



Management Information Circular

Notice of 2016 annual general meeting of shareholders of common voting shares
and variable voting shares

May 3, 2016



WestJet Airlines Ltd.
March 18, 2016



March 18, 2016

Dear fellow shareholders,

On behalf of the directors, management and employees of WestJet, we invite you to attend our 2016 annual general meeting of shareholders to be held at the WestJet Campus, the Fred Ring building, 22 Aerial Place N.E., Calgary, Alberta, T2E 3J1 at 10:00 a.m. (MDT) on Tuesday, May 3, 2016.

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 senior management 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.

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

We would also like to mention that Mr. Larry Pollock, who has been a member of WestJet's Board of Directors since we went public in 1999, has decided not to stand for re-election this year. On behalf of the Board, management and all employees of WestJet, we thank Mr. Pollock for his dedication and contributions to the Corporation over the years.

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

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 "Gregg Saretsky".

Gregg Saretsky
President and Chief Executive Officer

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

Date and time

Tuesday, May 3, 2016 at 10:00 a.m. (MDT)

Place

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

Business of the meeting

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

1. To receive and consider the consolidated financial statements of WestJet Airlines Ltd. (**WestJet**) for the year ended December 31, 2015 and the auditor's report thereon;
2. To fix the number of directors to be elected by shareholders from time to time at 12;
3. To elect our directors;
4. To appoint our auditors and to authorize the directors to set their remuneration;
5. To consider, and if thought appropriate, to approve by ordinary resolution an amendment to the 2009 Stock Option Plan to increase the maximum number of shares issuable thereunder;
6. To consider, on a non-binding advisory basis, a resolution on WestJet's approach to executive compensation; and
7. 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 18, 2016 (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, 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 CST Trust Company, P.O. Box 721, Agincourt, Ontario, Canada, M1S 0A1, fax 1 (866) 781-3111 (toll free within North America only) or (416) 368-2502, Attention: Proxy Department, or follow the instructions in such documents to vote electronically, or plan to attend the Meeting and vote in person. Even if you plan to attend the Meeting, you may still vote via proxy. In order to be acted upon at the Meeting, validly completed instruments of proxy must be returned by 10:00 a.m. (MDT) on Friday, April 29, 2016, 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 without notice may waive the time limit for deposit of proxies.

Calgary, Alberta, Canada
March 18, 2016

By Order of the Board of Directors



Barbara Munroe
Senior Vice President, General Counsel and Corporate Services

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 general meeting scheduled to be held at the WestJet Campus, the Fred Ring building, 22 Aerial Place N.E., Calgary, Alberta, T2E 3J1 on Tuesday, May 3, 2016 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 senior management, 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 18, 2016 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 WestJet's Information Circular and 2015 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 2015 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, and 2015 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 *Alberta Business Corporations Act*. 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.

Glossary

Terms and abbreviations used in this Information Circular:

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

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Voting information

What will I be voting on?

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

1. To fix the number of Directors to be elected by Shareholders from time to time at 12;
2. To elect our Directors;
3. To appoint our auditors and authorize the Directors to set their remuneration;
4. To approve an amendment to WestJet's 2009 SO Plan to increase the maximum number of Shares issuable thereunder; and
5. 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 18, 2016 (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 CST, 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 122,292,087 issued and outstanding Variable Voting and Common 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*".

To the knowledge of our Directors and executive officers, as at March 18, 2016, no person or company beneficially owned, or exercised control or direction over, directly or indirectly, voting securities carrying more than ten per cent of the voting rights attached to the Common Voting Shares and the Variable Voting Shares on a combined basis.

Who counts the votes?

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

What is the deadline for proxy voting?

We encourage you to submit your proxy or voting information form as soon as possible to ensure that your vote is counted. CST must receive proxies no later than 10:00 a.m. (MDT) on Friday, April 29, 2016, 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 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 no amendments were made to WestJet's Articles, By-laws and policies, which continue to apply.

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 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 Shares held by one or more underwriters solely for the purpose of distributing the Shares to the public, or by any person acting in relation to the Shares solely in its capacity as an intermediary in the payment of funds or the delivery of securities in connection with trades in securities, or both, 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 CST.
- 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 three ways to submit a completed proxy:



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



By fax, by completing and signing the enclosed instrument of proxy 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 instrument of proxy 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 our 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 CST 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 CST 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 CST, 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:



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



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 and mailing it in the envelope provided.

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

The voting instruction form must be used with respect to ESPP Shares. In the event that you hold any Shares other than ESPP Shares, you must separately follow the appropriate 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 CST to be your proxyholder. This person does not have to be a Shareholder. If you choose this option, indicate the name of the person you are appointing in the space provided on the voting instruction form (or on the internet). Complete your voting instructions, and date and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting for your vote to count.

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

If you hold Shares under WestJet's ESPP and wish to vote in person at the Meeting, please fill in your name in the space provided on the voting instruction form sent to you by CST (or on the Internet). In so doing, you are instructing CST to appoint you as proxyholder. Then follow the execution and return instructions provided by CST. 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 and following the instructions on the screen. You will need the 12-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 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 the last business day before the Meeting, being Monday, May 2, 2016 at 10:00 a.m. (MDT), or to the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or in any other manner prescribed by law. If you are a registered Shareholder and have already submitted a proxy and you attend personally at the Meeting at which such proxy is to be voted, you may revoke the proxy at the Meeting and vote in person. Furthermore, if you are a registered Shareholder and you want to change your mind, you may revoke your proxy by providing new voting instructions on a proxy form with a later date, or at a later time if you are voting on the Internet.

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

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

Business of the meeting

1. Financial statements

The consolidated financial statements of WestJet for the year ended December 31, 2015 and the auditor's report thereon have been delivered, either by mail or electronically, to all registered Shareholders and also to non-registered Shareholders who requested such statements. These financial statements will be presented to the Shareholders at the Meeting and no vote is required with respect to this matter.

2. Number of Directors

According to its Articles, WestJet may have between three and 14 Directors. There are presently 13 Directors of WestJet. Each of the current Directors will retire from office at the Meeting. Mr. L.M. (Larry) Pollock will not be standing for re-election as a Director 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 from time to time 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 from time to time 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. Antonio Faiola | 9. L. Jacques Ménard |
| 2. Hugh Bolton | 6. Brett Godfrey | 10. Janice Rennie |
| 3. Ron A. Brenneman | 7. Allan W. Jackson | 11. Gregg Saretsky |
| 4. Christopher M. Burley | 8. S. Barry Jackson | 12. Karen Sheriff |

Detailed information about these nominees is contained in this Information Circular under the heading "*Information concerning Directors and the Director nominees*" beginning on page 9. 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 of extenuating circumstances 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 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.

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, 2015 and 2014 to KPMG LLP were \$835,000 and \$881,568, respectively, as detailed in the following table:

	2015 (\$)	2014 (\$)
Audit fees ⁽¹⁾	725,000	705,000
Audit-related fees ⁽²⁾	110,000	122,068
Tax fees ⁽³⁾	—	4,500
Other ⁽⁴⁾	—	50,000
Total	835,000	881,568

Notes:

- (1) Audit fees were paid for professional services rendered in connection with the audit of our annual consolidated financial statements and the review of our consolidated interim financial statements.
- (2) Audit-related fees for 2015 were paid for professional services rendered in relation to the audit of passenger facility schedules for 2014, the audits of trust account statements and specified procedures performed on WestJet's 2014 Quebec sales and 2014 Ontario Travel Agency Sales, and services with respect to financing-related matters. Audit-related fees for 2014 were paid for professional services rendered in relation to the audit of passenger facility charges for 2013; the audit of a trust bank account reconciliation and specified procedures performed on WestJet's 2013 Quebec sales; and services with respect to WestJet's July 2014 medium term note offering.
- (3) Tax fees in 2014 were paid for general tax compliance relating to Canadian taxes and various taxes in the U.S. and international jurisdictions.
- (4) Other fees for 2014 were paid for human resources advisory 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. Amendment to the 2009 SO Plan

The 2009 SO Plan provides that the maximum number Shares that may be issued on exercise of Options is 12,449,168 of which 3,345,502 Shares (approximately 2.7 per cent of Shares outstanding as at March 18, 2016) have been issued to date. Currently, 5,685,563 Shares (approximately 4.6 per cent of Shares outstanding as at March 18, 2016) are reserved for issuance under existing grants and 3,418,103 Shares (approximately 2.8 per cent of Shares outstanding as at March 18, 2016) remain available for future grants.

At the Meeting, Shareholders will be asked to consider and if deemed advisable to ratify and approve the amendment to the 2009 SO Plan to increase the maximum number of Shares that may be issued on exercise of Options to 14,449,168. If the amendment is approved, 5,418,103 Shares (approximately 4.4 per cent of Shares outstanding as at March 18, 2016) would remain available for future grants. A copy of the amended 2009 SO Plan is attached to this Information Circular as Appendix C.

The purpose of the 2009 SO Plan is to develop the interest of certain employees 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 senior management employees and to pilots of WestJet's 737 operations. The number of Options received by each participant is determined by dividing the dollar value of the award by the fair market value on the date the Options are granted, which is determined using the Black-Scholes option-pricing model. Therefore, as the fair market value of an Option decreases, more Options are granted. Based on WestJet's current estimate of the future fair market value of the Options scheduled to be granted in 2016, unless the maximum number of Shares authorized for issuance under the 2009 SO Plan is increased, WestJet may not have sufficient reserve availability to satisfy the 2016 annual grant of Options for all participants. If Shareholders do not approve the amendment, the Board may be required to approve alternate means of compensation for certain participants.

In order to minimize the level of dilution, the provisions of the 2009 SO Plan provide for a cashless settlement alternative, 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 58 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.**

The following table illustrates the impact of the cashless settlement alternative on the number of Shares issued on exercise of Options for the past five years:

	Options exercised (#)	Options settled on a cashless basis (%)	Shares issued on exercise (#)	Shares issued over Options exercised (%)
2011	1,033,254	99.7	173,584	16.8
2012	3,498,819	99.6	723,015	20.7
2013	2,668,440	99.7	1,072,096	40.2
2014	1,447,250	99.6	500,598	34.6
2015	371,169	98.0	115,299	31.1

The amendment to the 2009 SO Plan has been conditionally approved by the Board and the TSX, subject to Shareholder approval. Approval of the amendment to the 2009 SO Plan requires approval by Shareholders by ordinary resolution, being a majority of the votes cast by Shareholders on the resolution.

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, as an ordinary resolution of the Shareholders of WestJet, the increase in the maximum number of Shares reserved for issuance under the Corporation’s 2009 SO Plan to 14,449,168 is hereby approved.”

6. 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 29.

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 18, 2016.”

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: 69
Calgary, Alberta, Canada

Chair

Director since:
Jun. 21, 1995

Independent

Mr. Beddoe is the Chair of the Board of WestJet, President of The Hanover Group of Companies, a private investment company, the Chair of the Board of SQI Diagnostics, a publicly-traded diagnostics company, and a former Director of Alberta Investment Management Corp. 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 Jarislowsky Resident Fellow in Business Management at the Haskayne School of Business at the University of Calgary. In 2012, Mr. Beddoe was inducted into the Canadian Business Hall of Fame and, in 2013, was inducted into the Calgary Business Hall of Fame.

Membership ⁽¹⁾	2015 Attendance		Other public company directorships in the past 5 years
Board (Chair)	6 of 6	100%	<ul style="list-style-type: none"> • SQI Diagnostics
SH&E	4 of 4		

Share ownership⁽²⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	796,076	2,815	798,891	16,265,421	750,000	Yes
2014	1,050,647	1,547	1,052,194	35,101,192	600,000	Yes

Voting results of 2015 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	58,125,679	3,079,701	61,205,380
Percentage of votes	94.97%	5.03%	100%

Hugh Bolton



Age: 77
Edmonton, Alberta,
Canada

Director since:
Aug. 2, 2005

Independent

Mr. Bolton is a Chartered Accountant and Fellow of the Alberta Institute of Chartered Accountants, and the former Chairman, CEO and partner of Coopers & Lybrand Canada, Chartered Accountants. Mr. Bolton is currently the non-executive Chair of the Board of Directors of EPCOR Utilities Inc., an integrated energy company. 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 received his Bachelor of Arts 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 a "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.

