	•	
Godfrey				•
A. Jackson	•	Chair	•	
B. Jackson		•		Chair
Ménard	•		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.

## Audit Committee

### Members

- Hugh Bolton (Chair)
- Christopher M. Burley
- Allan W. Jackson
- 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 five independent Directors, with each director having strong financial literacy. For further information, please see "Information concerning Directors and Director nominees" beginning on page 9. 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 2017, 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
- 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 six 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 2017, the People and Compensation Committee met four times. See "*Compensation decision-making process*" on page 30 and "*Relevant skills and experience of the People and Compensation Committee*" on page 32.

## Corporate Governance and Nominating Committee

### Members

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

The CGN Committee is responsible for developing the Corporation's approach to corporate governance matters, for 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 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 Business Code of Conduct; Disclosure, Confidentiality and Trading Policy; Business Integrity Policy; Confidential and Anonymous Reporting Hotline and Procedure; and other similar documents relating to the governance of WestJet.

The CGN Committee is currently composed of four independent Directors. In 2017, 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 2017, the SH&E Committee met four times.

### Board and committee meetings held and attendance

The table below sets out the Director nominee attendance at Board and committee meetings held in 2017.

	Board (11 meetings)		Audit (4 meetings)		P&C (4 meetings)		CGN (4 meetings)		SH&E (4 meetings)		Overall attendance	
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
Beddoe <sup>(1)</sup>	11	100%							4	100%	15 of 15	100%
Armitage <sup>(2)</sup>	11	100%							3 <sup>(2)</sup>	100%	14 of 14	100%
Bolton	11	100%	4	100%			4	100%			19 of 19	100%
Brenneman	11	100%			4	100%			4	100%	19 of 19	100%
Burley	11	100%	4	100%	4	100%	4	100%			23 of 23	100%
Godfrey	10	91%							4	100%	14 of 15	93%
A. Jackson	11	100%	4	100%	4	100%	4	100%			23 of 23	100%
B. Jackson	11	100%			4	100%			4	100%	19 of 19	100%
Ménard	11	100%	4	100%			4	100%			19 of 19	100%
Rennie	11	100%	4	100%	4	100%					19 of 19	100%
Sheriff	11	100%			4	100%			4	100%	19 of 19	100%

#### Notes:

- (1) As Chair of the Board, Mr. Beddoe attends all committee meetings including those committees of which he is not a member.  
(2) Mr. Armitage was appointed to the Board and the SH&E committee effective February 6, 2017.

### 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 2017, there were eleven *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, Directors, with the exception of the WEA representative, 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 guideline 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 WestJet's share ownership guidelines, ownership is valued at market value each December 31, 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 share ownership requirements.

The table<sup>(1)</sup> below sets out each Director nominee's ownership in WestJet for the years ending December 31, 2017 and 2016, 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 minimum share ownership requirement.

	Equity ownership at December 31, 2016		Equity ownership at December 31, 2017		Net change in Ownership		Value <sup>(3)</sup> (\$)	Equity at risk as a multiple of retainer	Meets ownership <sup>(4)</sup>
	Shares (#)	DSUs/RSUs <sup>(2)</sup> (#)	Shares (#)	DSUs/RSUs <sup>(2)</sup> (#)	Shares (#)	DSUs/RSUs <sup>(2)</sup> (#)			
Beddoe	791,925	4,725	791,925	6,465	0	1,740	21,045,560	91.7	Yes
Bolton	5,000	25,430	5,000	28,352	--	2,922	879,159	7.6	Yes
Brenneman	50,000	6,964	70,000	9,467	20,000	2,503	2,094,750	18.2	Yes
Burley	20,000	6,990	20,000	12,847	--	5,857	865,847	7.5	Yes
Godfrey	16,097	8,282	16,097	11,128	--	2,846	717,651	6.2	Yes
A. Jackson	25,000	50,390	25,000	57,439	--	7,049	2,173,092	18.9	Yes
B. Jackson	10,000	35,247	10,000	41,544	--	6,297	1,358,700	11.8	Yes
Ménard	10,000	13,535	25,000	19,337	15,000	5,802	1,168,723	10.2	Yes
Rennie	6,500	17,689	6,500	21,952	--	4,263	749,995	6.5	Yes
Sheriff <sup>(5)</sup>	5,000	5,583	9,000	10,880	4,000	5,297	524,037	4.6	By 2021
Sims <sup>(6)</sup>	--	--	--	14,677	--	14,677	386,886	--	By 2022

**Notes:**

- (1) Mr. Armitage is not represented in the table since, as the WEA representative Director, he is exempt from the minimum ownership requirements.
- (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, 2017, based on the total number of Shares and DSUs/RSUs held by the Director at a Share price of \$26.36, which was the closing Share price on December 29, 2017 (being the last trading day of 2017).
- (4) As at December 31, 2017, the share ownership requirement for independent Directors of \$575,000 is based on five times the 2017 annual Board retainer of \$115,000 within five years of their appointment to the Board. The share ownership requirement for Mr. Beddoe, Chair of the Board, of \$1,000,000 is based on five times the 2017 annual Chair of the Board retainer of \$200,000.
- (5) Ms. Sheriff was appointed to the Board effective January 13, 2016, and therefore, has until January 2021 to meet the share ownership guideline.
- (6) Mr. Sims was appointed as President and CEO, and as a director, on March 7, 2018. As President and CEO, Mr. Sim's share ownership guideline is four times his base salary. Under WestJet's share ownership guidelines, Mr. Sims has until May 2022 to meet his ownership requirement, see "Share ownership guidelines" on page 51.

WestJet's Disclosure, Confidentiality and Trading Policy restricts certain individuals, including all Directors, from entering into equity monetization transactions. See "Trading Policy" on page 51 for further information.

**Additional disclosure relating to Directors**

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 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 (NOI). 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, Judicial Centre of Calgary 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, Judicial Centre of Calgary on January 28, 2016 exiting from protection under the CCAA 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 February 2018, the People and Compensation Committee reviewed once again the competitiveness of WestJet's director compensation against similar sets of market data used for the prior year. The review indicated that WestJet remains at the lower end (25<sup>th</sup> percentile) of the comparator group for the Alberta and Canadian marketplace. Furthermore, in almost all cases, no changes were made to 2017 compensation of the comparator group when compared to 2016 compensation. As a result, and 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 2018 fiscal year.

	2017 <sup>(4)</sup> (\$)
<b>Chair of the Board<sup>(1)</sup></b>	
Annual cash retainer	160,000
Annual equity retainer	40,000
<b>Independent Directors<sup>(2)</sup></b>	
Annual cash retainer	57,500
Annual equity retainer	57,500
<b>Vice Chair of the Board Retainer</b>	25,000
<b>Committee Chair Retainers<sup>(3)</sup></b>	
Audit	21,000
P&C	18,000
CGN	14,000
SH&E	14,000
<b>Committee Member Retainers</b>	
Audit	6,000
P&C	6,000
CGN	6,000
SH&E	6,000
<b>Meetings Fees</b>	
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<sup>(1)</sup> below sets out the retainers and meeting fees each Director received for the year ended December 31, 2017. Directors are also reimbursed for their reasonable expenses in connection with attending Board and committee meetings.

	Retainers			Meeting fees		Total (\$)
	Board (\$)	Committee Chair (\$) <sup>(3)</sup>	Committee Member (\$)	Board meetings (\$)	Committee meetings (\$)	
Beddoe <sup>(2)</sup>	200,000	—	6,000	—	—	206,000
Armitage <sup>(4)</sup>	—	—	—	16,500	4,500	21,000
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
Ménard	115,000	14,000	6,000	—	—	135,000
Rennie	115,000	—	12,000	—	—	127,000
Saretsky <sup>(5)</sup>	—	—	—	—	—	—
Sheriff	115,000	—	12,000	—	—	127,000

**Notes:**

- (1) Mr. Faiola is not represented in the table as he resigned from the Board effective February 6, 2017 and did not receive any compensation as a Director in 2017.
- (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) 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) Mr. Armitage, who is the WEA representative Director, was appointed to the Board effective February 6, 2017. He 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.
- (5) Mr. Saretsky was the President and CEO, and a director, from April 1, 2010 to March 7, 2018. As President and CEO, Mr. Saretsky did not receive any amounts in connection with his directorship.

**Deferred share units**

Independent Directors and the 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 Common Voting 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 Common Voting 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 Common Voting 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<sup>(1)</sup> summarizes the total compensation earned by each Director in 2017. Mr. Saretsky, WestJet's former President and CEO, did not earn a retainer or fees for serving as a Director. The executive compensation for Mr. Saretsky for 2017 is disclosed in the "Summary compensation table" on page 48.

	Fees earned (\$)	Share-based awards <sup>(2)</sup> (\$)	All other compensation <sup>(3)</sup> (\$)	Total Compensation <sup>(4)</sup> (\$)
Beddoe	166,000	40,000	—	206,000
Armitage	21,000	—	75,000 <sup>(5)</sup>	96,000
Bolton	84,500	57,500	—	142,000
Brenneman	69,500	57,500	—	127,000
Burley	18,000	140,000	—	158,000
Godfrey	56,313	64,688	—	121,000
A. Jackson	—	145,000	—	145,000
B. Jackson	—	135,000	—	135,000
Ménard	—	135,000	—	135,000
Rennie	34,750	92,250	—	127,000
Sheriff	—	127,000	—	127,000

### Notes:

- (1) Mr. Faiola is not represented in the table as he resigned from the Board effective February 6, 2017 and did not receive any compensation as a Director in 2017.
- (2) 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.
- (3) 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.
- (4) The aggregate remuneration paid to the Directors of the Corporation in 2017 was \$1,519,000, excluding an amount for Mr. Saretsky, which is disclosed in the "Summary compensation table" on page 48.
- (5) 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. Mr. Armitage was appointed to the Board, effective February 6, 2017.

## Incentive plan awards

### *Outstanding share-based awards and option-based awards*

The following table<sup>(1)</sup> shows the market value of share-based awards held by Directors, other than Mr. Saretsky, WestJet's former President and CEO, that were outstanding as at December 31, 2017.

	Number of DSUs that have vested (#) <sup>(2)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(3)</sup>
Beddoe	6,465	170,417
Armitage	—	—
Bolton	28,352	747,359
Brenneman	9,467	249,550
Burley	12,847	338,647
Godfrey	11,128	293,334
A. Jackson	57,439	1,514,092
B. Jackson	41,544	1,095,100
Ménard	19,337	509,723
Rennie	21,952	578,655
Sheriff	10,880	286,797

#### Notes:

- (1) Mr. Faiola is not represented in the table as he resigned from the Board effective February 6, 2017 and did not receive any compensation as a Director in 2017.
- (2) Number of DSUs that were vested and outstanding at December 31, 2017. Includes additional DSUs equivalent in value to the dividends paid on Shares, which were credited in-year.
- (3) 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, 2017 by the December 29, 2017 closing Share price of \$26.36 (being the last trading day of 2017).

### *Incentive plan awards – value vested or earned during the year*

The following table<sup>(1)</sup> shows the value of share-based awards that vested and non-equity incentive plan compensation earned by Directors, other than Mr. Saretsky, WestJet's former President and CEO, during the year ended December 31, 2017.

	Share-based awards – value vested during the year (\$) <sup>(2)</sup>	Non-equity incentive plan compensation – value earned during the year (\$)
Beddoe	40,000	—
Armitage <sup>(3)</sup>	—	3,795
Bolton	57,500	—
Brenneman	57,500	—
Burley	140,000	—
Godfrey	64,688	—
A. Jackson	145,000	—
B. Jackson	135,000	—
Ménard	135,000	—
Rennie	92,250	—
Sheriff	127,000	—

#### Notes:

- (1) Mr. Faiola is not represented in the table as he resigned from the Board effective February 6, 2017 and did not receive any compensation as a Director in 2017.
- (2) 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 times the closing Share price on the trading day prior to the date of grant.
- (3) Mr. Armitage earned the non-equity incentive plan compensation amounts in the scope of his employment from 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 2017, we conducted our second say-on-pay vote, which received strong support of 85.78 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.

### 2017 overview

Celebrating our 21<sup>st</sup> year in the industry, we achieved a number of accomplishments in 2017, including that we:

- Recorded net earnings of \$283.6 million and diluted earnings per share of \$2.42;
- Delivered top-line revenue growth of 9.2 per cent and traffic growth of 8.1 per cent, compared to the previous year;
- Flew a record number of more than 24 million guests;
- Recognized as Best Airline in Canada and Travellers' Choice winner Mid-Sized and Low-Cost Airlines – North America in the 2017 TripAdvisor Travellers' Choice awards for Airlines;
- Announced a definitive purchase agreement with The Boeing Company for 10 firm and 10 option Boeing 787-9 Dreamliner aircraft, with the first delivery expected in the first quarter of 2019;
- Announced the creation of Swoop, WestJet's ultra-low-cost carrier built to provide Canadians with a no-frills, lower-fare travel option; and
- Announced intention to form a joint-venture with Delta to increase transborder travel choices between the U.S. and Canada, and announced WestJet Link, a new regional air service operating under a capacity purchase agreement (CPA) with Pacific Coastal.

### 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 driving WestJet's strategic and operational agenda.

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 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 in light of WestJet's operational needs and our existing executive compensation and governance practices.

### Executive compensation changes in 2017

As we did last year, due to the continuing impact of the current financial and operating environment, we have once again held the structure of our executive compensation constant in 2017, including keeping base salaries at the May 2015 level.

### 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 employee, guest, Shareholder and business commitments.

Throughout 2017, the People and Compensation Committee and the Board placed an increased 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 in combination with Management's ongoing work on developing WestJet's next three generations of executive leaders, the development of leadership effectiveness and engagement action plans, and the re-design of our leadership education programs.

The Board is pleased with the progress in these areas, including the recruitment of several external hires with extensive business and industry backgrounds, three of which have been at the executive level.

### 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 2017.

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 (as defined in Form 51-102F6 – *Statement of Executive Compensation*) for the 2017 financial year:

- Gregg Saretsky, President and CEO
- Harry Taylor, EVP, Finance and CFO
- Edward (Ed) Sims, EVP, Commercial
- Robert (Bob) Cummings, EVP, Strategy
- Mark Porter, EVP, People and Culture

Mr. Saretsky came to agreement with the Board of Directors to retire as President and CEO effective March 7, 2018, and Mr. Sims was appointed as President and CEO on the same date.

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 in 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 the 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 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. In both 2016 and 2017, no further changes were made to the structure of WestJet's executive compensation, including holding base salaries constant at the May 2015 level.

## 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. In 2017, the 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. Such performance criteria is reviewed annually and the People and Compensation Committee and the Board have discretion to amend the performance criteria.

## Compensation decision-making process

The People and Compensation Committee, on behalf of the Board, administers WestJet's executive compensation program. The People and Compensation Committee 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 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 SVPs, 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 a clear link between pay and performance and do not encourage excessive risk taking;
- 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 share ownership guidelines for the President and CEO, EVPs, SVPs, VPs and Directors and evaluate the shareholdings of such persons relative to such guidelines;
- Review and recommend to the Board the 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
- Annually review and recommend for approval to the Board the Corporation's executive compensation disclosure and review any other executive compensation disclosure before public disclosure.



February 2017 <sup>(1)</sup>	May 2017 <sup>(1)</sup>	July 2017 <sup>(1)</sup>	October 2017 <sup>(1)</sup>
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*Continuous review of compensation programs and plans*

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|--|--|---|---|
| <ul style="list-style-type: none"> <li>• Approve comparator group for 2017 review</li> </ul> | <ul style="list-style-type: none"> <li>• Annual market review, in conjunction with Meridian, of executive compensation program</li> <li>• Review annual stress test of executive compensation</li> <li>• Approve the 2017 annual equity grants</li> <li>• Market review of SVP, VP and employee director compensation</li> </ul> | <ul style="list-style-type: none"> <li>• Review change of control practices for PSUs</li> </ul> | <ul style="list-style-type: none"> <li>• Review compensation approach of Swoop</li> </ul> |
|--|--|---|---|

*Setting performance measures and measuring outcomes*

- |  |   |  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>• Approve the 2016 STIP and OPA payouts</li> <li>• Review share ownership compliance</li> <li>• Review performance measures for PSUs</li> </ul> | <ul style="list-style-type: none"> <li>• Approve the May 2017 Profit Share Plan distribution</li> <li>• Approve the performance vesting multiplier of PSUs granted in 2014</li> </ul> | <ul style="list-style-type: none"> <li>• Review leader effectiveness metric as part of STIP (measures employee feedback on leaders' ability to build trust, get results, learn and develop, and shape WestJet's future)</li> </ul> | <ul style="list-style-type: none"> <li>• Review the 2018 STIP and OPA targets</li> <li>• Approve the November 2017 Profit Share Plan distribution</li> </ul> |
|--|---|--|--|

*Executive compensation governance, talent management and employee relations*

- |  |   |  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>• Review developments in executive compensation governance</li> <li>• Review annual executive compensation disclosure</li> <li>• Succession and talent management update</li> </ul> | <ul style="list-style-type: none"> <li>• Review "say on pay" results</li> <li>• Annual senior talent management and succession planning review<sup>(2)</sup></li> </ul> | <ul style="list-style-type: none"> <li>• Succession planning and talent management update</li> </ul> | <ul style="list-style-type: none"> <li>• Succession planning and talent management update</li> <li>• Review the People and Compensation Committee mandate</li> <li>• Review People and Compensation Committee 2018 forward agenda</li> </ul> |
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**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 level.

## Relevant skills and experience of the People and Compensation Committee

The People and Compensation Committee is comprised of six independent Directors. The following is a description of the skills and experience of each member of the People and Compensation Committee that is 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.

**Janice Rennie**



Ms. Janice Rennie has held senior management positions with a number of companies including, most recently, EPCOR Utilities Inc. 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).

**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 Alliant 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 also performed a review of WestJet's comparator group composition and recommended revisions to the group. Also in 2016, Meridian reviewed the competitiveness of WestJet's executive compensation and did not recommend changes.

In 2017, Meridian again 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, providing the Corporation with a representative view of the market and no changes were recommended. See "*Comparator group composition*" on page 35.

The following presents the aggregate fees billed for executive compensation services provided by Meridian in 2017 and 2016 along with all other fees paid.

	Executive compensation related fees (\$)	All other fees (\$)
2017	86,170	—
2016	15,480	—

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 the 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 the 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 the 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- 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 51)
- 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. 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 this 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.

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, in 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 and 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, which now includes 20 companies, due to the acquisition of Virgin America by Alaska Air Group in 2016. When compared to the 20 companies, WestJet's revenue is at the market median.