Membership	2015 Attendance		Other public company directorships in the past 5 years
Board	6 of 6	100%	<ul style="list-style-type: none"> EPCOR Utilities Inc. Capital Power Corporation (2009 to 2014) Teck Resources Limited (2001 to 2015) Canadian National Railway Company (2003 to 2014) Toronto Dominion Bank (2003 to 2014)
Audit (Chair)	4 of 4		
CGN	4 of 4		

Share ownership⁽²⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	5,000	22,221	27,221	554,220	450,000	Yes
2014	5,000	19,916	24,916	831,198	300,000	Yes

Voting results of 2015 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	59,127,279	2,078,101	61,205,380
Percentage of votes	96.60%	3.40%	100%

Ron A. Brenneman



Age: 69
Calgary, Alberta, Canada

Director since:
Sept. 8, 2009

Independent

Mr. Brenneman is a corporate director and was Executive Vice-Chairman of Suncor Energy Inc. (an integrated energy company) from August 2009 until February 2010. He was President and CEO of Petro-Canada from January 2000 until August 2009. 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 also serves on the boards of Scotiabank, BCE Inc. and Ithaca Energy Inc. 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	2015 Attendance		Other public company directorships in the past 5 years
Board	6 of 6	100%	<ul style="list-style-type: none"> Scotiabank BCE Inc. Ithaca Energy Inc.
SH&E	4 of 4		
P&C	5 of 5		

Share ownership⁽²⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	40,000	4,217	44,217	900,258	450,000	Yes
2014	40,000	2,316	42,316	1,411,662	300,000	Yes

Voting results of 2015 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	59,917,803	1,287,577	61,205,380
Percentage of votes	97.90%	2.10%	100%

Christopher M. Burley



Age: 54
Calgary, Alberta, Canada

Director since:
Sept. 21, 2015

Independent

Mr. Burley is a corporate director. He is on the board of Potash Corporation of Saskatchewan and is the former Non-Executive Chairman of Parallel Energy Inc., the administrator of Parallel Energy Trust, a publicly traded oil and gas mutual fund trust. 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.

Membership ⁽⁴⁾	2015 Attendance ⁽⁴⁾		Other public company directorships in the past 5 years
Board	1 of 1	100%	<ul style="list-style-type: none"> Potash Corporation of Saskatchewan Parallel Energy Inc. (2011 to 2016)
Audit	n/a		
P&C	n/a		
CGN	n/a		

Share ownership⁽²⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	20,000	1,214	21,214	431,917	450,000	by 2020 ⁽⁶⁾

Antonio Faiola



Age: 41
Calgary, Alberta, Canada

Director since:
Feb. 7, 2012

Non-Independent

Mr. Faiola joined WestJet in April 2002 as a flight attendant. He has been an active member of PACT, WestJet's employee association, through the Flight Attendant Association Board (**FAAB**) since 2003. In 2008, Mr. Faiola moved into the role of FAAB Vice-Chair before being elected as FAAB Chair in 2009. Mr. Faiola was elected PACT Chair in November 2011 and joined the Board of Directors in early 2012 as WestJet's PACT representative.

Originally from Ville LaSalle, Québec, Mr. Faiola is a graduate of Concordia University, holding a Bachelor of Commerce and a Masters in Sports Administration.

Membership	2015 Attendance		Other public company directorships in the past 5 years
Board	6 of 6	100%	<ul style="list-style-type: none"> None
SH&E	4 of 4		

Share ownership⁽²⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	9,887	n/a	9,887	201,299	n/a	n/a ⁽⁵⁾
2014	9,486	n/a	9,486	316,453	n/a	n/a ⁽⁵⁾

Voting results of 2015 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	59,232,624	1,972,756	61,205,380
Percentage of votes	96.78%	3.22%	100%

Brett Godfrey



Age: 52
 Clayfield, Queensland,
 Australia
 Director since:
 Aug. 22, 2006
Independent

Mr. 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 1990's 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; Tourism Australia and Australia's national tourism marketing agency. 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.

Membership	2015 Attendance		Other public company directorships in the past 5 years
Board	5 of 6	90%	<ul style="list-style-type: none"> Virgin Blue Holdings Ltd. (2000 to 2010) Auckland International Airport Ltd.
SH&E	4 of 4		

Share ownership⁽²⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	13,700	4,217	17,917	364,790	450,000	by 2017 ⁽⁶⁾
2014	13,700	2,316	16,016	534,294	300,000	Yes

Voting results of 2015 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	60,508,341	697,039	61,205,380
Percentage of votes	98.86%	1.14%	100%

Allan W. Jackson



Age: 75
 Calgary, Alberta,
 Canada
 Director since:
 July 30, 2003
Independent

Mr. Allan Jackson is currently the President 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 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	2015 Attendance		Other public company directorships in the past 5 years
Board	6 of 6	100%	<ul style="list-style-type: none"> Canadian Western Bank (1984 to 2016)
Audit	4 of 4		
P&C (Chair)	5 of 5		
CGN	4 of 4		

Share ownership⁽²⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	25,000	42,644	67,644	1,377,232	450,000	Yes
2014	25,000	37,038	62,038	2,069,588	300,000	Yes

Voting results of 2015 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	59,941,206	1,264,174	61,205,380
Percentage of votes	97.94%	2.06%	100%

S. Barry Jackson



Age: 63
Calgary, Alberta,
Canada

Director since:
Feb. 24, 2009

Independent

Mr. Barry Jackson is a corporate director and was formerly President and CEO and a director of Crestar Energy Inc. He has worked in the oil and gas industry since 1974 and held senior executive positions with Northstar Energy Corporation and Crestar. 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 has served on the boards of several public companies and was made a fellow of the Institute of Corporate Directors in 2010. Mr. Jackson is the Chair of TransCanada Corporation and TransCanada PipeLines Limited. In addition to his public company directorships, Mr. Jackson is also a director of Laricina Energy Ltd.

Membership	2015 Attendance		Other public company directorships in the past 5 years
Board	6 of 6	87%	<ul style="list-style-type: none"> Nexen Inc. (2001 to 2013) TransCanada Corporation TransCanada PipeLines Limited
P&C	4 of 5		
SH&E (Chair)	3 of 4		

Share ownership⁽²⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	10,000	28,328	38,328	780,358	450,000	Yes
2014	10,000	23,284	33,284	1,110,354	300,000	Yes

Voting results of 2015 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	59,984,688	1,220,692	61,205,380
Percentage of votes	98.01%	1.99%	100%

L. Jacques Ménard, C.C., O.Q.



Age: 70
Montréal, Québec,
Canada

Director since:
Aug. 3, 2011

Independent

Mr. Jacques Ménard is the current Chairman of BMO Nesbitt Burns, an investment advisory and wealth management firm, and President of BMO Financial Group, Québec, a highly diversified financial services organization. He currently sits on several boards including Stingray Digital Group Inc., a publicly traded music and in-store media solutions provider, Claridge Inc., the Montréal Symphony Orchestra and the Montréal Alouettes. He is the former Chairman of Hydro-Québec, the Investment Dealers Association of Canada and the Task Force on Sustainability of the Québec Health Care and Social Services System. 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 also received honorary doctorates from Concordia University, York University, the Université de Montréal, McGill University and the Université de Sherbrooke. Mr. Ménard is a Companion of the Order of Canada and an Officer of the Order of Québec.

Membership	2015 Attendance		Other public company directorships in the past 5 years
Board	5 of 6	79%	<ul style="list-style-type: none"> Stingray Digital Group Inc.
Audit	3 of 4		
CGN (Chair)	3 of 4		

Share ownership⁽²⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	10,000	7,192	17,192	350,029	450,000	by 2017 ⁽⁶⁾
2014	10,000	5,225	15,225	507,906	300,000	Yes

Voting results of 2015 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	59,968,028	1,237,352	61,205,380
Percentage of votes	97.98%	2.02%	100%

Janice Rennie



Age: 58
Edmonton, Alberta,
Canada

Director since:
Aug. 3, 2011

Independent

Ms. Janice Rennie currently sits on the board of Major Drilling Group Inc., Methanex Corp., and West Fraser Timber Co. Ltd. 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 Accountants of Alberta. In 2012, Ms. Rennie was made a fellow of the Institute of Corporate Directors.

Membership	2015 Attendance		Other public company directorships in the past 5 years	
Board	6 of 6	100%	<ul style="list-style-type: none"> Capital Power Corporation (2009 to 2012) Major Drilling Group International Inc. Matrikon Inc. (2003 to 2010) 	<ul style="list-style-type: none"> Methanex Corp. Teck Resources Limited (2007 to 2015) West Fraser Timber Co. Ltd.
Audit	4 of 4			
P&C	5 of 5			

Share ownership⁽²⁾

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	6,500	11,566	18,066	367,824	450,000	by 2017 ⁽⁶⁾
2014	4,000	9,500	13,500	450,360	300,000	Yes

Voting results of 2015 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	58,536,638	2,668,742	61,205,380
Percentage of votes	95.64%	4.36%	100%

Gregg Saretsky



Age: 56
Calgary, Alberta,
Canada

Director since:
April 1, 2010

Non-Independent

Mr. Gregg Saretsky was appointed President and CEO of WestJet on April 1, 2010. He joined WestJet in June 2009 as VP of WestJet Vacations, before being named EVP, Operations, for WestJet in October 2009. Mr. Saretsky began his career in aviation with Canadian Airlines in 1985 as a route development planner and rose through the ranks to the position of VP, Airports, and VP, Marketing, before joining Alaska Airlines in 1998 as SVP, Marketing and Planning. He also served as EVP of Flight Operations and Marketing, responsible for the airline's flight crews, operations, and consumer programs and activities. In 2012, Mr. Saretsky was named Alberta's Business Person of the Year by Venture Magazine and in 2013 Mr. Saretsky was named top new CEO by Canadian Business magazine. Mr. Saretsky currently sits on the Board of *alumni* UBC and the Conference Board of Canada.

Membership ⁽⁷⁾	2015 Attendance		Other public company directorships in the past 5 years	
Board	6 of 6	100%	• None	

Share ownership⁽²⁾

Year	Shares (#)	RSUs (#)	Total Shares and RSUs (#)	Total market value of Shares and RSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	92,242	64,696	156,938	3,195,258	3,064,000	Yes
2014	25,828	73,088	98,916	3,299,841	2,270,800	Yes

Voting results of 2015 AGM

	Votes for	Votes withheld	Total votes cast
Number of votes	58,981,626	2,223,754	61,205,380
Percentage of votes	96.37%	3.63%	100%

Karen Sheriff



Age: 58
Toronto, Ontario,
Canada

Director since:
Jan. 13, 2016

Independent

Ms. Karen Sheriff is the current President and CEO of Q9 Networks Inc. having joined the company in January 2015. Prior to her role at Q9, she was President and CEO of Bell Alliant from 2008 to 2014, following more than 9 years in senior leadership positions at BCE Inc. Ms. Sheriff is also a director of the Canada Pension Plan Investment Board. 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 the 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 ⁽⁸⁾	2015 Attendance ⁽⁸⁾		Other public company directorships in the past 5 years
Board			<ul style="list-style-type: none"> Bell Aliant Inc. (2004 to 2014)
SHE	n/a	n/a	
P&C			

Share ownership^{(2) (8)}

Year	Shares (#)	DSUs (#)	Total Shares and DSUs (#)	Total market value of Shares and DSUs ⁽³⁾ (\$)	Minimum SOG (\$)	Meets requirements
2015	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) As Chair of the Board, Mr. Beddoe voluntarily attends all committee meetings for committees which he is not a member of.
- (2) 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, 2015, Mr. Faiola acquired 216 Shares and Mr. Saretsky acquired 2,808 Shares, both through WestJet's ESPP. As at March 18, 2016, there had been no other changes to the Share ownership of the Director nominees from December 31, 2015.**
- (3) 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 Common Voting Share price on December 31 of the year reported (December 31, 2015 - \$20.36 and December 31, 2014 - \$33.36).
- (4) Mr. Burley joined the Board effective September 21, 2015. In November 2015, he was appointed to the Audit Committee, the People and Compensation Committee and the CGN Committee.
- (5) As the PACT representative on the Board, Mr. Faiola is exempt from the minimum ownership requirements for Directors.
- (6) 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 22.
- (7) As President and CEO, Mr. Saretsky 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.
- (8) Ms. Sheriff joined the Board effective January 13, 2016. In February 2016, she was appointed to the SH&E Committee and the People and Compensation Committee.

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 entities as at March 18, 2016.

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. The Board has invited WestJet's employee association, PACT, to nominate a representative to join the Board. Subject to Board approval, Management presently intends to put forward a PACT nominee as one of the proposed Directors each year.