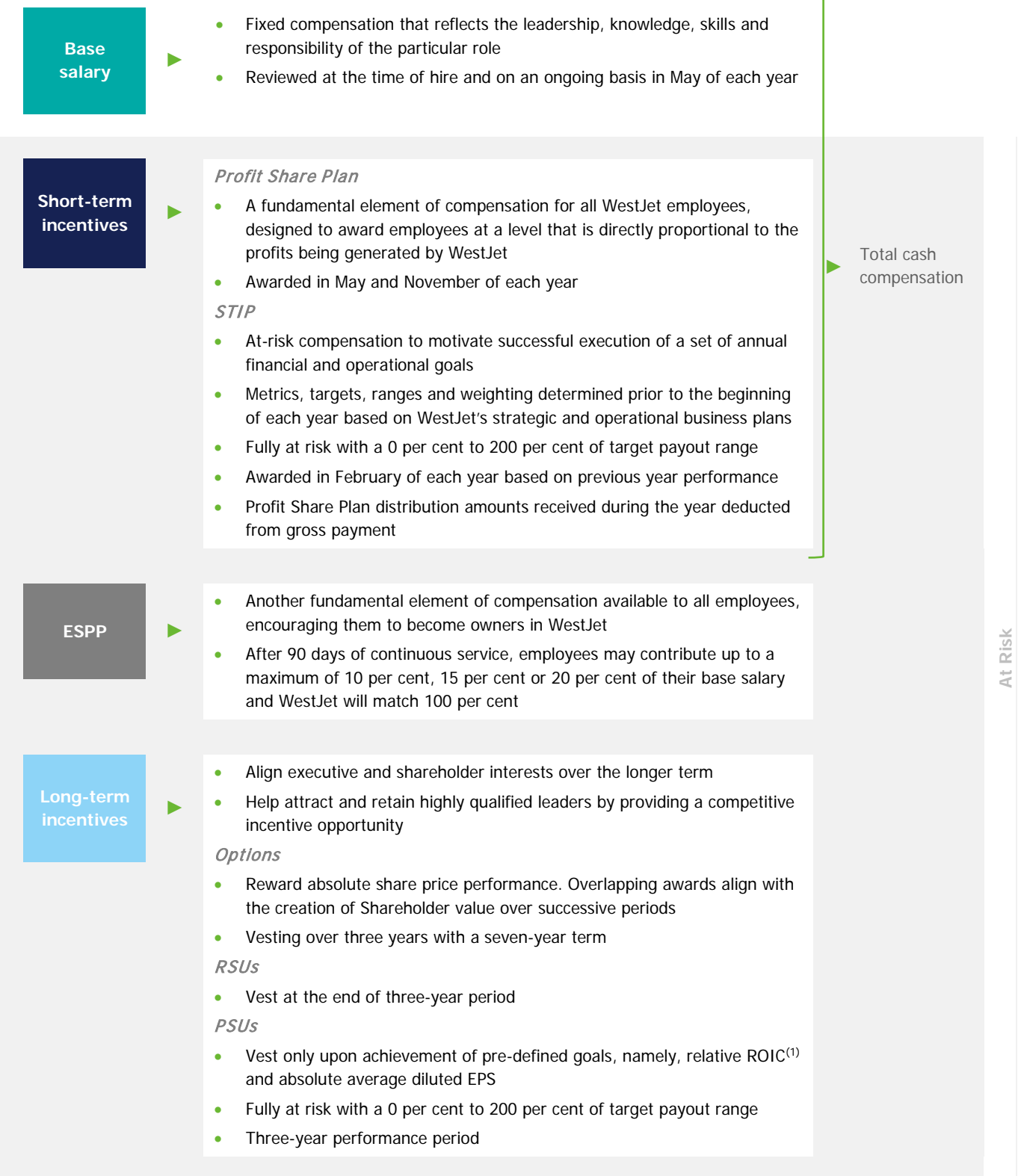
	Company	Country	Sub-group
1.	Aimia Inc.	Canada	Advertising (Travel Loyalty)
2.	Air Canada <sup>(1)</sup>	Canada	Airlines
3.	Alaska Air Group Inc. <sup>(1)(3)</sup>	United States	Airlines
4.	Allegiant Travel Co.	United States	Airlines
5.	Atlas Air Worldwide Holdings Inc.	United States	Air Freight and 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. <sup>(1)</sup>	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. <sup>(1)</sup>	United States	Airlines
18.	Spirit Airlines Inc.	United States	Airlines
19.	Transat A.T. Inc.	Canada	Hotels, Restaurants and Leisure
20.	TFI International <sup>(2)</sup>	Canada	Road and Rail

**Notes:**

- (1) Also included in WestJet's Airline Peer Group for the purposes of PSUs. See "*Long-term incentives – Performance share units*" on page 40.
- (2) TransForce Inc. changed its corporate name to TFI International in December 2016.
- (3) Virgin America was previously indicated in the peer group, however, was acquired by Alaska Air Group in December 2016.

## 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 67.

## 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 of each year. This timing is aligned 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 35. 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. In 2016, no changes were made to the structure, including holding base salaries constant at the May 2015 level.

Considering the 2017 executive compensation review provided by Meridian, which included a benchmarking analysis that found WestJet executives are generally within a competitive range of the market median, as well as the current financial and operating environment, once again no changes were made to executive compensation for 2017. Recent changes in the executive leadership team were also considered, as WestJet welcomed three new executives, bringing the number to six executives who were in their roles for less than 18 months.

	2017 (\$)	2016 (\$)	Increase
Gregg Saretsky <sup>(1)</sup>	766,000	766,000	—
Harry Taylor	438,000	438,000	—
Bob Cummings	400,000	400,000	—
Ed Sims <sup>(2)</sup>	236,712	n/a	—
Mark Porter	400,000	400,000	—

**Notes:**

- (1) Mr. Saretsky was the President and CEO from April 1, 2010 to March 7, 2018.
- (2) Mr. Sims joined WestJet as EVP, Commercial on May 29, 2017 and was appointed President and CEO on March 7, 2018. Amount presented above is pro-rated based on time in 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 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 67. 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 2017, WestJet distributed more than \$46 million under the Profit Share Plan to employees. See the footnotes to the "*Summary compensation table*" on page 47 for further details of the payments made to NEOs under the Profit Share Plan.

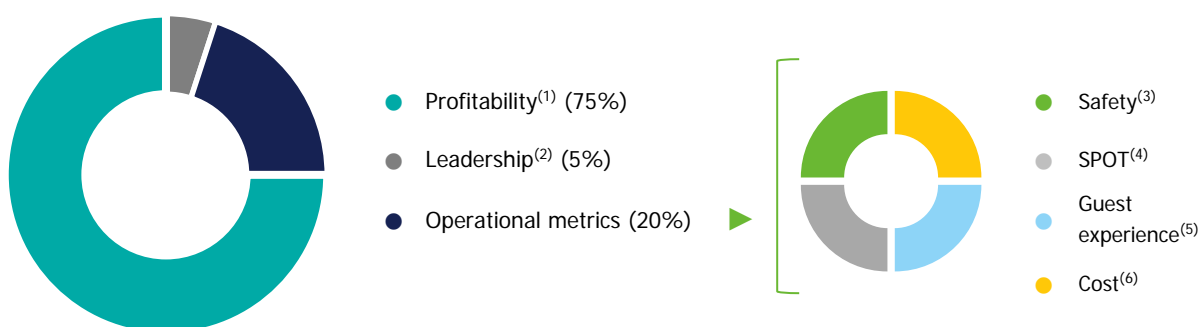


### Short-term incentive plan

In addition to the NEOs, approximately 80 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 the 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 to the STIP calculation. 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 2016, in 2017, 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 metrics of operational importance to WestJet: (i) Safety; (ii) Safely performing on time (SPOT); (iii) Guest experience; and (iv) Cost.



#### Notes:

- (1) Profitability was based on the Corporation's 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 69.
- (2) Leadership was based on the overall company leadership effectiveness index score as measured in WestJet's annual employee survey.
- (3) Safety was 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 was measured by arrivals within 15 minutes of published timetable (A15).
- (5) Guest experience was measured as the percentage of WestJet guests that rate their satisfaction with our service as a nine or 10 on a 10-point scale on "Show We Care" questionnaires.
- (6) Cost was measured by CASM, excluding fuel and profit share (cents). See "Non-GAAP measures" on page 67.

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 2017 targets established by the Board, upon recommendation from the People and Compensation Committee along with the 2017 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	2017 Actual results	Multiple of target
Profitability	75%	8%	11.6%	15%	10.1%	0.791x
Leadership	5%	59%	62%	65%	64%	1.667x
Safety	5%	5.09	4.71	4.32	4.89	0.763x
SPOT	5%	82%	85%	87%	79.8%	—
Guest experience	5%	60%	62%	64%	63.1%	1.550x
Cost	5%	10.20	10.00	9.80	9.89	1.550

In 2017, WestJet began to see the improvements to the poor economic conditions that impacted the energy sector as fuel prices began to increase. However, rising fuel costs also added pressure to WestJet's margin, combined with a slight decrease in revenue. As such, the 2017 target for profitability was not met. With respect to the leadership and operational metrics, WestJet exceeded its targets for leadership effectiveness, guest experience and cost. In 2017, WestJet adopted a revised methodology to more accurately and transparently represent its controllable safety performance with the intent of focusing on leadership's role in injury prevention activities. Under the revised metric, WestJet reduced its TDI rate to 4.89, passing the year's threshold. WestJet did not meet its SPOT threshold of 82 per cent for 2017. The year was marked with significant weather challenges across the airline's network during a rough winter and additional runway closures and delays in Toronto and Montreal. These events were followed by a particularly harsh hurricane season in the fall that turned into a tough winter storm season throughout the holiday period at year's end.

For 2017, the gross STIP payment for the President and CEO was 109 per cent of base salary and for EVPs was 61 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 2018, upon approval by the Board. See the footnotes to the "Summary compensation table" on page 48 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, 2017, approximately 81.7 per cent of eligible employees participated in the ESPP, contributing an average of 14.6 per cent of their gross salaries. The value of the matching contributions for NEOs is reported in the "Summary Compensation Table" on page 47 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 80 senior management employees and approximately 1,400 of WestJet's Boeing 737 and 767 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 2017.

	President and CEO	EVP
Options	80%	45%
RSUs	80%	45%
PSUs <sup>(1)</sup>	190%	110%
<b>Total</b>	<b>350%</b>	<b>200%</b>

**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 an option award agreement. 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, mitigates 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 and 767 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 1,400 employees.

During 2017, a total of 3,567,702 Options were granted under the 2009 SO Plan, of which 2,645,136 Options, or 74.0 per cent, were granted to pilots of WestJet's Boeing 737 and 767 operations, and 922,566 Options, or 26.0 per cent, were granted to senior management employees. For NEOs, all Options granted in 2017 vest one-third on the one-year anniversary of the date of grant, one-third on the two-year anniversary and one-third on the three-year anniversary, and expire seven years from the date of grant. See the footnotes to the "Summary compensation table" on page 47 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 57 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 30 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.

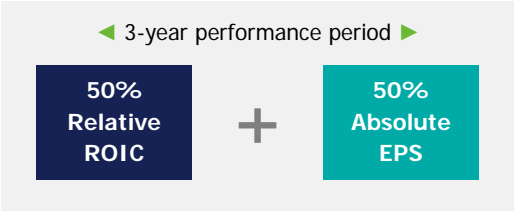
For NEOs, RSUs awarded in 2017 vest three years from the date of grant. See the footnotes to the "Summary compensation table" on page 47 for further details of the RSU grants awarded to NEOs.

WestJet generally settles the 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 the vested RSUs in cash. All RSUs vesting in 2017 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 2017 vest three years from the date of grant (see the footnotes to the "Summary compensation table" on page 48 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. 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 67. Absolute EPS was chosen as the other criterion as it directly ties compensation realized to the profitability of WestJet. For the 2017 grants, including those made to NEOs, the specific ROIC and EPS performance targets and resultant PSU adjustments were as follows:

Three-year cumulative relative ROIC <sup>(1)</sup> January 1, 2017 to December 31, 2019		Three-year average absolute diluted EPS 2017, 2018 and 2019		
Competitor rank <sup>(2)</sup>	Payout <sup>(3)</sup>	From (\$)	To (\$)	Payout <sup>(3)</sup>
8 <sup>th</sup> or 9 <sup>th</sup>	0	0.00	2.10	0
7 <sup>th</sup>	0.25 times	2.11 <sup>(4)</sup>	2.30	0.25 times
6 <sup>th</sup>	0.60 times	2.31	2.50	0.50 times
5 <sup>th</sup>	1.00 times	2.51	2.70	0.75 times
4 <sup>th</sup>	1.50 times	2.71	2.90	1.00 times
3 <sup>rd</sup>	1.75 times	2.91	3.10	1.25 times
1 <sup>st</sup> or 2 <sup>nd</sup>	2.00 times	3.11	3.30	1.50 times
		3.31	3.50	1.75 times
		3.51 <sup>(4)</sup>	>3.51	2.00 times

**Notes:**

- (1) See "*Non-GAAP measures*" on page 67. No payout will be made if the result of WestJet's three-year cumulative ROIC is negative.
- (2) Ranked among an airline peer group made up of Air Canada, Alaska Airlines, American Airlines, Delta, Jet Blue, Southwest Airlines, United Airlines and Virgin Australia. In the event of the acquisition or 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) The 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 the realization of the specified time and performance conditions, the PSUs will vest. WestJet generally settles the vested PSUs 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 the vested PSUs in cash.

**Vesting of 2014 performance share units**

For PSUs granted in 2014, the three-year performance period was completed and the units vested in May 2017. The People and Compensation Committee reviewed the actual performance outcomes versus the performance vesting conditions set at the time of the grant in May 2014 and recommended for approval to the Board the resulting vesting multiplier. Similar to the 2017 grant, performance vesting conditions for the 2014 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 \$2.61 (2014: \$2.46, 2015: \$2.92, 2016: \$2.45). WestJet's three-year cumulative ROIC for the period of January 1, 2014 to December 31, 2016 ranked the airline in 7<sup>th</sup> position among the airline peer group. As a result, the PSUs granted in 2014 vested at a combined multiple of 0.75 times (equal to 50 per cent times 0.25 plus 50 per cent times 1.25).

Three-year cumulative relative ROIC<sup>(1)</sup>  
January 1, 2014 to December 31, 2016

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

Three-year average absolute diluted EPS  
2014, 2015 and 2016

From (\$)	To (\$)	Payout
0.00	1.80	0
1.81	2.00	0.25 times
2.01	2.20	0.50 times
2.21	2.40	0.75 times
2.41	2.55	1.00 times
<b>2.56</b>	<b>2.70</b>	<b>1.25 times</b>
2.71	2.85	1.50 times
2.86	3.00	1.75 times
3.01	>3.01	2.00 times

**Notes:**

(1) See "Non-GAAP measures" on page 67.

(2) Ranked among an airline peer group made up of Air Canada, Alaska Airlines, American Airlines, Delta, Jet Blue, Southwest Airlines, United Airlines, and Virgin Australia.

WestJet settled the PSUs granted in 2014 through the purchase of Shares on the open market.

## 2018 Short-term incentive targets

The 2018 STIP targets for WestJet, as presented in the following table, were recommended by the People and Compensation Committee and approved by the Board in February 2018. For 2018, the weighting for each measure will remain the same as in 2017 and each measure will be calculated on the same basis as in 2017, with the exception of SPOT and guest experience.

For SPOT, in 2018, WestJet introduced an industry-leader approach to measure A15 arrivals against the relative position of North American airlines, rather than a defined and subjectively chosen target based on past performance. Measuring SPOT with monthly flight status data compared to competitors also reduces the relative exposure to events such as weather that are out of the airline's control, as well as year-over-year fluctuation.

A net promoter score will be used to measure guest experience in 2018, which was previously measured by the percentage of WestJet guests who rated their satisfaction with WestJet's service as a nine or 10 on a 10-point scale on "Show We Care" questionnaires. The net promoter score provides a measure of the overall guest relationship with the business, guest loyalty and the likelihood of repeat business. Net promoter scores also allow WestJet to benchmark its results more accurately against competitors.

	Weight	Threshold	Target	Maximum
Profitability <sup>(1)</sup>	75%	8.0%	<b>10.6%</b>	12.6%
Leadership <sup>(2)</sup>	5%	61%	<b>64%</b>	67%
Safety <sup>(3)</sup>	5%	4.78	<b>4.54</b>	4.30
SPOT <sup>(4)</sup>	5%	Top 50 <sup>th</sup> percentile	<b>Top quartile</b>	Top airline
Guest experience <sup>(5)</sup>	5%	52	<b>54</b>	56
Cost <sup>(6)</sup>	5%	10.26	<b>10.06</b>	9.86

**Notes:**

(1) Profitability is measured based on the Corporation's 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 69.

(2) Leadership is based on the overall company leadership effectiveness index score as measured in WestJet's annual employee survey.

(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.

(4) SPOT is measured by the percentage of flights that arrive within 15 minutes of scheduled time (A15) compared to a defined peer group of North American carriers; all A15 targets have a set minimum of 75 per cent that must be met despite positioning in the industry.

(5) Guest experience is measured by the net promoter score, which is determined by subtracting the percentage of guests who are detractors (those who rate us one to six out of 10) from the percentage who are promoters (those who rate us nine to 10 out of 10). The result is a score between negative 100 and positive 100.

(6) Cost is measured by CASM, excluding fuel and profit share (cents). See "Non-GAAP measures" on page 69.

## NEO compensation

The information in this section is presented for the NEOs as at December 31, 2017.

### President and CEO

#### Gregg Saretsky

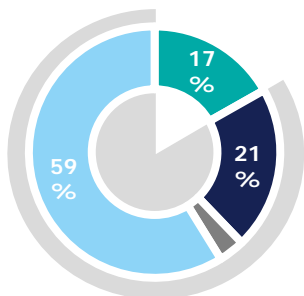


Mr. Gregg Saretsky was the President and CEO from April 1, 2010 to March 7, 2018. As President and CEO, Mr. Saretsky was responsible for both the strategic direction of the Corporation and the day-to-day operations of WestJet, leading more than 13,000 WestJetters as they delivered an exceptional guest experience. Mr. Saretsky joined WestJet in June 2009 as VP of WestJet Vacations, before being named EVP, Operations in October 2009. In 2013, Mr. Saretsky was named top new CEO by Canadian Business magazine and in July 2016, he was named one of Alberta's 50 Most Influential People for 2016 by Alberta Venture magazine.

Celebrating its 21<sup>st</sup> year in operations, WestJet achieved a number of accomplishments in 2017, including that it:

- Achieved its 13<sup>th</sup> consecutive year of profitability with net earnings of \$283.6 million and diluted earnings per share of \$2.42;
- Delivered top-line revenue growth of 9.2 per cent from the previous year, and grew traffic by 8.1 per cent, compared to 2016;
- For the full-year and in each quarter of 2017, the airline flew a record number of guests – more than 24 million in total;
- Was recognized as Best Airline in Canada and Travellers' Choice winner Mid-Sized and Low-Cost Airlines – North America in the 2017 TripAdvisor Travellers' Choice awards for Airlines;
- Announced a definitive purchase agreement with The Boeing Company for 10 firm and 10 option Boeing 787-9 Dreamliner aircraft, with the first delivery expected in the first quarter of 2019;
- Announced the creation of Swoop, WestJet's ultra-low-cost carrier; and
- Announced intention to form a joint-venture with Delta to increase transborder travel choices between the U.S. and Canada, and announced WestJet Link, a new regional air service operating under a capacity purchase agreement (CPA) with Pacific Coastal.

#### Target mix:



	2017	2016	2015
• Base salary	766,000	766,000	698,632
• STIP (inclusive of profit share)	834,406	664,200	1,411,241
• ESPP	153,200	153,200	139,726
• Long-term incentives			
Options	612,800	612,800	612,800
RSUs	612,800	612,800	612,800
PSUs	1,455,400	1,455,400	1,455,400
<b>Total compensation</b>	<b>4,434,606</b>	<b>4,264,400</b>	<b>4,930,599</b>

- At-risk based on company and/or Share price performance (total of 83 per cent).