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 US or International knowledge	Strategic planning and risk management	Legal, regulatory and government
Beddoe	•		•		•			•	•	•		•	
Bolton		•			•		•	•		•		•	•
Brenneman				•	•	•		•	•	•	•	•	
Burley		•			•	•	•	•		•		•	
Faiola	•		•	•				•				•	
Godfrey	•	•	•	•					•	•	•		
A. Jackson		•			•		•	•		•		•	
B. Jackson						•	•	•	•	•		•	
Ménard		•			•		•	•		•		•	•
Rennie		•			•		•	•		•		•	
Saretsky	•		•	•					•		•	•	
Sheriff	•		•	•			•	•	•	•	•	•	

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. 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

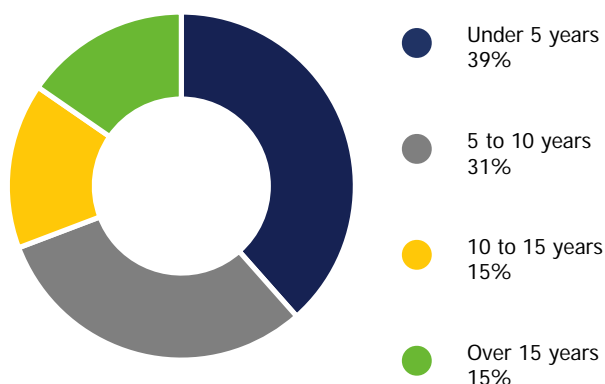
WestJet broadly integrates diversity across the Corporation, including the representation of women on the Board and in senior management. In addition to the traditional concepts of diversity, WestJet believes it is also important to achieve a diversity of knowledge, expertise and skills on the Board 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 its approach to board diversity, 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. WestJet believes in the encompassing of diversity and inclusion criteria in overall corporate culture, including through actions such as signing the Catalyst Accord; however, the Board has not adopted a specific target or written policy with respect to the identification and nomination of women directors. By signing the Catalyst Accord, WestJet supports the call to action for Canadian corporations to increase the overall proportion of the Financial Post 500 board seats held by women to 25 per cent by 2017.

The CGN 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 on merit, 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 (15 per cent) of WestJet's 13 Directors are women and, similarly, two (17 per cent) of the 12 Director nominees are women. As at March 18, 2016, the average age of WestJet's Directors is 62 years and, similarly, the average age of the Director nominees is 62 years.

Board tenure



WestJet's current average Board tenure is eight years. As at March 18, 2016, five Directors have served on the Board for a period of less than five years, four Directors have served for between five and 10 years, two Directors have served for between 10 and 15 years and two Directors have served for more than 15 years.

The average Board tenure of the 12 Director nominees is seven years. Mr. Pollock, who will not be standing for re-election at the Meeting, has been a member of the Board for over 16 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 four 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 and the Committee Chairs. The position descriptions are reviewed annually 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 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.

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 Directors:

- Mr. Saretsky is not independent because he is currently the President and CEO of WestJet; and
- Mr. Faiola is not independent because he is the Corporation's PACT nominee and has been a WestJet flight attendant for the past 14 years.

Mr. Pollock, who will not be standing for re-election at the Meeting, has also been determined to be independent.

All current members of WestJet's Audit Committee, CGN Committee and the People and Compensation Committee are independent.

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 on-going 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 2015:

	Topic	Hosted/Presented by	Attended by
February 2015	Industry Safety Brief	Management	Board
February 2015	Developments in Corporate Governance and Executive Compensation	Legal	CGN Committee P&C Committee
May 2015	Economic Outlook	Guest Speaker	Board Management
May 2015	Health and Wellness	Management	SH&E Committee
September 2015	Director Orientation	Management	Christopher M. Burley

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.

In addition, 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. The Directors are reimbursed for their reasonable expenses in connection with attending any such professional development activities. Over the course

of 2015, Directors attended, participated and presented in seminars and conferences on a variety of matters and topics such as corporate governance, board leadership, energy outlook, cyber security, emerging audit committee issues, risk management, aviation and tourism.

Director assessments

The performance and effectiveness of the Board and its committees, the 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 and committee assessment with the last independent assessment being completed in February 2011. Otherwise, on an annual basis, the Chair of the Board 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 February 2016, the Board engaged an independent third-party to perform an assessment of the Board pursuant to which each Director will be asked to respond to a detailed survey focusing on six core competencies: Focused Stewardship, Disciplined Judgment, Risk Balancing, Strategic Acumen, Talent Building and Big Picture Thinking. The assessment is being performed over the course of the first quarter of 2016 with the detailed results scheduled for discussion at the May 2016 meeting of the 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, conference calls and webcasts. WestJet's Investor Relations team is responsible for maintaining an active Shareholder communication program.

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

The Board has designated the Corporate Secretary as its agent to receive and review communications and meeting requests addressed to the Board, any Board committee or any individual director. Shareholders or other stakeholders may communicate with the Board by writing to the Chair of the Board. The Chair of the Board, together with the Corporate Secretary and the Chair of the appropriate Board committee, as applicable, will consider each request and determine how to proceed.

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 Enterprise Risk Management 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. 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 People and Compensation Committee, a Corporate Governance and Nominating Committee and a Safety, Health and Environment Committee. Each committee meets regularly and reports to the Board with their recommendations for final approval by the Board.

The following table sets out committee memberships for all Directors as at March 18, 2016.

	Audit	P&C	CGN	SH&E
Non-Independent				
Saretsky ⁽¹⁾				
Faiola				•
Independent				
Beddoe ⁽²⁾				•
Bolton	Chair		•	
Brenneman		•		•
Burley	•	•	•	
Godfrey				•
A. Jackson	•	Chair	•	
B. Jackson		•		Chair
Ménard	•		Chair	
Pollock	•	•	•	
Rennie	•	•		
Sheriff		•		•

Notes:

- (1) As President and CEO, Mr. Saretsky 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 for which he is not a member.

Audit Committee

Members

- Hugh Bolton (Chair)
- Christopher M. Burley
- Allan W. Jackson
- L. Jacques Ménard
- L.M. (Larry) Pollock
- 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 consolidated financial statements and MD&A; approves the scope and timing of the annual audit by the Corporation's independent external auditors; and reviews and recommends to the Board the approval of the annual audited consolidated financial statements and MD&A. The Audit Committee also reviews and assesses with the independent external auditors the Corporation's internal financial control systems and corporate approval procedures. With respect to the Corporation's internal auditors, the Audit Committee reviews and approves with the internal director of audit and advisory services, the audit plans, activities, staffing and organizational structure of the internal audit department.

The Audit Committee is currently composed of six independent Directors. Ms. Rennie is a member of four audit committees of public companies including WestJet. Ms. Rennie is a fellow of the Institute of Chartered Accountants and the Institute of Corporate Directors and brings a broad base of business experience and knowledge to WestJet's Audit Committee. The Board has determined that such service does not impair the ability of Ms. Rennie to effectively serve on WestJet's Audit Committee.

In 2015, the Audit Committee met four times, which meetings included discussions with the external and internal auditors in the absence of Management.

Corporate Governance and Nominating Committee

Members

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

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 and the Committee Chairs. The performance and effectiveness of the Board and its committees, the 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 governance of WestJet.

The CGN Committee is currently composed of five independent Directors. In 2015, the CGN Committee met four times.

People and Compensation Committee

Members

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

The People and Compensation Committee reviews Director and executive compensation policies and salaries, 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 the objectives of 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.

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

In 2015, the People and Compensation Committee met five times. See "*Compensation decision-making process*" on page 32 and "*Relevant skills and experience of the People and Compensation Committee*" on page 33.

Safety Health & Environment Committee

Members

- S. Barry Jackson (Chair)
- Clive J. Beddoe
- Ron A. Brenneman
- Antonio Faiola
- 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 for quantifying and evaluating compliance with the Principles, and identifying areas for improvement.

The SH&E Committee is currently composed of five independent Directors and one non-independent Director. The SH&E Committee met four times in 2015.

Board and committee meetings held and attendance

The table⁽¹⁾ below sets out the Director attendance at Board and committee meetings held in 2015.

	Board (6 meetings)		Audit (4 meetings)		P&C (5 meetings)		CGN (4 meetings)		SH&E (4 meetings)		Overall attendance	
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
Beddoe ⁽²⁾	6	100							4	100	10 of 10	100
Bolton	6	100	4	100			4	100			14 of 14	100
Brenneman	6	100			5	100			4	100	15 of 15	100
Burley ⁽³⁾	1	100									1 of 1	100
Faiola	6	100							4	100	10 of 10	100
Godfrey	5	83							4	100	9 of 10	90
A. Jackson	6	100	4	100	5	100	4	100			19 of 19	100
B. Jackson	6	100			4	80			3	75	13 of 15	87
Matthews ⁽⁴⁾	3	75	1	50			1	50			5 of 8	63
Ménard	5	83	3	75			3	75			11 of 14	79
Pollock	6	100	4	100	5	100	4	100			19 of 19	100
Rennie	6	100	4	100	5	100					15 of 15	100
Saretsky ⁽⁵⁾	6	100									6 of 6	100

Notes:

- (1) Ms. Sheriff is not represented in the foregoing table as she was appointed to the Board effective January 13, 2016.
- (2) As Chair of the Board, Mr. Beddoe attends all committee meetings including those committees of which he is not a member.
- (3) Mr. Burley joined the Board effective September 21, 2015. At the November 3, 2015 meeting of the Board, he was appointed to the Audit Committee, the People and Compensation Committee and the CGN Committee.
- (4) Mr. Matthews retired from the Board, effective May 5, 2015.
- (5) As President and CEO, Mr. Saretsky is not a member of any committee of the Board, but is invited to attend any meeting except those held *in-camera*, sessions for independent members only or whenever specifically determined by the committee that the meeting should be closed to the President and CEO.

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 2015, there were six *in-camera* Board sessions that were attended exclusively by non-executive directors.

The independent 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 Vice President of Safety, Security and Quality, and 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. Beginning in 2016, at every meeting of the People and Compensation Committee, the members will 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 PACT representative Director, 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 the 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⁽¹⁾ below sets out each Director nominee's ownership in WestJet for the years ending December 31, 2015 and 2014, 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 has met the minimum share ownership requirement.

	Equity ownership at December 31, 2014		Equity ownership at December 31, 2015		Net change in Ownership		Value ⁽³⁾ (\$)	Equity at risk as a multiple of retainer	Meets ownership ⁽⁴⁾
	Shares (#)	DSUs/RSUs ⁽²⁾ (#)	Shares (#)	DSUs/RSUs ⁽²⁾ (#)	Shares (#)	DSUs/RSUs ⁽²⁾ (#)			
Beddoe	1,050,647	1,547	796,076	2,815	(254,571)	1,268	16,265,421	108.4	Yes
Bolton	5,000	19,916	5,000	22,221	—	2,305	554,220	6.2	Yes
Brenneman	40,000	2,316	40,000	4,217	—	1,901	900,258	10.0	Yes
Burley ⁽⁵⁾	n/a	n/a	20,000	1,214	n/a	n/a	431,917	4.8	by 2020
Faiola ⁽⁶⁾	9,486	n/a	9,887	n/a	401	n/a	201,299	n/a	n/a
Godfrey ⁽⁷⁾	13,700	2,316	13,700	4,217	—	1,901	364,790	4.1	by 2017
A. Jackson	25,000	37,038	25,000	42,644	—	5,606	1,377,232	15.3	Yes
B. Jackson	10,000	23,284	10,000	28,328	—	5,044	780,358	8.7	Yes
Ménard ⁽⁷⁾	10,000	5,225	10,000	7,192	—	1,967	350,029	3.9	by 2017
Rennie ⁽⁷⁾	4,000	9,500	6,500	11,566	2,500	2,066	367,824	4.1	by 2017
Saretsky ⁽⁸⁾	25,828	73,088	92,242	64,696	66,414	(8,392)	3,195,258	4.2	Yes

Notes:

- (1) Ms. Sheriff is not represented in the foregoing table as she was appointed to the Board effective January 13, 2016.
- (2) Independent Directors may elect to receive all or part of their compensation in DSUs. Executives are eligible to receive RSUs (defined below).
- (3) The "Value" amount is shown as at December 31, 2015, based on the total number of Shares and DSUs/RSUs held by the Director at a Share price of \$20.36, which was the closing Common Voting Share price on December 31, 2015.
- (4) As at December 31, 2015, the share ownership requirement for independent Directors of \$450,000 is based on five times the 2015 annual Board retainer of \$90,000 within 5 years of their appointment to the Board. The share ownership requirement for Mr. Beddoe, Chair of the Board, of \$750,000 is based on five times the 2015 annual Chair of the Board retainer of \$150,000.
- (5) Mr. Burley was appointed to the Board effective September 21, 2015, and therefore, has until September 2020 to meet his share ownership guideline.
- (6) Mr. Faiola is the PACT representative Director, and therefore, he is exempt from the Director minimum ownership requirements.
- (7) Mr. Godfrey, Mr. Ménard and Ms. Rennie will have until January 2017, two years after the effective date of the increase in the Board retainer, to increase their ownership and will be required to take a minimum of 50 per cent of their annual cash retainer in DSUs.
- (8) As President and CEO, Mr. Saretsky's share ownership guideline is four times his base salary. See "*Share ownership guidelines*" on page 52.