The following table compares the total compensation awarded and granted to Mr. Saretsky in respect of his performance as President and CEO with the actual amount realized from the compensation awards. The realized compensation includes salary, STIP and the matching contributions under the ESPP, as well as the value at maturity for RSUs and PSUs and the value realized on exercise of Options (or current market value for outstanding units and unexercised Options outstanding at December 31, 2017).

	Total compensation	Realized compensation value <sup>(1)</sup>
2017	4,434,606	4,916,665
2016	4,264,400	5,422,355
2015	4,930,599	4,413,075
2014	3,352,440	2,838,017
2013	3,175,601	3,449,115

#### Note:

- (1) The actual realized compensation value includes amounts Mr. Saretsky 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, 2017, current market value was used based on the December 29, 2017 closing Share price of \$26.36 (being the last trading day of 2017). For the purpose of this calculation, unvested PSUs were based on a target payout measurement.

## Other NEOs

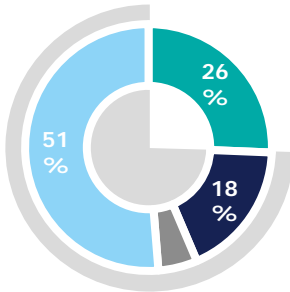
### Harry Taylor,

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



	2017	2016	2015
● Base salary	438,000	438,000	80,400
● STIP (inclusive of profit share)	266,830	212,693	495,466 <sup>(1)</sup>
● ESPP	87,600	80,160	— <sup>(2)</sup>
● Long-term incentives			
Options	197,100	197,100	197,100 <sup>(3)</sup>
RSUs	197,100	197,100	1,197,100 <sup>(3)</sup>
PSUs	481,800	481,800	481,800 <sup>(3)</sup>
<b>Total compensation</b>	<b>1,668,430</b>	<b>1,606,853</b>	<b>2,451,866</b>

- At-risk based on company and/or Share price performance (total of 74 per cent).

#### Notes:

- (1) In connection with Mr. Taylor's appointment and to compensate him for bonus amounts foregone with his previous employer, his annual payment under the STIP was not prorated in 2015 to consider the effective date of his appointment.
- (2) Mr. Taylor was eligible to participate under the ESPP only after 90 days of continuous service with WestJet.
- (3) In connection with Mr. Taylor's appointment and to compensate him for equity forfeited with his previous employer, he received a one-time grant of RSUs in 2015 under the 2008 ESU Plan with a grant value of \$1,000,000, and his annual grants in 2015 under the LTIP were not prorated to consider the effective date of his appointment. This one-time grant of RSUs vested 50 per cent on his one-year anniversary and 50 per cent on his two-year anniversary.



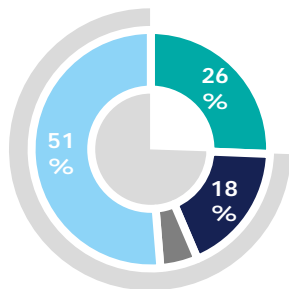
## Ed Sims

Executive Vice President, Commercial



Mr. Ed Sims joined WestJet as EVP, Commercial on May 29, 2017. Mr. Sims was appointed as President and CEO on March 7, 2018. As EVP, Commercial, he was responsible for all aspects of the commercial function, including sales, marketing, loyalty programs, network planning, revenue management, WestJet Vacations, corporate development and airline partnerships.

### Target mix



	2017	2016	2015
● Base salary <sup>(1)</sup>	236,712	—	—
● STIP (inclusive of profit share)	144,875	—	—
● ESPP <sup>(2)</sup>	—	—	—
● Long-term incentives			
Options	180,000	—	—
RSUs	330,000 <sup>(3)</sup>	—	—
PSUs	440,000	—	—
Other	340,000 <sup>(3)</sup>	—	—
<b>Total compensation</b>	<b>1,671,587</b>	—	—

- At-risk based on company and/or Share price performance (total of 74 per cent).

### Notes:

- (1) Pro-rated from an annual base salary of \$400,000 from Mr. Sims' start date on May 29, 2017 to December 31, 2017.
- (2) Mr. Sims was eligible to participate under the ESPP only after 90 days of continuous service with WestJet.
- (3) In connection with his appointment as EVP, Commercial on May 29, 2017, 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; and (ii) a one-time grant of RSUs under the 2008 ESU Plan with a grant value of \$150,000 which will vest one-third on the one-year anniversary of the grant date, one-third on the two-year anniversary of the grant date and one-third on the three-year anniversary of the grant date.

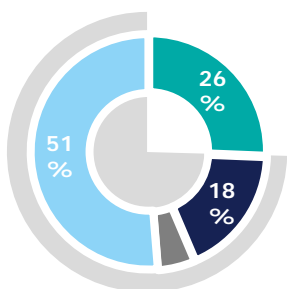
## Bob Cummings

EVP, Strategy



Mr. Bob Cummings is the EVP, Strategy. He is responsible for business development, strategy execution, including oversight of key in-year strategic initiatives, guest services, including WestJet's contact centre, and the critical guest-listening functions of guest relations and consumer research. His title has since been changed to EVP, Strategy and Guest Services. Previously, Mr. Cummings was leading the creation of Swoop, WestJet's ultra-low-cost carrier, scheduled for launch in June 2018. Mr. Cummings has also held the titles of EVP, Commercial, and EVP, Sales, Marketing and Guest Experience and has been an integral part of the successful transformation of WestJet. Mr. Cummings joined WestJet in March 2005 as VP, Marketing.

### Target mix



	2017	2016	2015
● Base salary	400,000	400,000	386,650
● STIP (inclusive of profit share)	243,680	194,240	437,378
● ESPP	80,000	80,000	77,330
● Long-term incentives			
Options	180,000	180,000	180,000
RSUs	180,000	180,000	180,000
PSUs	440,000	440,000	440,000
<b>Total compensation</b>	<b>1,523,680</b>	<b>1,474,240</b>	<b>1,701,358</b>

- At-risk based on company and/or Share price performance (total of 74 per cent).

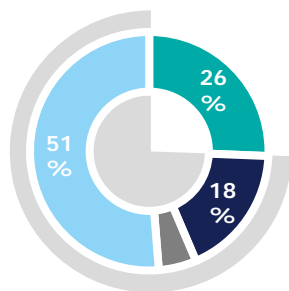
## Mark Porter

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 (human resources) department including people relations, labour relations, talent management, organizational development, recruitment, compensation, benefits and internal communications and culture.

### Target mix



	2017	2016	2015
● Base salary	400,000	400,000	73,425
● STIP (inclusive of profit share)	243,680	194,240	83,058
● ESPP	80,000	73,205	— <sup>(1)</sup>
● Long-term incentives			
Options	180,000	180,000	605,000 <sup>(2)</sup>
RSUs	180,000	180,000	605,000 <sup>(2)</sup>
PSUs	440,000	440,000	256,667
Other <sup>(2)</sup>	—	—	500,000 <sup>(2)</sup>
<b>Total compensation</b>	<b>1,523,680</b>	<b>1,467,445</b>	<b>2,123,150</b>

- At-risk based on company and/or Share price performance (total of 74 per cent).

### Notes:

- (1) Mr. Porter was eligible to participate under the ESPP only after 90 days of continuous service with WestJet.
- (2) In connection with his appointment and to compensate him for amounts foregone with his previous employer, in 2015, Mr. Porter received: (i) a one-time cash payment of \$500,000; (ii) a one-time grant of RSUs under the 2008 ESU Plan with a grant value of \$500,000 which will vest 100 per cent on the three-year anniversary of the date of grant; and (iii) a one-time grant of stock options under the 2009 SO Plan with a grant date value of \$500,000 which will vest one-third on the one-year anniversary of the date of grant, one-third on the two-year anniversary and one-third on the three-year anniversary, and expire seven years from the date of grant.

## 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, a NEO), in each case, for the 2017 fiscal year. For a listing of the amounts actually realized on vesting of share-based awards and on exercise of option-based awards during 2017, please see the section entitled "Incentive plan awards" beginning on page 49.

	Year	Salary (\$) <sup>(2)</sup>	Share-based awards (\$) <sup>(3)(5)</sup>	Option-based awards (\$) <sup>(4)(5)</sup>	Non-equity annual incentive plan compensation (\$) <sup>(6)</sup>	All other compensation (\$) <sup>(7)</sup>	Total compensation (\$) <sup>(11)</sup>
<b>Gregg Saretsky</b> <sup>(1)</sup> President and CEO	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
	2015	698,632	2,068,200	612,800	1,411,241	139,726	4,930,599
<b>Harry Taylor</b> <sup>(8)</sup> EVP, Finance and CFO	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
	2015	80,400	1,678,900 <sup>(8)</sup>	197,100 <sup>(8)</sup>	495,466 <sup>(8)</sup>	—	2,451,866
<b>Ed Sims</b> <sup>(9)</sup> EVP, Commercial	2017	236,712	770,000 <sup>(9)</sup>	180,000	144,875	340,000 <sup>(9)</sup>	1,671,587
	2016	—	—	—	—	—	—
	2015	—	—	—	—	—	—
<b>Bob Cummings</b> EVP, Strategy	2017	400,000	620,000	180,000	243,680	80,000	1,523,680
	2016	400,000	620,000	180,000	194,240	80,000	1,474,240
	2015	386,650	620,000	180,000	437,378	77,330	1,701,358
<b>Mark Porter</b> <sup>(10)</sup> EVP, People and Culture	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
	2015	73,425	861,667 <sup>(10)</sup>	605,000 <sup>(10)</sup>	83,058	500,000 <sup>(10)</sup>	2,123,150

### Notes:

- (1) Mr. Saretsky was the President and CEO from April 1, 2010 to March 7, 2018.
- (2) Base salaries have been held constant for the NEOs who have been in an executive position since May 2015.
- (3) 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 other than that under *IFRS 2 Share-Based Payments*, the grant date fair value is recognized over the relevant service period.
- (4) 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.