WestJet's Disclosure, Confidentiality and Trading Policy restricts certain individuals, including all Directors, from entering into equity monetization transactions. See "*Trading Policy*" on page 52 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. Barry Jackson is a director of Laricina Energy Ltd. (**Laricina**), a non-public, Calgary based, responsible energy company. Laricina voluntarily entered into the Companies' Creditors Arrangement Act (**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.

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. 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. 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.

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 early November 2014, the People and Compensation committee performed the annual review of the competitiveness of director compensation against the market data for the comparator group. The review indicated that WestJet's total director compensation was the lowest in the comparator group and as a result, annual increases to the retainer amounts were approved for the 2015 fiscal year. Furthermore, the Board resolved to move from a per-meeting fee structure to a retainer-only structure, aligning with the ongoing responsibilities of a Director. Attendance at meetings is an important component of the role of a Director; however, WestJet's Board provides continual oversight to the company and a retainer structure better compensates for this responsibility.

Effective January 1, 2015, the independent Director retainer was increased from \$60,000 to \$90,000 (\$45,000 in cash and \$45,000 in equity), the Chair of the Board retainer was increased from \$120,000 to \$150,000 (\$120,000 in cash and \$30,000 in equity), and committee members received an annual committee retainer of \$6,000. No changes were made to the committee chair retainers and meeting attendance fees will no longer be paid to independent Directors. A \$1,500 per meeting fee will be paid to the PACT representative on the Board who is not otherwise entitled to receive the annual retainers. Overall, with these changes, total director compensation increased, however aggregate compensation payable continued to remain at the lower end of the comparator group (25th percentile) relative to 2014 benchmarking.

Changes to Director compensation have been approved for the 2016 fiscal year, as described under "*Looking forward to 2016*" on page 28.

	2015 (\$)
Chair of the Board⁽¹⁾	
Annual cash retainer	120,000
Annual equity retainer	30,000
Independent Directors⁽²⁾	
Annual cash retainer	45,000
Annual equity retainer	45,000
Committee Chair Retainers⁽³⁾	
Audit	15,000
P&C	8,000
CGN	8,000
SH&E	8,000
Committee Member Retainers⁽²⁾	
Audit	6,000
P&C	6,000
CGN	6,000
SH&E	6,000
Meetings Fees	
PACT 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.
- (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 and as a Committee member.
- (4) A Director may elect to receive his or her cash compensation in cash or DSUs, or any combination thereof.

The table⁽¹⁾ below sets out the retainers and meeting fees each Director received for the year ended December 31, 2015. Directors are also reimbursed for their reasonable expenses in connection with attending Board and committee meetings.

	Retainers ⁽²⁾			Meeting fees		Total (\$)
	Board (\$)	Committee Chair (\$)	Committee Member (\$)	Board meetings (\$)	Committee meetings (\$)	
Beddoe	150,000	—	6,000	—	—	156,000
Bolton	90,000	15,000	12,000	—	—	117,000
Brenneman	90,000	—	12,000	—	—	102,000
Burley ⁽³⁾	24,950	—	2,890	—	—	27,840
Faiola ⁽⁴⁾	—	—	—	9,000	6,000	15,000
Godfrey	90,000	—	6,000	—	—	96,000
A. Jackson	90,000	8,000	18,000	—	—	116,000
B. Jackson	90,000	8,000	12,000	—	—	110,000
Matthews ⁽⁵⁾	31,155	—	4,155	—	—	35,310
Ménard	90,000	—	12,000	—	—	102,000
Pollock	90,000	8,000	18,000	—	—	116,000
Rennie	90,000	—	12,000	—	—	102,000
Saretsky ⁽⁶⁾	—	—	—	—	—	—

Notes:

- (1) Ms. Sheriff is not represented in the foregoing table as she was appointed to the Board effective January 13, 2016.
- (2) A Director may elect to receive his or her cash compensation in cash or DSUs, or any combination thereof.
- (3) Mr. Burley joined the Board effective September 21, 2015.
- (4) Mr. Faiola, who is the PACT representative Director, receives regular meeting fees but, as an employee of WestJet, does not receive an annual retainer or a committee member retainer for his membership on the SH&E Committee.
- (5) Mr. Matthews retired from the Board, effective May 5, 2015.
- (6) As President and CEO, Mr. Saretsky does 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⁽¹⁾ summarizes the total compensation earned by each Director in 2015. As President and CEO, Gregg Saretsky does not earn a retainer or fees for serving as a Director. The executive compensation for Mr. Saretsky for 2015 is disclosed in the "Summary compensation table" for NEOs on page 48.

	Fees earned (\$)	Share-based awards ⁽²⁾ (\$)	All other compensation ⁽³⁾ (\$)	Total Compensation ⁽⁴⁾ (\$)
Beddoe	126,000	30,000	—	156,000
Bolton	72,000	45,000	—	117,000
Brenneman	57,000	45,000	—	102,000
Burley	2,890	24,950	—	27,840
Faiola	15,000	—	93,710 ⁽⁵⁾	108,710
Godfrey	51,000	45,000	—	96,000
A. Jackson	—	116,000	—	116,000
B. Jackson	—	110,000	—	110,000
Matthews ⁽⁶⁾	—	35,310	—	35,310
Ménard	57,000	45,000	—	102,000
Pollock	71,000	45,000	—	116,000
Rennie	57,000	45,000	—	102,000

Notes:

- (1) Ms. Sheriff is not represented in the foregoing table as she was appointed to the Board effective January 13, 2016.
- (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 price of the Common Voting Shares 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 stand-by 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 2015 was \$1,188,860, excluding an amount for Mr. Saretsky, which is disclosed in the "Summary compensation table" for NEOs on page 48.
- (5) Mr. Faiola is the PACT representative on the Board and an employee of WestJet. As part of Mr. Faiola's employment, he receives a salary and amounts for additional shift pickups, vacation pay, and contract payments and amounts pursuant to the Profit Share Plan and ESPP as well as amounts associated with his role as the Chair of PACT.
- (6) Mr. Matthews retired from the Board, effective May 5, 2015.

Incentive plan awards

Outstanding share-based awards and option-based awards

The following table⁽¹⁾ shows the market value of share-based awards held by Directors, other than Gregg Saretsky, that were outstanding as at December 31, 2015.

	Number of DSUs that have vested (#) ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽³⁾
Beddoe	2,815	57,313
Bolton	22,221	452,420
Brenneman	4,217	85,858
Burley	1,214	24,717
Faiola	—	—
Godfrey	4,217	85,858
A. Jackson	42,644	868,232
B. Jackson	28,328	576,758
Matthews ⁽⁴⁾	32,241	656,427
Ménard	7,192	146,429
Pollock	4,217	85,858
Rennie	11,566	235,484

Notes:

- (1) Ms. Sheriff is not represented in the foregoing table as she was appointed to the Board effective January 13, 2016.
- (2) Number of DSUs that were vested and outstanding at December 31, 2015. 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, 2015 by the December 31, 2015 closing Common Voting Share price of \$20.36.
- (4) Mr. Matthews retired from the Board, effective May 5, 2015. He has until December 31, 2016 to elect the redemption and resulting cash payout of outstanding DSUs.

Looking forward to 2016

In early November 2015, the People and Compensation Committee performed the annual review of the competitiveness of Director compensation against the market data for the comparator group, with the Alberta and Canadian marketplaces used as secondary points of reference. The review indicated that while the equity compensation comprising half of WestJet's total Director compensation is in line with the median of the comparator group and competitive with the Alberta and Canadian marketplaces, total compensation remains in the bottom end of comparator group range, and WestJet's total Chair of the Board retainer is also at the lower end of the comparator group range. The review also indicated that WestJet's committee member retainers are in line with the median of the comparator group and the Alberta and Canadian marketplaces. Furthermore, similar to WestJet, audit committee chairs continue to be paid a premium over other committees; however, the gap in premiums paid between audit and compensation committee chairs continues to narrow. With WestJet's low-cost culture environment in mind, and also reducing the risk of an increase every year, total Director compensation was determined to remain within the bottom end of the range, but to be increased to a level between the 25th and 50th percentile of the comparator group. Effective January 1, 2016, the independent Director retainer was increased from \$90,000 to \$115,000 (\$57,500 in cash and \$57,500 in equity), the Chair of the Board retainer was increased from \$150,000 to \$200,000 (\$160,000 in cash and \$40,000 in equity), and the Chair of the People and Compensation Committee retainer was increased from \$8,000 to \$12,000. No changes were made to the other Committee Chair retainers.

Incentive plan awards – value vested or earned during the year

The following table⁽¹⁾ shows the value of share-based awards that vested and non-equity incentive plan compensation earned by Directors, other than Gregg Saretsky, during the year ended December 31, 2015.

	Share-based awards – value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – value earned during the year (\$)
Beddoe	31,187	—
Bolton	56,682	—
Brenneman	46,745	—
Burley	24,985	—
Faiola ⁽³⁾	—	11,100
Godfrey	46,745	—
A. Jackson	137,855	—
B. Jackson	124,030	—
Matthews ⁽⁴⁾	52,950	—
Ménard	48,370	—
Pollock	46,745	—
Rennie	50,800	—

Notes:

- (1) Ms. Sheriff is not represented in the foregoing table as she was appointed to the Board effective January 13, 2016.
- (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 Common Voting Share price on the trading day prior to the date of grant.
- (3) Mr. Faiola earned the non-equity incentive plan compensation amounts in the scope of his employment from the Profit Share Plan and OPA.
- (4) Mr. Matthews retired from the Board, effective May 5, 2015.

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.

Adoption of Say on Pay

We are committed to responding to shareholder feedback and for the first time, we are offering you the opportunity to cast your advisory vote regarding WestJet's approach to executive compensation (your "Say on Pay").

We encourage you to cast your advisory Say on Pay vote and we hope that the following will assist you making an informed decision.

2015 Overview

In 2015, WestJet delivered the strongest full-year financial results in our history, none of which would have been possible without the commitment, delivered day in and day out, by more than 11,000 WestJet employees.

A few key highlights include:

- Reported record net earnings and earnings per share;
- Distributed a record \$100 million in profit share to our employees;
- Returned over \$190 million to Shareholders through our dividend and share buyback programs;
- Continued our expansion of WestJet Encore, introduced wide-body aircraft to WestJet's fleet and rolled out our enhanced Plus product and WestJet Connect (our new inflight entertainment system);
- Placed second overall for on-time performance amongst North American airlines with WestJet Encore placing first for regional airlines; and
- For a record sixth time, named as having one of the top 10 most-admired cultures in Canada by Waterstone Human Capital.

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

Senior leadership

The integration between talent management, succession, and compensation programs is critical to attracting, retaining and motivating talent to move our airline forward and deliver on our employee, guest, Shareholder and business commitments.

In 2015, the Board supported the President and CEO in re-shaping his senior leadership team. At the executive level we welcomed to the team in 2015 Mr. Mark Porter, as EVP, People and Culture, Mr. Harry Taylor, as EVP, Finance and CFO and Mr. Cam Kenyon, returning as our interim EVP, Operations. Additionally, in May 2015, to support an intensified focus on guest experience, marketing and the consolidation of some of our corporate services, WestJet introduced the role of SVP to the organization and promoted three of our high-performing leaders to this level.

Executive compensation changes in 2015

The People and Compensation Committee, in conjunction with its independent consultant, reviews target compensation in May each year (aligned with the company-wide merit review) by taking into consideration the compensation practices of the comparator group, leadership abilities, industry-specific requirements, retention considerations and economic outlook.

Prior to 2015, the target for base salaries was set at 20 per cent below the market median (relative to the comparator group) for the President and CEO and at 10 per cent below the market median for EVPs. Total target compensation was enhanced through short-term and long-term incentive-based plans tied to corporate performance.

Annual compensation reviews since 2012 showed that we had fallen below the specific targets, however, base salaries for the executives remained unchanged. In place of increased base salaries, and in support of our approach to executive compensation, emphasis was instead placed on increasing the target levels for equity compensation, mainly performance-based PSUs.

The May 2015 compensation review indicated that the base salary for the President and CEO was over 30 per cent below the market median and total target compensation was approximately 10 per cent below. For EVPs, base salaries were between 10 and 20 per cent below market median with total target compensation relatively in line with the market median. As a result, increases to base salaries were approved while keeping the same target percentages for all other compensation elements.

2015 marked Gregg Saretsky's fifth year as President and CEO and in recognition of the continued growth and leadership in his role, he received an increase in base salary of 35 per cent, bringing it to 10 per cent below the market median. In his tenure, he has delivered strong results in terms of strategic initiatives, financial and operating results and relations with our various stakeholders. The base salaries of the other NEOs, with the exception of Mr. Taylor and Mr. Porter who joined WestJet late in 2015, increased by approximately 10 per cent.

In November 2015, the People and Compensation Committee undertook a second independent review of target compensation. With the changes made in May 2015 and with consideration to the compensation packages provided to WestJet's newest EVPs, we concluded our executives are within a competitive range of the market median for target cash compensation and target total compensation versus the comparator group.

In 2015, we also approved the introduction of a new performance measure and the evolution of our safety performance measure, both of which will take effect in 2016.

- Through direct collaboration with the PACT representative on our Board, we are introducing a Leadership Effectiveness Index as a new performance measure to our STIP. We believe that strong leadership effectiveness positively impacts business performance as well as employee engagement, which is at the cornerstone of WestJet's culture.
- Safety is a shared responsibility of every WestJetters - it is our most important value. For our safety performance measure included in STIP, we are moving towards a total disabling injury rate from a lost-time injury rate. Moving to such a rate represents an important step on our journey to zero workplace incidents.

See "*2016 Short-term incentive targets*" on page 44 for further information.



Allan Jackson
Chair of the People and Compensation Committee

Looking forward to 2016

We continue to feel the impact on our business of economic weakness in Alberta and Saskatchewan driven from the collapse in oil prices over the past year and a half (along with the weakening of the Canadian dollar to U.S. dollar exchange rate). WestJet is well positioned to respond to this challenge through our strategic initiatives, our investment-grade balance sheet and our focus on operational excellence and drive to lower costs.

However, with this environment in mind, target compensation for our executives will remain frozen in 2016 and no increases will be made.

Connecting

We invite you to review the following information, which provides a detailed view of our executive compensation programs and methodology in 2015. We are committed to transparency by providing clear and comprehensive disclosure information to our Shareholders.



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 2015 financial year:

- Gregg Saretsky, President and CEO
- Harry Taylor, EVP, Finance and CFO
- Robert (Bob) Cummings EVP, Commercial
- Mark Porter, EVP, People and Culture
- Ferio Pugliese, EVP and President, WestJet Encore

Compensation for Mr. Vito Culmone, WestJet's former EVP, Finance and CFO who resigned from WestJet effective May 31, 2015, is disclosed in the compensation tables. Furthermore, compensation information for Ms. Candice Li is also disclosed in the compensation tables as she held the title of Interim CFO during the period of June 1, 2015 to October 26, 2015 while WestJet engaged in a formal search for a permanent EVP, Finance and CFO after the resignation of Mr. Culmone.

While the focus of the quantitative disclosure is on compensation of the Corporation's NEOs, all members of the executive participate in the various elements of WestJet's executive compensation program. For the purpose of this executive compensation discussion and analysis, the term "executive" refers to the President and CEO and all 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 and 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, 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, continuously 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. With the increasing complexity of the Corporation’s operations and with changes made to the senior leadership team, the 2015 compensation reviews included exploring a shift in philosophy to increased differentiation for EVP positions based on the scope of the role in contrast to the Corporation’s historical approach of compensating all EVPs in a substantially equivalent manner.

Prior to 2015, the target for base salaries was set at 20 per cent below the market median (relative to the comparator group) for the President and CEO and at 10 per cent below the market median for EVPs. Total compensation was enhanced through short-term and long-term incentive plans tied to corporate performance. Annual compensation reviews since 2012 showed that compensation had fallen below the specific targets, however, base salaries for the executives remained unchanged. In place of increased base salaries, and in support of WestJet’s approach to executive compensation, emphasis was instead placed on increasing the target levels for equity compensation, mainly the performance-based PSUs. The May 2015 compensation review indicated that the base salary for the President and CEO was over 30 per cent below the market median and total target compensation was approximately 10 per cent below. For EVPs, base salaries were between 10 and 20 per cent below market median with total target compensation relatively in line with the market median. As a result, increases were approved to base salaries (to realign with the market) while keeping the same target percentages for all other compensation elements. In November 2015, the People and Compensation Committee undertook a second independent review of total target compensation. With the changes made earlier in the year and with consideration to the compensation packages provided to WestJet’s newest EVPs, it was concluded that executives are within a competitive range of the market median for target cash compensation and target total compensation versus the comparator group.

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:

- Periodically review and recommend for approval to the Board the compensation philosophies and policies for the Corporation;
- 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 which will be used in evaluating the President and CEO and EVPs including a stress test illustrating target, pessimistic and optimistic performance scenarios;
- 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 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;
- Annually review and recommend for approval to the Board the executive compensation disclosure of the Corporation for inclusion in its disclosure materials and review any other executive compensation disclosure before the Corporation publicly discloses such information;
- 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 and review and recommend for approval the terms of the Corporation’s ESPP;
- 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; and
- Review and recommend to the Board the compensation to be paid to Directors.

February 2015	May 2015	July 2015	November 2015
<i>Continuous review of executive compensation program</i>			
<ul style="list-style-type: none"> Review of comparator group Review of PSU market practices 	<ul style="list-style-type: none"> Annual market review, in conjunction with Towers, of executive compensation program Approve 2015 base salaries Review annual stress test of executive compensation Approve the 2015 Option, RSU and PSU grants 	<ul style="list-style-type: none"> Review the use of employee engagement and leadership effectiveness measures 	<ul style="list-style-type: none"> Review of comparator group Review of executive compensation benchmarking analysis performed by Meridian Discuss foreign exchange challenges with executive compensation
<i>Setting performance measures and measuring outcomes</i>			
<ul style="list-style-type: none"> Approve the 2014 STIP and OPA payouts Approve the performance vesting multiplier of PSUs granted in 2012 Review share ownership compliance 	<ul style="list-style-type: none"> Approve the May 2015 Profit Share distribution 	<ul style="list-style-type: none"> Approve the final performance measures for the 2015 PSU grants 	<ul style="list-style-type: none"> Approve the introduction of a leadership effectiveness measure for 2016 Approve the 2016 STIP and OPA targets Approve the November 2015 Profit Share distribution
<i>Executive compensation governance and talent management</i>			
<ul style="list-style-type: none"> Review developments in executive compensation governance Review annual executive compensation disclosure 	<ul style="list-style-type: none"> Annual senior talent management and succession planning review 	<ul style="list-style-type: none"> Discussion on the talent search for open EVP positions Discussion on independent executive compensation consultant 	<ul style="list-style-type: none"> Review the mandate of the People and Compensation Committee Review the People and Compensation Committee 2016 forward agenda

Note:

- (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.

Relevant skills and experience of the People and Compensation Committee

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

Allan Jackson



Mr. Allan Jackson has been 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 currently a director of three other public companies. He is the Chair of the Management Resources and Compensation Committee of the board of BCE Inc., the Chair of the Remuneration Committee of the board of Ithaca Energy Inc. and a 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.

Mr. Burley was appointed to the People and Compensation Committee on November 3, 2015.

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 has over 35 years of experience in the oil and gas industry and held senior executive positions with Northstar Energy Corporation and Crestar Energy Inc. Mr. Jackson is currently the Chair of TransCanada Corporation and TransCanada PipeLines Limited and sits on their Human Resources Committee. He is the former Chair of Nexen Inc. and was a member of their Compensation and Human Resources Committee and was a former director and member of the Compensation Committee of Cordero Energy Inc.

Larry Pollock



Mr. Larry Pollock is the retired President and CEO of Canadian Western Bank, a Canadian Schedule I Bank, and has been in the financial services industry for over 40 years. As a result of his executive positions, he has gained extensive experience in compensation and human resources matters and presently serves on the Compensation, Corporate Governance and Nominating Committee of HNZ Group Inc. and the Human Resources and Compensation Committee of EPCOR Utilities Inc.

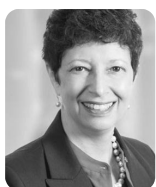
Mr. Pollock will be retiring from the Board effective May 3, 2016.

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 currently a member of the Human Resources Committee of Methanex Corporation, a member of the Compensation Committee of West Fraser Timber Co. Ltd and the former Chair of the Compensation Committee of Teck Resources Limited.

Karen Sheriff



Ms. Karen Sheriff is the current President and CEO of Q9 Networks Inc. having joined the company in January 2015. Prior to her role at Q9, she was President and CEO of Bell Alliant from 2008 to 2014, following more than 9 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.

Ms. Sheriff was appointed to the People and Compensation Committee on February 1, 2016.

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. Since 2012, the People and Compensation Committee has retained Towers to perform the annual market review of executive compensation and identify potential changes to the compensation structure and mix in order to better align with market and with best practices. Towers' executive compensation review also addressed short-term and long-term incentive design practices relative to WestJet's programs, performance measures and comparator group composition.

In August 2015, the People and Compensation Committee decided to transition to a new independent compensation consultant and retained Meridian to perform a further 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. Meridian also performed a review of WestJet's comparator group composition and recommended revisions to the group. See "*Comparator group composition*" on page 37.

The following presents the aggregate fees billed for executive compensation services provided by Towers and Meridian in 2015 and 2014 along with all other fees paid.

	2015		2014	
	Executive compensation related fees (\$)	All other fees (\$)	Executive compensation related fees (\$)	All other fees (\$)
Towers	98,400	226,220 ⁽¹⁾	99,640	182,870 ⁽¹⁾
Meridian	44,600	—	—	—

Note:

(1) All other fees for Towers in 2015 and 2014 include fees for general consulting services with respect to WestJet's compensation and benefit programs. The People and Compensation Committee is not required to pre-approve these services.

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

- the consultant receives no incentive or other compensation based on the fees charged to WestJet for other services provided;
- the consultant is not responsible for selling other services to WestJet;
- the People and Compensation Committee has the authority to retain and terminate the executive compensation consultant;
- the consultant has direct access to the Chair of the People and Compensation Committee without management intervention; and
- the consultant reports to, and is 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-term 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-term and long-term incentives, WestJet's compensation program provides for a significant portion of each executive's annual compensation to be "at-risk". Consequently, it is important that these incentives do not result in our 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
- Adoption of an executive compensation clawback policy

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.

In order to ensure that the Corporation's long-term compensation program is effective in achieving its intent, 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 2015, the committee determined that the intended relationship between pay and performance was appropriate for the executives and that, in aggregate, the resulting compensation modeled 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.

Executive compensation clawback policy

WestJet has an executive compensation clawback policy concerning awards 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 laws 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 performance-based compensation received 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 that would have been awarded to or earned by the executive had the financial results been properly reported is different than the amount actually awarded or earned.

In the case where the amount of performance-based compensation that would have been awarded to or earned by the executive had the financial results been properly reported is lower than the amount actually awarded or earned, WestJet may require reimbursement of all or a portion of the performance-based compensation awarded to or earned by an executive.

In the case where the amount of performance-based compensation that would have been awarded to or earned by the executive had the financial results been properly reported is higher than the amount actually awarded or earned, WestJet may increase the amount awarded to or earned by the executive.

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. For the May 2015 market review performed by Towers, the comparator group was composed of 14 companies consisting of airlines, transportation or aviation related organizations and Canadian consumer facing organizations and mid-size Alberta companies with revenue of approximately 0.5 to 2.0 times that of WestJet. Versus the prior year, three airlines were added to the group, Hawaiian Holdings Inc., Air Canada and Spirit Airlines Inc., and Tim Hortons and The North West Company were removed.

		0.5x-2.0x Revenue	Airline	Transportation or aviation related	Consumer facing	Alberta-based
Amia Inc.	Montréal, Québec	●		●		
Air Canada ⁽¹⁾	Saint-Laurent, Quebec		●	●	●	
Alaska Air Group Inc. ⁽¹⁾	Seattle, Washington	●	●	●	●	
ATCO Ltd.	Calgary, Alberta	●			●	●
CAE Inc.	Saint-Laurent, Québec	●		●		
Canadian Pacific Railway Ltd.	Calgary, Alberta	●		●	●	●
Chorus Aviation Inc.	Enfield, Nova Scotia	●	●	●	●	
Hawaiian Holdings Inc.	Honolulu, Hawaii	●	●	●	●	
Jet Blue Airways Corp. ⁽¹⁾	Long Island City, New York	●	●	●	●	
Manitoba Telecom Services Inc.	Winnipeg, Manitoba	●			●	
Southwest Airlines Co. ⁽¹⁾	Dallas, Texas		●	●	●	
Spirit Airlines	Miramar, Florida	●	●	●	●	
Superior Plus Income Fund	Calgary, Alberta	●			●	●
Transat AT Inc.	Montréal, Québec	●	●	●	●	

Note:

(1) Also included in WestJet's Airline Peer Group. See "Long-term incentives – Performance share units" on page 42.

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 comparator group was increased to 21 companies, 11 of which were included in the existing comparator group and 10 new peers that were either aligned with WestJet's business operations or Calgary-based companies.