	2017	2016	2015
Weighted average fair value per Option	\$4.12	\$3.81	\$4.93
Weighted average risk-free interest rate	1.05%	0.68%	1.06%
Weighted average volatility	27%	28%	27%
Expected life (years)	4.3	4.3	4.3
Weighted average dividend yield	2.1%	1.9%	1.7%

- (5) 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 2017. For all NEOs, Options granted in 2017 vest one-third on the first anniversary of the date of grant, one-third on the second anniversary and one-third on the third anniversary, 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 (\$)
Gregg Saretsky	May 10, 2017	Options	149,464	May 9, 2024	22.03	612,800
	May 10, 2017	RSUs	27,817	May 10, 2020	22.03	612,800
	May 10, 2017	PSUs	66,065	May 10, 2020	22.03	1,455,400
Harry Taylor	May 10, 2017	Options	48,074	May 9, 2024	22.03	197,100
	May 10, 2017	RSUs	8,947	May 10, 2020	22.03	197,100
	May 10, 2017	PSUs	21,871	May 10, 2020	22.03	481,800
Ed Sims	June 14, 2017	Options	42,254	June 13, 2024	22.86	180,000
	June 14, 2017	RSUs	14,437	June 14, 2020	22.86	330,000
	June 14, 2017	PSUs	19,248	June 14, 2020	22.86	440,000
Bob Cummings	May 10, 2017	Options	43,903	May 9, 2024	22.03	180,000
	May 10, 2017	RSUs	8,171	May 10, 2020	22.03	180,000
	May 10, 2017	PSUs	19,973	May 10, 2020	22.03	440,000
Mark Porter	May 10, 2017	Options	43,903	May 9, 2024	22.03	180,000
	May 10, 2017	RSUs	8,171	May 10, 2020	22.03	180,000
	May 10, 2017	PSUs	19,973	May 10, 2020	22.03	440,000

- (6) 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 2017. Amounts earned pursuant to the STIP were paid in early 2018 based on 2017 performance.

	Profit Share (\$)	STIP (\$)	Total (\$)
Gregg Saretsky	55,073	779,333	834,406
Harry Taylor	31,491	235,339	266,830
Ed Sims	12,672	132,203	144,875
Bob Cummings	28,759	214,921	243,680
Mark Porter	28,759	214,921	243,680

Similarly, amounts earned pursuant to the Profit Share Plan for 2016 and 2015 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.

- (7) 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.
- (8) Mr. Taylor joined WestJet in the position of EVP, Finance and CFO on October 26, 2015. In connection with his appointment and to compensate him for equity forfeited with his previous employer, Mr. Taylor received a one-time grant of restricted share units under the 2008 ESU Plan with a grant value of \$1,000,000 (included under the column "*Share-based awards*" for 2015). This one-time grant of RSUs vested 50 per cent on his first-year anniversary and 50 per cent on his second-year anniversary. Furthermore, the annual grants under the LTIP were not prorated to consider the effective date of his appointment (included under the columns "*Share-based awards*" and "*Option-based awards*" for 2015). To compensate him for the 2015 bonus foregone with his previous employer, the annual payment to Mr. Taylor under the STIP for 2015 was not prorated to consider the effective date of his appointment (included under the column "*Non-equity annual incentive plan compensation*").
- (9) Mr. Ed 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 the one-year anniversary of the grant date, one-third on the two-year anniversary of the grant date and one-third on the three-year anniversary of the grant date. Mr. Sims was appointed as President and CEO on March 7, 2018.
- (10) Mr. Porter joined WestJet in the position of EVP, People and Culture on October 26, 2015. In connection with his appointment and to compensate him for amounts foregone with his previous employer, Mr. Porter received: (i) a one-time cash payment of \$500,000 (included under the column "*All other compensation*" for 2015); (ii) a one-time grant of RSUs under the 2008 ESU Plan with a grant value of \$500,000 (included under the column "*Share-based awards*" for 2015) which will vest 100 per cent on the three-year anniversary of the date of grant; and (iii) a one-time grant of stock options under the 2009 SO Plan with a grant date value of \$500,000 (included under the column "*Option-based awards*" for 2015) which vested one-third on the one-year anniversary of the date of grant, one-third on the two-year anniversary and will vest one-third on the three-year anniversary, and expires seven years from the date of grant.
- (11) The total compensation for the Corporation's five highest paid executives in 2017 was \$10,821,983.

## 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, 2017.

	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 (\$) <sup>(2)</sup>	Number of shares or unit awards that have not vested (#) <sup>(3)</sup>	Market or payout value of share-based awards that have not vested (\$) <sup>(4)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Gregg Saretsky <sup>(1)</sup>	6,066	16.17	May 8, 2019	61,813	284,835	7,508,251	—
	78,439	21.93	May 14, 2020	347,485			
	92,122	23.87	May 13, 2021	229,383			
	115,842	26.92	May 12, 2022	—			
	160,840	20.08	May 10, 2023	1,010,076			
	149,464	22.03	May 9, 2024	647,179			
Harry Taylor	43,415	23.43	Nov. 10, 2022	127,205	97,173	2,561,480	—
	51,733	20.08	May 10, 2023	324,883			
	48,074	22.03	May 9, 2024	208,161			
Ed Sims	42,254	22.86	June 13, 2024	147,889	32,245	902,698	—
Bob Cummings	18,690	21.93	May 14, 2020	82,797	85,390	2,250,880	—
	32,924	23.87	May 13, 2021	81,980			
	34,027	26.92	May 12, 2022	—			
	47,245	20.08	May 10, 2023	296,698			
	49,903	22.03	May 9, 2024	190,100			
Mark Porter	133,261	23.43	Nov. 10, 2022	390,453	99,640	2,626,510	—
	47,245	20.08	May 10, 2023	296,698			
	43,903	22.03	May 9, 2024	190,100			

#### Notes:

- (1) Mr. Saretsky was the President and CEO from April 1, 2010 to March 7, 2018.
- (2) The value of unexercised in-the-money Options was calculated based on the difference between the market value of the Shares at December 31, 2017, and the exercise price of the Option. The market value is equal to the December 29, 2017 closing Share price of \$26.36 (being the last trading day of 2017).
- (3) 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, 2017.
- (4) 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, 2017 by the December 29, 2017 closing Share price of \$26.36 (being the last trading day of 2017). 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.

## 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, 2017.

	Option-based awards – value vested during the year (\$) <sup>(2)</sup>	Share-based awards – value vested during the year (\$) <sup>(3)</sup>	Non-equity incentive plan compensation – value earned during the year (\$) <sup>(4)</sup>
Gregg Saretsky <sup>(1)</sup>	143,683	1,243,143	834,406
Harry Taylor	71,685	624,182	266,830
Ed Sims	—	—	144,875
Bob Cummings	42,205	550,254	243,680
Mark Porter	120,384	—	243,680

### Notes:

- (1) Mr. Saretsky was the President and CEO from April 1, 2010 to March 7, 2018.
- (2) 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. The actual amount received by a NEO upon the exercise of any Options in 2017 is reflected in the table below.
- (3) Included in Share-based awards – value vested during the year are amounts for RSUs that met the applicable time vesting conditions in 2017 and for PSUs that met the applicable time and performance vesting conditions in 2017. In May 2017, the PSUs granted to NEOs in May 2014 vested. The performance vesting conditions for the 2014 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 \$2.61 and WestJet's three-year cumulative ROIC placing the airline in 7<sup>th</sup> position amongst the peer group, the PSUs vested at a multiple of 0.75 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 67.
- (4) Included in Non-equity incentive plan compensation – value earned during the year are amounts earned by the NEO for the 2017 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 47. Amounts earned pursuant to the Profit Share Plan were paid during 2017. Amounts earned pursuant to the STIP were paid in early 2018 based on 2017 performance.

## Options exercised during the year

The following table provides details regarding Options exercised by the NEOs during 2017.

	Options exercised (#)	Option exercise price (\$)	Value realized (\$) <sup>(2)</sup>
Gregg Saretsky <sup>(1)</sup>	33,240	14.73	387,578
Harry Taylor	—	—	—
Ed Sims	—	—	—
Bob Cummings	—	—	—
Mark Porter	—	—	—

### Notes:

- (1) Mr. Saretsky was the President and CEO from April 1, 2010 to March 7, 2018.
- (2) Value realized is determined based on the number of Options exercised multiplied by the difference between the option exercise price and the closing share price of WestJet's Shares for the day immediately prior to the exercise date.

## 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. Share ownership guidelines have 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, 2017.

	Share ownership guideline	Units		Value <sup>(2)</sup>			Multiple of base salary <sup>(3)</sup>	Meets share ownership guideline
		Shares (#)	RSUs (#)	Shares (\$)	RSUs (\$)	Total (\$)		
Gregg Saretsky <sup>(1)</sup>	4.0x	183,405	84,395	4,834,556	2,224,652	7,059,208	9.2x	Yes
Harry Taylor	2.0x	38,416	28,211	1,012,646	743,642	1,756,288	4.0x	Yes
Ed Sims <sup>(4)</sup>	2.0x	—	14,677	—	386,886	386,886	1.0x	by 2022
Bob Cummings	2.0x	63,735	24,791	1,680,055	653,491	2,333,545	5.8x	Yes
Mark Porter	2.0x	13,668	44,929	360,288	1,184,328	1,544,617	3.9x	Yes

#### Notes:

- (1) Mr. Saretsky was the President and CEO from April 1, 2010 to March 7, 2018.
- (2) Based on the closing Share price on December 29, 2017 of \$26.36 (being the last trading day of 2017).
- (3) Multiple of base salary is based on the NEO's base salary at December 31, 2017.
- (4) 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.

## 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 would have been entitled to under the circumstance of a termination and/or change of control at December 31, 2017. 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 <sup>(2)</sup> (\$)	Resignation <sup>(3)</sup> (\$)	Termination with cause <sup>(4)</sup> (\$)	Termination without cause <sup>(5)</sup> (\$)	Change of control with termination (\$) <sup>(6)</sup>	Change of control without termination (\$)
<b>Gregg Saretsky<sup>(1)</sup></b>						
Lump-sum payment <sup>(7)</sup>	—	—	—	4,162,909	4,162,909	—
Value of early vesting of option-based and equity-based awards <sup>(8)</sup>	3,974,163	3,974,163	—	3,974,163	8,828,815	—
<b>Total</b>	<b>3,974,163</b>	<b>3,974,163</b>	<b>—</b>	<b>8,137,072</b>	<b>12,991,724</b>	<b>—</b>
<b>Harry Taylor</b>						
Lump-sum payment <sup>(7)</sup>	—	—	—	1,420,654	1,420,654	—
Value of early vesting of option-based and equity-based awards <sup>(8)</sup>	—	—	—	1,255,433	3,028,632	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,676,087</b>	<b>4,449,286</b>	<b>—</b>
<b>Ed Sims<sup>(9)</sup></b>						
Lump-sum payment <sup>(7)</sup>	—	—	—	1,297,400	1,297,400	—
Value of early vesting of option-based and equity-based awards <sup>(8)</sup>	—	—	—	189,590	1,050,587	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,486,990</b>	<b>2,347,987</b>	<b>—</b>
<b>Bob Cummings</b>						
Lump-sum payment <sup>(7)</sup>	—	—	—	1,297,400	1,297,400	—
Value of early vesting of option-based and equity-based awards <sup>(8)</sup>	1,191,415	1,191,415	—	1,191,415	2,638,782	—
<b>Total</b>	<b>1,191,415</b>	<b>1,191,415</b>	<b>—</b>	<b>2,488,815</b>	<b>3,936,182</b>	<b>—</b>

	Retirement <sup>(2)</sup> (\$)	Resignation <sup>(3)</sup> (\$)	Termination with cause <sup>(4)</sup> (\$)	Termination without cause <sup>(5)</sup> (\$)	Change of control with termination (\$) <sup>(6)</sup>	Change of control without termination (\$)
<b>Mark Porter</b>						
Lump-sum payment <sup>(7)</sup>	—	—	—	1,297,400	1,297,400	—
Value of early vesting of option-based and equity-based awards <sup>(8)</sup>	—	—	—	1,350,697	3,144,565	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,648,097</b>	<b>4,441,965</b>	<b>—</b>

**Notes:**

- (1) Mr. Saretsky was the President and CEO from April 1, 2010 to March 7, 2018.
- (2) In accordance with WestJet's corporate policy, which is based on a combination of years of service and age, only Messrs. Saretsky and Cummings were eligible for retirement at December 31, 2017.
- (3) In the event of their resignation, Messrs. Saretsky and Cummings were retirement eligible.
- (4) In the case of all NEOs, for termination with cause, no incremental value will be realized.
- (5) See "Employment contracts" below.
- (6) 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.
- (7) The lump-sum payment is based on the base salary level of the NEO as at December 31, 2017, actual amounts paid and STIP percentages for the 2016 and 2017 fiscal 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.
- (8) The accelerated value for RSUs and PSUs granted in 2015, 2016 and 2017 is equal to the number of outstanding unvested share units times the December 29, 2017 closing Share price of \$26.36 (being the last day of trading of 2017) 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 29, 2017 closing Share price of \$26.36 (being the last day of trading of 2017) and the exercise price of the Option multiplied by the number of accelerated Options.
- (9) Mr. Sims was appointed as President and CEO on March 7, 2018. The information regarding Mr. Sims in this section is presented as at December 31, 2017, when he was EVP, Commercial.

**Employment contracts**

WestJet has agreements in place with the President and CEO and each of the other NEOs 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, 2017 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. Saretsky and each of the other NEOs in the position as at December 31, 2017, as described below, contained "double trigger" change of control provisions.

**President and CEO<sup>1</sup>**

Mr. Saretsky was the President and CEO from April 1, 2010 to March 7, 2018. Mr. Saretsky's contract provided that if he was terminated by WestJet without cause, he was 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.

<sup>1</sup> Mr. Saretsky had a written employment agreement which was entered into on October 8, 2010 and amended on April 12, 2011.

Mr. Saretsky's contract further provided that if he had been 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 would have been entitled to receive the same severance payments as he was entitled to receive in the event of being terminated without cause absent a Change of Control.

Mr. Saretsky's contract further provided that if he had been terminated for cause, he would not have been entitled to any payments other than those required by law.

Mr. Saretsky's employment agreement also provided that, in exchange for the foregoing payments, Mr. Saretsky was required to execute a full and final release in favour of WestJet. Pursuant to his employment agreement, Mr. Saretsky 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 NEOs<sup>2</sup>*

As at December 31, 2017, each of the other NEOs' contracts provides that if he is terminated by WestJet without cause, he is entitled to receive a lump sum payment equal to: (a) one and one-half times his annual base salary; (b) one and one-half 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) 37.5 per cent times his 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 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 employment contract) within 24 months following a Change of Control (a double trigger), he is entitled to receive the same severance payments as if he had been terminated without cause absent a Change of Control.

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

In exchange for the specified payments in the above scenarios, he is required to execute a full and final release in favour of WestJet. Pursuant to their applicable employment agreements, Mr. Cummings has agreed not to compete with WestJet for a period of six months after a termination of employment, and Messrs. Taylor, Porter and Sims have each 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, Cummings and Porter 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. Sims 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*

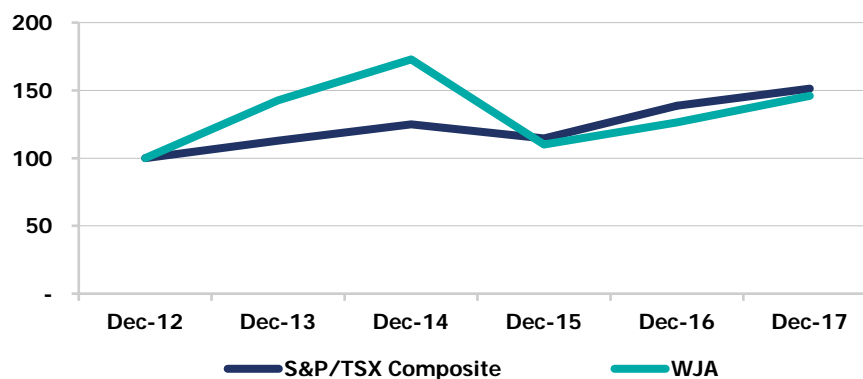
Currently all outstanding Options are governed by the terms of the 2009 SO Plan and all outstanding RSUs and PSUs are governed by the terms of the 2008 ESU Plan. Information with respect to the treatment of the equity-based awards on cessation of employment can be found under the heading "*Equity compensation plans*" beginning on page 57.

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<sup>2</sup> Mr. Cummings has a written employment agreement which was entered into on September 8, 2006 and amended on February 22, 2008, September 17, 2010, April 12, 2011 and May 29, 2017. 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. Mr. Sims has a written employment agreement which was entered into on January 26, 2017 and amended on March 8, 2018. Mr. Sims was appointed as President and CEO on March 7, 2018. The information regarding Mr. Sims in this section is presented as at December 31, 2017, when he was EVP, Commercial.

## Performance graphs

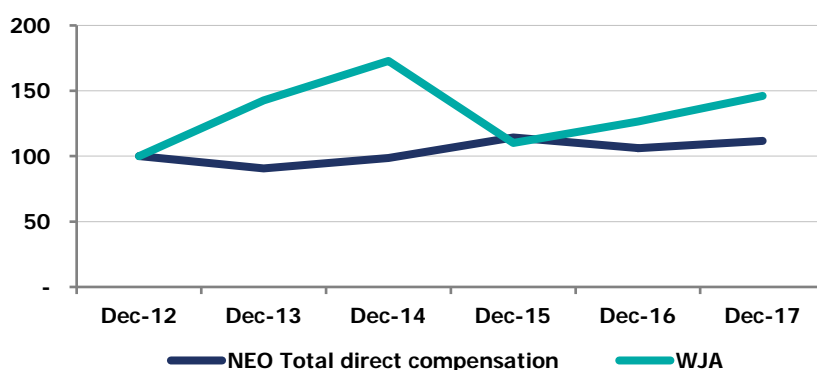
The following chart illustrates WestJet's total Shareholder return for Shares (**WJA**) from December 31, 2012 to December 31, 2017 (being the Common Voting Shares trading under the symbol WJA from December 31, 2012 to February 17, 2016 and the Shares (being the Variable Voting Shares and Common Voting Shares combined) trading under the symbol WJA from February 18, 2016 to December 31, 2017 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.



	2012 (\$)	2013 (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)
S&P/TSX Composite Total Return	100	113	125	115	139	151
WJA	100	143	173	110	126	146

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 43, 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, 2012 to the period ending December 31, 2017 considering a \$100 investment versus total direct compensation for the Corporation's NEOs.



	2012 (\$)	2013 (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)
NEO Total direct compensation <sup>(1)</sup>	100	91	99	114	106	112
WJA	100	143	173	110	126	146

### Note:

(1) Total NEO direct compensation excludes one-time incentive payments for Messrs. Taylor and Porter in 2015, and Mr. Sims in 2017.

## 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](http://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 21, 2018 (%)
Maximum number of Shares that may be issued on exercise of Options	15,449,168	13.5
Shares issued following the exercise of Options	3,801,111	3.3
Shares remaining available for issuance under reserve <sup>(1)</sup>	11,648,057	10.2
Options granted and outstanding	9,307,379	8.2

#### 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 30 per cent of the number of Options exercised.

During 2017, a total of 3,567,702 Options were granted, representing approximately three per cent of the outstanding Shares of WestJet as at March 21, 2018. Of this total 2,645,136 Options, or 74.0 per cent, were granted to pilots of WestJet's Boeing 737 and 767 operations and 922,566 Options, or 26.0 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 ten 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 ten per cent of the issued and outstanding Shares.