Airlines

- Air Canada
- Alaska Air Group Inc.
- Allegiant Travel Co. (new)
- Chorus Aviation Inc.
- Hawaiian Holdings Inc.
- JetBlue Airways Corp.
- Southwest Airlines Inc.
- Spirit Airlines Inc.
- Virgin America Inc. (new)

Air Freight and Logistics

- Atlas Air Worldwide Holdings Inc. (new)
- Hub Group Inc. (new)

Road and Rail

- Canadian National Railway Co. (new)
- Canadian Pacific Railway Ltd.
- TransForce Inc. (new)

Aerospace and Defense

- CAE Inc.

Hotels, Restaurants and Leisure

- Norwegian Cruise Line Holdings (new)
- Royal Caribbean Cruises Ltd. (new)
- Transat A.T. Inc.

Advertising (Travel Loyalty)

- Aimia Inc.

Calgary-based

- EnCana Corp. (new)
- Calfrac Well Services Ltd. (new)

Executive compensation elements

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



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 median of the comparator group. See "*Comparator group composition*" on page 37. Prior to 2015, the target for base salaries was set at 20 per cent below the median relative to the comparator group for the President and CEO and at 10 per cent below the median for EVPs. Total target compensation was enhanced through the short-term and long-term incentive-based plans tied to corporate performance. Annual compensation reviews since 2012 showed that compensation had fallen below the specific targets, however, base salaries for the executives remained unchanged. In place of increased base salaries, and in support of WestJet's approach to executive compensation, emphasis was instead placed on increasing the target levels for equity compensation, mainly the performance-based PSUs.

The May 2015 market review indicated that the base salary for the President and CEO was over 30 per cent below the market median and total target compensation was approximately 10 per cent below. For EVPs, base salaries were between 10 and 20 per cent below the median with total target compensation relatively in line with the median. Increases were approved to base salaries (to realign with the market) while keeping the same target percentages for all other compensation elements.

2015 marked Mr. Saretsky's fifth year as President and CEO and in recognition of the continued growth and leadership in his role, he received an increase in base salary of 35 per cent, bringing it to 10 per cent below the market median. Since 2012, Mr. Saretsky's base salary had remained at \$567,700. The base salaries of the other NEOs, with the exception of Mr. Taylor and Mr. Porter who joined WestJet late in 2015, increased by 10 per cent. Similar to the President and CEO, Mr. Cumming and Mr. Pugliese's base salaries had remained at \$360,700 since 2012.

	2015 (\$)	2014 (\$)
Gregg Saretsky ⁽¹⁾	766,000	567,700
Harry Taylor ⁽²⁾	438,000	—
Bob Cummings ⁽¹⁾	400,000	360,700
Mark Porter ⁽²⁾	400,000	—
Ferio Pugliese ⁽¹⁾	400,000	360,700

Notes:

(1) Increases effective May 5, 2015

(2) Mr. Taylor and Mr. Porter joined WestJet on October 26, 2015.

Short-term incentives

Short-term incentives are a component of cash compensation designed to reward for contributions in both financial and operational areas of particular importance to WestJet, thereby tying the success of the individual to the success of the Corporation. The main elements include 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 measures). 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, including executives, 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.

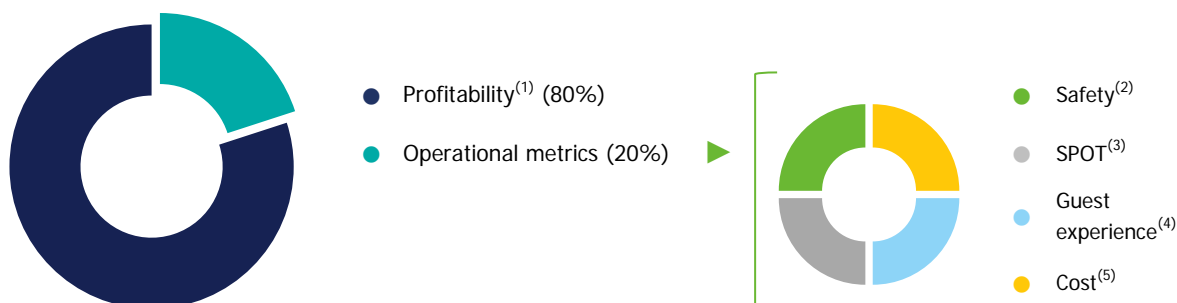
Profit Share Plan payments are made twice a year in May and November. The percentage of annual profits the Board distributes pursuant to the Profit Share Plan is based on the Corporation's earnings margin (same margin used in the calculation of STIP). See "*Non-GAAP measures*" on page 67. The Profit 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.

Short-term incentive plan

In addition to the executives, approximately 75 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 corporate financial and operational performance targets. For 2015, 80 per cent of the STIP payment was based on the overall profitability of WestJet 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 is 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. See "Non-GAAP measures" on page 67.
- (2) Safety is measured in lost time injury incidents per 200,000 hours.
- (3) SPOT was measured by arrivals within 15 minutes of published timetable.
- (4) 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.
- (5) 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 annual targets in areas of particular importance. Individuals eligible under the STIP are not eligible to participate in the OPA.

The chart below illustrates the 2015 targets established by the Board in November 2014, upon recommendation from the People and Compensation Committee along with the 2015 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	2015 Actual results	Multiple of target
Profitability	80%	10.0%	13.6%	15.8%	15.44%	1.84x
Safety	5%	2.4	2.0	1.6	2.05	0.94x
Safely perform on-time	5%	78%	80%	83%	85.30%	2.00x
Guest experience	5%	64%	67%	70%	60.70%	—
Cost	5%	9.46	9.36	9.06	9.46	—

In 2015, WestJet delivered its strongest full-year financial results in the airline's history with reported record net earnings resulting in a payout of 1.84 times target for the profitability measure of the STIP. With respect to the operational measures, WestJet's 2015 on-time performance of 85.3% resulted in the maximum payout of 2.0 times target and placed the airline second overall among North American airlines. The Corporation came just shy of meeting its target on safety with 2.05 lost-time injury incidents per 200,000 hours. WestJet ended 2015, with CASM, excluding fuel and profit share, of 9.46 cents. While this is equal to the threshold value for 2015, results are measured after taking into consideration the Corporation's expense for both the STIP and OPA award. As such, the inclusion of the additional expense if payout was made on the cost measure would have resulted in CASM, excluding fuel and profit share, slipping to 9.47 cents, below the minimum requirement for payout. The Corporation also did not achieve the threshold value for guest experience.

For 2015 the gross payment for the President and CEO was 202 per cent of base salary and for EVPs was 113 per cent of base salary. The actual payouts for NEOs are reported in the "Summary Compensation Table" on page 48 under the heading "Non-equity annual incentive plan compensation". The total STIP payment, less any payments made during the year to the individual under the Profit Share Plan, was paid in February 2016, upon approval by the Board.

Employee share 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 fair 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, WestJet acquires Shares on behalf of employees through open market purchases.

At December 31, 2015, approximately 84.6 per cent of eligible employees participated in the ESPP, contributing an average of 14.2 per cent of their gross salaries. With respect to WestJet's NEOs at December 31, 2015, Messrs. Saretsky and Cummings both contributed the maximum allowable amount of 20 per cent while Mr. Pugliese, as President of WestJet Encore, contributed the maximum allowable amount of 10 per cent available to WestJet Encore employees with less than five years of service with the regional airline. Messrs. Taylor and Porter were not eligible to participate in the ESPP in 2015 given their start date of October 26, 2015. The value of the matching contributions is reported in the "Summary Compensation Table" on page 48 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.

In addition to the executives, approximately 75 senior management employees are eligible to participate in long-term incentives and to pilots of WestJet's 737 operations. The chart below illustrates the percentage of base salary of long-term incentives granted to the President and CEO, and EVPs in 2015.

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

Note:

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

Options

Subject to regulatory requirements, the terms and conditions of Options granted under the 2009 SO Plan are determined by the Board based on the recommendations from the People and Compensation Committee. Annual Option grants are typically granted in May of each year and are made pursuant to an option award agreement. Option grants are also made to compensate new hires, recognize promotions and for market adjustments 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.

For all NEOs, Options granted in 2015 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. See the footnotes to the "Summary compensation table" on page 46 for further details of the RSU grants awarded to NEOs.

Restricted share units

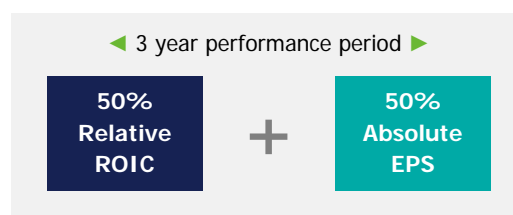
RSUs granted pursuant to the 2008 ESU Plan or the KEP Plan, as the case may be, are granted annually in May of each year at the discretion of the Board based on recommendations from the People and Compensation Committee. RSU grants are also made to compensate new hires, recognize promotions and for market adjustments 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, the 2015 annual award of RSUs vest three years from the date of grant. Mr. Taylor and Ms. Li, also received one-time awards in 2015 with vesting periods less than three years. See the footnotes to the "Summary compensation table" on page 48 for further details of the RSU grants awarded to NEOs.

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. PSU grants are also made to compensate new hires, recognize promotions and for market adjustments 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 and based on the same performance conditions as the PSUs.

PSUs awarded in 2015 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, 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. Absolute EPS was chosen as the other criterion as it directly ties compensation realized to the profitability of WestJet. See "Non-GAAP measures" on page 67 for a definition of ROIC.

For the 2015 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 ⁽¹⁾⁽⁵⁾ January 1, 2015 to December 31, 2017	
Competitor rank ⁽²⁾	Payout ⁽³⁾
8 th or 9 th	0
7 th	0.25 times
6 th	0.60 times
5 th	1.0 times
4 th	1.5 times
3 rd	1.75 times
1 st or 2 nd	2.0 times

Three-year average absolute diluted EPS 2015, 2016 and 2017		
From (\$)	To (\$)	Payout ⁽³⁾
0.00	2.12	0
2.13 ⁽⁴⁾	2.32	0.25 times
2.33	2.52	0.50 times
2.53	2.73	0.75 times
2.74	2.94	1.00 times
2.95	3.14	1.25 times
3.15	3.34	1.50 times
3.35	3.54	1.75 times
3.55 ⁽⁴⁾	>3.55	2.00 times

Notes:

- (1) No payout will be made if the result of WestJet's three-year average ROIC is negative.
- (2) Ranked among an airline peer group made up of Alaska Airlines, Air Canada, Delta, Jet Blue, Southwest Airlines, United Airlines, American 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 target midpoint and maximum EPS is set at 125 per cent of target midpoint.
- (5) See "*Non-GAAP measures*" on page 67.

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 2012 performance share units

For PSUs granted in 2012, the three-year performance period was completed in 2015. The People and Compensation Committee reviewed the actual performance outcomes versus the performance vesting conditions set at the time of the grant in February 2012 and recommended for approval to the Board the resulting vesting multiplier. Similar to the 2015 grant (discussed above), performance vesting conditions for the 2012 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. The three-year average absolute diluted EPS target for the 2012 grants was set at \$1.20, threshold was set at 75 per cent of target and maximum was set at 125 per cent of target.

Over the three-year performance period, WestJet realized strong diluted EPS growth with a compounded annual growth rate of 29 per cent which resulted in a three-year average of \$2.09 (2012: \$1.78, 2013: \$2.03, 2014: \$2.46). WestJet's three-year cumulative ROIC for the period of January 1, 2012 to December 31, 2015 ranked the airline in 3rd position among the peer group. As a result, the PSUs granted in 2012 vested at a combined multiple of 1.875 times (equal to 50 per cent times 1.75 times plus 50 per cent times 2.00 times).

◀ Three-year cumulative relative ROIC January 1, 2012 to December 31, 2014 ▶		◀ Three-year average absolute diluted EPS 2012, 2013 and 2014 ▶		
Competitor rank ⁽¹⁾	Payout	From (\$)	To (\$)	Payout
8 th or 9 th	0	0.00	0.89	0
7 th	0.25 times	0.90	0.99	0.25 times
6 th	0.60 times	1.00	1.09	0.50 times
5 th	1.0 times	1.10	1.19	0.75 times
4 th	1.5 times	1.20	1.27	1.00 times
3rd	1.75 times	1.28	1.34	1.25 times
1 st or 2 nd	2.0 times	1.35	1.42	1.50 times
		1.43	1.49	1.75 times
		1.50	> 1.50	2.00 times

Note:

- (1) Ranked among an airline peer group made up of Alaska Airlines, Air Canada, Delta, Jet Blue, Southwest Airlines, United Airlines, US Airways (American Airlines) and Virgin Australia. US Airways was part of the original peer group selected at the time of grant. However, as a result of US Airways merger with American Airlines in December 2013, the Board, upon recommendation from the People and Compensation Committee, resolved to use the 2012 and 2013 audited results for US Airways and the 2014 audited results for American Airlines Group in the calculation of the three-year ROIC.