### Burn rate

	Number of securities granted under arrangement in fiscal year (#)	Weighted average number of securities outstanding for fiscal year (#)	Burn rate (%)
2017	3,567,702	116,295,497	3.1
2016	3,562,396	120,257,581	3.0
2015	2,477,323	125,101,235	2.0

### 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.

#### *2009 SO Plan amendments approved at WestJet's 2017 AGM*

At WestJet's 2017 AGM, Shareholders ratified and approved the amendment to the 2009 SO Plan to increase the maximum number of Shares that may be issued on exercise of Options to 15,449,168. This is an increase from the maximum number of Shares that may be issued on exercise of Options ratified and approved by Shareholders at WestJet's 2016 AGM of 14,449,168.

#### *2009 SO Plan amendments made by the Board since WestJet's 2017 AGM*

Since WestJet's 2017 AGM, the Board has not made any amendments to the 2009 SO Plan.

#### **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](http://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 21, 2018 (%)
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 <sup>(1)</sup>	1,011,927	0.9
Unit Awards outstanding (maximum number) <sup>(1)(2)</sup>	1,216,724	1.1

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 ten 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 ten 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

	Number of securities granted under arrangement in fiscal year (#) <sup>(1)(2)</sup>	Weighted average number of securities outstanding for fiscal year (#)	Burn rate (%)
2017	341,968	116,295,497	0.3
2016	319,335	120,257,581	0.3
2015	296,092	125,101,235	0.2

### 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.

#### *2008 ESU Plan amendments approved at WestJet's 2017 AGM*

No amendments to the 2008 ESU Plan requiring Shareholder approval were put forward at WestJet's 2017 AGM.

#### *2008 ESU Plan amendments made by the Board since WestJet's 2017 AGM*

Since WestJet's 2017 AGM, the Board has not made any amendments to the 2008 ESU Plan.

### **Key Employee (KEP) Restricted Share Unit Plan**

As approved by the Shareholders at WestJet's 2010 annual general and special 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](http://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 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 herein after referred to as the **Eligible Participants**); (b) to promote a proprietary interest in WestJet by such persons 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, 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 21, 2018 (%)
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	–
Shares remaining available for issuance under reserve <sup>(1)</sup>	944,738	0.8
Unit Awards outstanding <sup>(1)</sup>	238,565	0.2

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 ten 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 ten per cent of the issued and outstanding Shares.

#### Note:

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

#### Burn rate

	Number of securities granted under arrangement in fiscal year (#) <sup>(1)</sup>	Weighted average number of securities outstanding for fiscal year (#)	Burn rate (%)
2017	102,281	116,295,497	0.1
2016	129,334	120,257,581	0.1
2015	103,532	125,101,235	0.1

#### 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.

### *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.

### *KEP Plan amendments approved at WestJet's 2017 AGM*

No amendments to the KEP Plan requiring Shareholder approval were put forward at WestJet's 2017 AGM.

### *KEP Plan Amendments made by the Board since WestJet's 2017 AGM*

Since WestJet's 2017 AGM, the Board has not made any amendments to the KEP Plan.

## **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, 2017, approximately 81.7 per cent of eligible Employees participate in the ESPP, contributing on average 14.6 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.

### ESPP amendments approved at WestJet's 2017 AGM

No amendments to the ESPP requiring Shareholder approval were put forward at WestJet's 2017 AGM.

### ESPP amendments made by the Board since WestJet's 2017 AGM

Since WestJet's 2017 AGM, the Board has not made any amendments to the ESPP.

### 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, 2017.

		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	9,429,826 <sup>(1)</sup>	22.95	2,234,492
	2008 ESU Plan <sup>(2)</sup>	1,236,576 <sup>(3)</sup>	—	— <sup>(2)(4)</sup>
	KEP Plan <sup>(2)</sup>	231,640	—	713,098
	<b>Total</b>	<b>10,898,042</b>		<b>2,947,590</b>

#### 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 2017, approximately 99 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 2017, 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 both the 2008 ESU Plan and the KEP Plan. See "*Long-term incentives – Performance share units*" on page 40.
- (4) The number of units outstanding is 1,216,724, 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 58.



## 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 2017, 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 AIF filed on SEDAR at [sedar.com](http://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 bases, 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 on SEDAR at [sedar.com](http://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 *Canada Transportation Act*. 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 *Canada Transportation Act*). 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

Effective as of February 18, 2016, WestJet's Variable Voting Shares and Common Voting Shares trade on the TSX under a single ticker designated WJA and are designated for purposes of trading on the TSX and reporting in brokerage accounts under the single designation of "Variable Voting Shares and Common Voting Shares" of WestJet. This change, which will allow the demand and liquidity for both classes of shares on the TSX to be consolidated under a single ticker, is designed to improve the liquidity for the Variable Voting Shares which have historically had lower trading volumes. The trading of Common Voting Shares and Variable Voting Shares under a single ticker is limited primarily to the administration of trading of such shares on the TSX. This change did not involve any amendment to WestJet's Articles, By-laws or share capital structure, nor the terms and conditions of, or the voting and ownership restrictions applicable to, the Common Voting Shares and Variable Voting Shares or WestJet's policies related thereto.

## Normal course issuer bid

The Corporation completed its previous normal course issuer bid to purchase up to 4,000,000 Shares on the open market during the period from May 18, 2016 to May 17, 2017.

On July 31, 2017, the Corporation filed a notice with the TSX to make a normal course issuer bid to purchase outstanding Shares on the open market. As approved by the TSX, the Corporation was authorized to purchase up to 5,856,671 Shares (representing approximately 5.0 per cent of the Corporation's issued and outstanding Shares as at July 20, 2017) during the period from August 3, 2017 to August 2, 2018, or until such time as the bid is completed or terminated at the Corporation's option. Any Shares purchased under this bid are purchased on the open market through the facilities of the TSX and/or alternative Canadian trading platforms at the prevailing market price at the time of the transaction. Shares acquired under this bid are cancelled.

Shareholders may obtain a copy of the notice filed with the TSX in relation to the bid, free of charge, by contacting our Corporate Secretary at 22 Aerial Place N.E., Calgary, Alberta T2E 3J1, by telephone at 1-877-493-7853 or by email at [investor\\_relations@westjet.com](mailto:investor_relations@westjet.com).

## Additional information relating to WestJet

Additional information relating to the Corporation is available on SEDAR at [sedar.com](http://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, 2017 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](mailto: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, 2017 and 2016 under the heading "Definition of key operating indicators" and filed on SEDAR at [sedar.com](http://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	2017 (\$)
Operating expenses	4,063,360,000
Less: Aircraft fuel expense	(950,043,000)
Employee profit share expense	(46,793,000)
Operating expenses, adjusted	3,066,524,000
Available seat miles	30,998,306,475
<b>CASM, excluding fuel and employee profit share (cents)</b>	<b>9.89</b>

### 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	2017 (\$)
Earnings before income tax	404,135,000
Add: Employee profit share	46,793,000
STIP	3,824,000
Earnings before income taxes, adjusted	454,752,000
Total revenue	4,502,320,000
<b>Earnings margin</b>	10.1%

### 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 41, 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 twelve 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 twelve 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 belief that we are well positioned to respond to economic challenges and our views with respect to the growth and development of our business that may be implied through our STIP targets for 2018, our intentions with respect to executive compensation, scheduled delivery of our first Boeing 787 aircraft, and launch of our ultra-low-cost carrier. 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 through the Internet on SEDAR at [sedar.com](http://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.

## Appendix A - 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 B and available in the corporate governance section of WestJet's website at [westjet.com](http://westjet.com)), the Corporation's Code of Business Conduct 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.   | 10 of the 12 Director nominees are independent.<br><br>For further details please see " <i>Board independence</i> " on page 17.  |
| (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 17.  |
| (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, 10 of the 12 Director nominees 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 Directors and the Director nominees</i> " beginning on page 9.  |
| (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 2017, please see " <i>Board and committee meetings held and attendance</i> " on page 22 and " <i>In-camera sessions</i> " on page 22.<br><br>Since December 31, 2017, 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 17.<br><br>The role and responsibilities of the Chair of the Board are described under " <i>Position descriptions</i> " on page 17.  |
| (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 2017, please see " <i>Board and committee meetings held and attendance</i> " on page 22.   |

### 2. Board mandate

- |   |  |
|---|--|
| Disclose the text of the board's written mandate. | The Board's mandate is set out in Appendix B to this Information Circular and is also available in the corporate governance section of WestJet's website at <a href="http://westjet.com">westjet.com</a> . |
|---|--|

### 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](http://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 16.

- (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](http://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 17.

- (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 17.

### 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](http://sedar.com) or in the corporate governance section of WestJet's website at [westjet.com](http://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, 2017.

- (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, the Respect in the Workplace Policy and the Corporation's Confidential and Anonymous Hotline Policy and Procedure (Reporting Policy) 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 15.

- (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 20.

- (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 19.

## 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 24 and "*Executive compensation discussion and analysis*" beginning on page 28.

- (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 six independent Directors. For further information, please see "*Board committees*" on page 19.

- (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 19 and "*Compensation decision-making process*" on page 30.

## 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 19.

## 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 18.



## 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 16.

## 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 15.

(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:

As noted above, WestJet has not adopted a written policy relating to the identification and nomination of women directors.

- (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.

## 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 15.

## 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 15.

- (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 2017, 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.

2 of the 12 (17%) Director nominees are women.

For further information, please see "*Information concerning Directors and the Director nominees*" beginning on page 8.

- (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.

At December 31, 2017, one of WestJet's executive officers is a woman (13%) and 4 of the 28 (15%) senior leaders at WestJet (includes President and CEO, EVPs, SVPs and VPs) are women.

## Appendix B - 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 30, 2017

Last reviewed: October 30, 2017