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

2016 Short-term incentive targets

The STIP targets for 2016, as presented in the following table, were recommended by the People and Compensation Committee and approved by the Board in November 2015 with the exception of the new leadership effectiveness measure, which was finalized in February 2016.

Through direct collaboration with the PACT representative on the Board, the Corporation is introducing a Leadership Effectiveness Index as a new performance measure to the STIP. WestJet believes that strong leadership effectiveness positively impacts business performance as well as employee engagement, which is at the cornerstone of WestJet's culture. This new measure will represent five per cent of the total STIP opportunity for 2016. Furthermore, for the safety performance measure, WestJet is moving towards a total disabling injury rate from a lost-time injury rate. Moving to such a rate represents an important step on the Corporation's journey to zero workplace incidents.

	Weight	Threshold	Target	Maximum
Profitability ⁽¹⁾	75%	10%	13.7%	17.0%
Leadership effectiveness ⁽²⁾	5%	59%	62%	65%
Safety ⁽³⁾	5%	4.27	3.90	3.50
SPOT ⁽⁴⁾	5%	82%	85%	87%
Guest experience ⁽⁵⁾	5%	60%	62%	65%
Cost ⁽⁶⁾	5%	9.66	9.46	9.26

Notes:

- (1) Profitability is 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. See "*Non-GAAP measures*" on page 67.
- (2) Leadership effectiveness is measured based on the overall company leadership effectiveness index score as measured in WestJet's annual employee survey.
- (3) Safety is measured based on total disabling injury claims (any claim resulting in lost time and/or modified work) per 200,000 hours.
- (4) SPOT was measured by arrivals within 15 minutes of published timetable.
- (5) Guest experience is 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 is measured by CASM, excluding fuel and profit share (cents). See "*Non-GAAP measures*" on page 67.

NEO compensation

The following summarizes the specific compensation for WestJet's NEOs by element with the exception of Mr. Culmone and Ms. Li. Refer to the "*Summary compensation table*" on page 48 for further details.

President and CEO

Gregg Saretsky



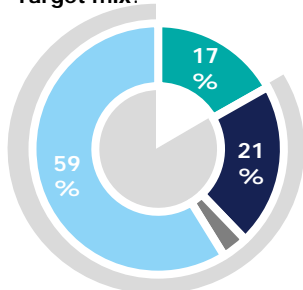
Gregg Saretsky became WestJet's President and CEO in April 2010. As President and CEO, Mr. Saretsky is responsible for both the strategic direction of the Corporation and the day-to-day operations of WestJet, leading more than 11,000 WestJetters as they deliver an exceptional guest experience. Mr. Saretsky joined WestJet in June 2009 as VP of WestJet Vacations, before being named EVP, Operations, for WestJet in October 2009.

In 2015, WestJet had a strong year despite the increasing pressure of economic weakness in Alberta. With the support of over 11,000 WestJet employees, the airline achieved a number of accomplishments in 2015, including:

- Reported record net earnings and earnings per share and returned over \$190 million to Shareholders through our dividend and share buyback programs;
- Continued expansion of WestJet Encore and introduced wide body aircraft to WestJet's fleet;
- Placed second overall for on-time performance amongst North American airlines with WestJet Encore placing first for regional airlines;
- Launched the enhanced Plus product which features an empty middle seat for more space and privacy, added services and upgraded meal options;

- Rolled out WestJet Connect, a new inflight entertainment system featuring wireless broadband internet connectivity;
- Announced 11 new destinations to the WestJet and WestJet Encore networks, including year around service to London, UK;
- Signed five-year work agreements with WestJet's flight attendants and WestJet Encore's pilots; and
- Received recognitions in the areas of cargo, brand equity and corporate culture.

Target mix:



	2015	2014	2013
● Base salary	698,632	567,700	567,700
● STIP	1,411,241	684,250	791,261
● ESPP	139,726	113,540	113,540
● Long-term incentives			
Options	612,800	454,160	454,160
RSUs	612,800	454,160	454,160
PSUs	1,455,400	1,078,630	794,780
Total compensation	4,930,599	3,352,440	3,175,601

- At-risk compensation 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 and 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 RSUs and PSUs (or current value for units that are outstanding at December 31, 2015), the value of realized on exercise of Options (or current value for unexercised Options outstanding at December 31, 2015).

	Total compensation	Realized compensation value ⁽¹⁾
2015	4,930,599	3,842,163
2014	3,352,440	2,719,373
2013	3,175,601	2,693,961
2012	3,460,302	6,600,282
2011	2,490,195	4,553,431

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, 2015, current market value was used based on the December 31, 2015 closing Common Voting Share price of \$20.36. For the purpose of this calculation, unvested PSUs were based on a target payout measurement.

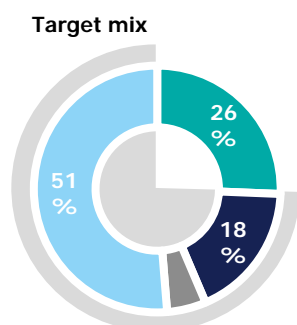
Other NEOs

Harry Taylor,

EVP, Finance and CFO



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.



	2015	2014	2013
● Base salary ⁽¹⁾	80,400	—	—
● STIP payment ⁽²⁾	495,466	—	—
● ESPP ⁽³⁾	—	—	—
● Long-term incentives ⁽⁴⁾			
Options	197,100	—	—
RSUs	1,197,100	—	—
PSUs	481,800	—	—
Total compensation	2,451,866	—	—

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

Notes:

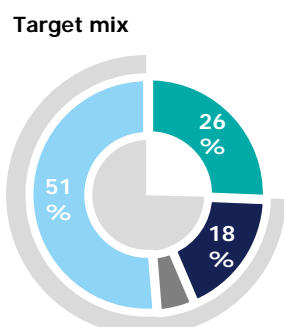
- (1) Mr. Taylor joined WestJet on October 26, 2015. Base salary presented in the table above represents base salary amount earned in 2015.
- (2) In connection with Mr. Taylor's appointment and to compensate him for bonus amounts foregone with his previous employer, his annual payment under the STIP was not prorated to consider the effective date of his appointment.
- (3) Mr. Taylor became eligible to participate under the ESPP only after 90 days of continuous service with WestJet.
- (4) 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 under the 2008 ESU Plan with a grant value of \$1,000,000 and his annual grants under the LTIP were not prorated to consider the effective date of his appointment. The one-time grant of RSUs vest 50 per cent on his first year anniversary and 50 per cent on his second year anniversary.

Bob Cummings

EVP, Commercial



Bob Cummings became EVP, Commercial in June 2015 and is responsible for sales, marketing, communications, network planning and scheduling, revenue management, corporate development, airline partnerships, distribution, digital and WestJet Vacations. Prior to that, he held the title of EVP, Sales, Marketing and Guest Experience and was additionally responsible for the contact center and guest experience planning. Mr. Cummings joined WestJet in March 2005 as VP, Marketing.



	2015	2014	2013
● Base salary	386,650	360,700	360,700
● STIP payment	437,378	243,437	281,527
● ESPP	77,330	72,140	72,140
● Long-term incentives			
Options	180,000	162,315	162,315
RSUs	180,000	162,315	162,315
PSUs	440,000	396,770	270,525
Total compensation	1,701,358	1,397,677	1,309,522

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

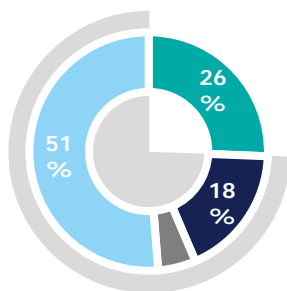
Mark Porter

EVP, People and Culture



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, total rewards and internal communications and culture.

Target mix



	2015	2014	2013
● Base salary ⁽¹⁾	73,425	—	—
● STIP payment	83,058	—	—
● ESPP ⁽²⁾	—	—	—
● Long-term incentives ⁽³⁾			
Options	605,000	—	—
RSUs	605,000	—	—
PSUs	256,667	—	—
Other ⁽³⁾	500,000	—	—
Total compensation	2,123,150	—	—

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

Notes:

- (1) Mr. Porter joined WestJet on October 26, 2015. Base salary presented in the table above represents base salary amount earned in 2015.
- (2) Mr. Porter became eligible to participate under the ESPP only after 90 days of continuous service with WestJet.
- (3) In connection with his appointment and to compensate him for amounts foregone with his previous employer, Mr. 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 third 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 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.

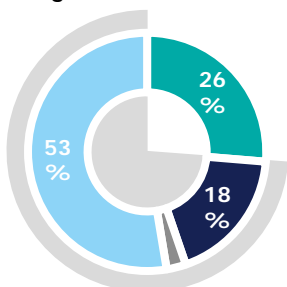
Ferio Pugliese

EVP and President, WestJet Encore



Ferio Pugliese became EVP and President of WestJet's regional airline, WestJet Encore, in November 2012. Mr. Pugliese joined WestJet in 2007. Serving in his previous role as WestJet's EVP, Culture and Inflight Services, Mr. Pugliese was responsible for overseeing all aspects of WestJet's People department, corporate real-estate and inflight services.

Target mix



	2015	2014	2013
● Base salary	386,650	360,700	360,700
● STIP payment	437,378	243,437	281,527
● ESPP ⁽¹⁾	38,665	36,070	36,070
● Long-term incentives			
Options	180,000	162,315	162,315
RSUs	180,000	162,315	162,315
PSUs	440,000	396,770	270,525
Total compensation	1,662,693	1,361,607	1,273,452

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

Note:

- (1) In connection with Mr. Pugliese's appointment to EVP and President, WestJet Encore in November 2012, he transitioned to the ESPP limit of a maximum 10 per cent for employees with less than five years of service with the regional airline and WestJet Encore's benefits plan.

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 (including interim CFO) during the year, and the next three most highly compensated executive officers of the Corporation (each a NEO) for the 2015 fiscal year. For a listing of the amounts actually realized on vesting of share-based awards and on exercise of option-based awards during 2015, please see the section entitled "Incentive plan awards" beginning on page 50.

	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾⁽³⁾	Option-based awards (\$) ⁽²⁾⁽³⁾	Non-equity annual incentive plan compensation (\$) ⁽⁴⁾	All other compensation (\$) ⁽⁵⁾	Total compensation (\$) ⁽¹⁰⁾
Gregg Saretsky President and CEO	2015	698,632	2,068,200	612,800	1,411,241	139,726	4,930,599
	2014	567,700	1,532,790	454,160	684,250	113,540	3,352,440
	2013	567,700	1,248,940	454,160	791,261	113,540	3,175,601
Harry Taylor⁽⁶⁾ EVP, Finance and CFO	2015	80,400	1,678,900 ⁽⁶⁾	197,100 ⁽⁶⁾	495,466 ⁽⁶⁾	—	2,451,866
	2014						
	2013						
Vito Culmone⁽⁷⁾ Former EVP, Finance and CFO	2015	150,210	—	—	45,605	30,040	225,855
	2014	360,700	559,085	162,315	243,437	72,140	1,397,677
	2013	360,700	432,840	162,315	281,527	72,140	1,309,522
Robert Cummings EVP, Commercial	2015	386,650	620,000	180,000	437,378	77,330	1,701,358
	2014	360,700	559,085	162,315	243,437	72,140	1,397,677
	2013	360,700	432,840	162,315	281,527	72,140	1,309,522
Candice Li⁽⁸⁾ Former Interim CFO	2015	287,243 ⁽⁸⁾	172,948 ⁽⁸⁾	47,948	232,836 ⁽⁸⁾	57,449	798,424
	2014	231,170	46,669	46,669	66,900	46,234	437,642
	2013	224,200	45,200	45,200	74,996	44,840	434,436
Mark Porter⁽⁹⁾ EVP, People and Culture	2015	73,425	861,667 ⁽⁹⁾	605,000 ⁽⁹⁾	83,058	500,000 ⁽⁹⁾	2,123,150
	2014						
	2013						
Ferio Pugliese EVP and President, WestJet Encore	2015	386,650	620,000	180,000	437,378	38,665	1,662,693
	2014	360,700	559,085	162,315	243,437	36,070	1,361,607
	2013	360,700	432,840	162,315	281,527	36,070	1,273,452

Notes:

- Share-based awards consist of RSUs and PSUs granted during the relevant fiscal year pursuant to the 2008 ESU Plan or, in the case of the interim CFO, the KEP Plan. 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.
- 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.

	2015	2014	2013
Weighted average fair value per Option	\$4.93	\$5.02	\$5.75
Weighted average risk-free interest rate	1.1%	1.6%	1.4%
Weighted average volatility	27%	26%	34%
Expected life (years)	4.3	4.6	4.6
Weighted average dividend yield	1.7%	1.6%	1.6%

- (3) 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, or, in the case of the interim CFO, the KEP Plan, in 2015. For all NEOs, Options granted in 2015 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 13, 2015	Options	115,842	May 12, 2022	26.92	612,800
	May 13, 2015	RSUs	22,764	May 13, 2018	26.92	612,800
	May 13, 2015	PSUs	54,064	May 13, 2018	26.92	1,455,400
Harry Taylor	Nov 11, 2015	Options	43,415	Nov 10, 2022	23.43	197,100
	Nov 11, 2015	RSUs	8,413	Nov 11, 2018	23.43	197,100
	Nov 11, 2015	RSUs	42,681	Oct 26, 2017	23.43	1,000,000
	Nov 11, 2015	PSUs	20,564	Nov 11, 2018	23.43	481,800
Vito Culmone	—	—	—	—	—	—
Bob Cummings	May 13, 2015	Options	34,027	May 12, 2022	26.92	180,000
	May 13, 2015	RSUs	6,687	May 13, 2018	26.92	180,000
	May 13, 2015	PSUs	16,345	May 13, 2018	26.92	440,000
Candice Li	May 13, 2015	Options	9,064	May 12, 2022	26.92	47,948
	May 13, 2015	RSUs	1,782	May 13, 2018	26.92	47,948
	Nov 11, 2015	RSUs	5,336	Nov 11, 2017	23.43	125,000
Mark Porter	Nov 11, 2015	Options	23,128	Nov 10, 2022	23.43	105,000
	Nov 11, 2015	Options	110,133	Nov 10, 2022	23.43	500,000
	Nov 11, 2015	RSUs	4,482	Nov 11, 2018	23.43	105,000
	Nov 11, 2015	RSUs	21,341	Nov 11, 2018	23.43	500,000
	Nov 11, 2015	PSUs	10,955	Nov 11, 2018	23.43	256,667
Ferio Pugliese	May 13, 2015	Options	34,027	May 12, 2022	26.92	180,000
	May 13, 2015	RSUs	6,687	May 13, 2018	26.92	180,000
	May 13, 2015	PSUs	16,345	May 13, 2018	26.92	440,000

- (4) 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 2015. Amounts earned pursuant to the STIP were paid in early 2016 based on 2015 performance. Similarly, amounts earned pursuant to the Profit Share Plan for 2014 and 2013 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.
- (5) 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 stand-by fares plus applicable taxes and airport fees, in circumstances of available capacity. As a result, no amounts are recorded in respect of such rights.
- (6) On October 26, 2015, Mr. Taylor joined WestJet in the position of EVP, Finance and CFO. 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"). This one-time grant of RSUs will vest 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"). To compensate him for the 2015 bonus foregone with his previous employer, the annual payment to Mr. Taylor under the STIP was not prorated to consider the effective date of his appointment (included under the column "Non-equity annual incentive plan compensation").
- (7) Mr. Culmone resigned from WestJet effective May 31, 2015.
- (8) On June 1, 2015, Ms. Li assumed the position of interim CFO. Prior to her appointment as interim CFO, Ms. Li held the position of VP, Controller. On October 26, 2015, Ms. Li was appointed to the position of VP, Finance and Fleet Management concurrent with the appointment of WestJet's new EVP, Finance and CFO, Mr. Taylor. During her term as interim CFO, Ms. Li received a base salary of \$360,700 and participated in the STIP at the EVP level. Furthermore, in recognition for Ms. Li's support during the transition period, in November 2015, she received a one-time grant of RSUs under the KEP Plan with a grant date value of \$125,000 (included under the column "Share-based awards"). This one-time grant of RSUs will vest 50 per cent on the first anniversary of the date of grant and 50 per cent on the second anniversary of the date of grant.
- (9) On October 26, 2015, Mr. Porter joined WestJet in the position of EVP, People and Culture. 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"); (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") which will vest 100 per cent on the third 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") which will 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.
- (10) The total compensation for the Corporation's five highest paid executives in 2015 was \$12,869,666.

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, 2015.

	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or unit awards that have not vested (#) ⁽²⁾	Market or payout value of share-based awards that have not vested (\$) ⁽³⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Gregg Saretsky	66,480	14.73	May 8, 2019	399,699	204,710	4,167,904	—
	6,066	16.17	May 8, 2019				
	78,439	21.93	May 14, 2020				
	92,122	23.87	May 13, 2021				
	115,842	26.92	May 12, 2022				
Harry Taylor	43,415	23.43	Nov 10, 2022	—	72,150	1,468,974	—
Vito Culmone ⁽⁴⁾	—	—	—	—	—	—	—
Robert Cummings	1,660	14.73	May 8, 2019	9,346	68,497	1,394,594	—
	18,690	21.93	May 14, 2020				
	32,924	23.87	May 13, 2021				
	34,027	26.92	May 12, 2022				
Candice Li	3,006	14.73	May 8, 2019	17,649	11,385	231,789	—
	354	18.31	May 8, 2019				
	5,205	21.93	May 14, 2020				
	9,467	23.87	May 13, 2021				
	9,064	26.92	May 12, 2022				
Mark Porter	133,261	23.43	Nov 10, 2022	—	37,031	753,941	—
Ferio Pugliese	10,560	14.73	May 8, 2019	67,527	68,497	1,394,594	—
	1,927	16.17	May 8, 2019				
	18,690	21.93	May 14, 2020				
	32,924	23.87	May 13, 2021				
	34,027	26.92	May 12, 2022				

Notes:

- (1) The value of unexercised in-the-money Options was calculated based on the difference between the market value of the Shares at December 31, 2015, and the exercise price of the Option. The market value is equal to the December 31, 2015 closing Common Voting Share price of \$20.36.
- (2) The number of shares or unit awards that have not vested includes the number of units granted, plus units earned as dividend equivalents, of all outstanding RSUs and PSUs as at December 31, 2015.
- (3) The market or payout value of share-based awards that have not vested was calculated by multiplying the number of share-based units that have not vested by the December 31, 2015 closing Common Voting Share price of \$20.36. PSUs may vest between 0 per cent and 200 per cent based on the achievement of certain three-year performance targets. For the purpose of the above, PSUs are projected to pay out at target.
- (4) Mr. Culmone resigned from WestJet effective May 31, 2015. Under the terms of the 2009 SO Plan, Mr. Culmone had 120 days after the date of resignation to exercise his vested Options. All unvested Options were forfeited. Under the terms of the 2008 ESU Plan, all outstanding unvested RSUs and PSUs were forfeited.

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, 2015.

	Option-based awards – value vested during the year (\$) ⁽¹⁾	Share-based awards – value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – value earned during the year (\$) ⁽³⁾
Gregg Saretsky	645,679	3,679,558	1,411,241
Harry Taylor	—	—	495,466
Vito Culmone	227,619	1,270,428	45,605
Robert Cummings	227,619	1,270,428	437,378
Candice Li	61,761	82,407	232,836
Mark Porter	—	—	83,058
Ferio Pugliese	227,619	1,314,853	437,378

Notes:

- (1) The value vested during the year of option-based awards is equal to the dollar value that would have been realized if the Options had been exercised on the vesting date. Market value is equal to the closing Common Voting Share price on the day immediately prior to vesting date. The actual amount received by a NEO upon the exercise of any Options in 2015 is reflected in the table below.
- (2) Included in Share-based awards – value vested during the year are amounts for RSUs that met the applicable time vesting conditions in 2015 and for PSUs that met the applicable time and performance vesting conditions in 2015. In February 2015, the PSUs granted to NEOs in February 2012 and November 2012 vested. The performance vesting conditions for the 2012 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 \$2.09 and WestJet's three-year cumulative ROIC placing the airline in third position amongst the peer group, the PSUs vested at a multiple of 1.875 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.
- (3) Included in Non-equity incentive plan compensation – value earned during the year are amounts earned by the NEO for the 2015 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 48. Amounts earned pursuant to the Profit Share Plan were paid during 2015. Amounts earned pursuant to the STIP were paid in early 2016 based on 2015 performance.

Options exercised during the year

The following table provides details regarding Options exercised by the NEOs during 2015.

	Options exercised (#)	Value realized (\$) ⁽¹⁾
Gregg Saretsky	15,000	207,375
Harry Taylor	—	—
Vito Culmone	56,563	387,557
Robert Cummings	10,827	120,347
Candice Li	—	—
Mark Porter	—	—
Ferio Pugliese	—	—

Note:

- (1) Value realized is determined based on the number of Options exercised multiplied by the difference between the exercise price and the closing share price of WestJet's Common Voting 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 an additional three years to meet his or her new share ownership requirement.

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 the 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, 2015.

	Share ownership guideline	Units		Value ⁽¹⁾			Multiple of base salary ⁽²⁾	Meets share ownership guideline
		Shares (#)	RSUs (#)	Shares (\$)	RSUs (\$)	Total (\$)		
Gregg Saretsky	4.0x	92,242	64,696	1,878,047	1,317,211	3,195,258	4.2x	Yes
Harry Taylor ⁽³⁾	2.0x	—	51,445	—	1,047,420	1,047,420	2.4x	Yes
Robert Cummings	2.0x	29,042	21,647	591,295	440,733	1,032,028	2.6x	Yes
Mark Porter ⁽⁴⁾	2.0x	—	26,000	—	529,360	529,360	1.3x	by 2020 ⁽⁴⁾
Ferio Pugliese	2.0x	45,695	21,647	930,350	440,733	1,371,083	3.4x	Yes

Notes:

- (1) Based on a share price of \$20.36, equal to the closing Common Voting Share price on December 31, 2015.
- (2) Multiple of base salary is based on the NEO's base salary at December 31, 2015.
- (3) Mr. Taylor was appointed to EVP, Finance and CFO effective October 26, 2015 and therefore has until October 2020 to meet his share ownership guideline. Mr. Taylor became eligible to participate in the ESPP in January 2016, after 90 days of continuous service with WestJet.
- (4) Mr. Porter was appointed to EVP, People and Culture effective October 26, 2015 and therefore has until October 2020 to meet his share ownership guideline. Mr. Porter became eligible to participate in the ESPP in January 2016, after 90 days of continuous service with WestJet.

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 (includes 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 on-line 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 allow 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 NEOs 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 NEO; (d) a Director or NEO 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 in the position at December 31, 2015 would be entitled to under the circumstance of a termination and/or change of control. 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.

	Retirement ⁽¹⁾ (\$)	Resignation ⁽²⁾ (\$)	Termination with cause ⁽³⁾ (\$)	Termination without cause (\$)	Change of control with termination (\$) ⁽⁴⁾	Change of control without termination (\$) ⁽⁴⁾
Gregg Saretsky						
Lump-sum payment ⁽⁵⁾	—	—	—	5,245,780	5,245,780	—
Value of early vesting of option-based and equity-based awards ⁽⁶⁾	2,143,239	2,143,239	—	2,143,239	4,167,904	—
Total	2,143,239	2,143,239	—	7,389,019	9,413,684	—
Harry Taylor						
Lump-sum payment ⁽⁵⁾	—	—	—	1,770,963	1,770,963	—
Value of early vesting of option-based and equity-based awards ⁽⁶⁾	—	—	—	120,190	1,468,974	—
Total	—	—	—	1,891,153	3,239,937	—
Bob Cummings						
Lump-sum payment ⁽⁵⁾	—	—	—	1,621,831	1,621,831	—
Value of early vesting of option-based and equity-based awards ⁽⁶⁾	740,405	740,405	—	740,405	1,394,594	—
Total	740,405	740,405	—	2,362,236	3,016,425	—
Mark Porter						
Lump-sum payment ⁽⁵⁾	—	—	—	1,621,831	1,621,831	—
Value of early vesting of option-based and equity-based awards ⁽⁶⁾	—	—	—	34,395	753,941	—
Total	—	—	—	1,656,226	2,375,772	—
Ferio Pugliese						
Lump-sum payment ⁽⁵⁾	—	—	—	1,621,831	1,621,831	—
Value of early vesting of option-based and equity-based awards ⁽⁶⁾	—	—	—	740,405	1,394,594	—
Total	—	—	—	2,362,236	3,016,425	—

Notes:

- (1) In accordance with WestJet's corporate policy, which is based on a combination of years of service and age, only Messrs. Saretsky and Cummings are eligible for retirement at December 31, 2015.
- (2) In the event of their resignation, Messrs. Saretsky and Cummings are retirement eligible.
- (3) In the case of all NEOs, for termination with cause, no incremental value will be realized.
- (4) If a change of control occurs and the NEO's employment is subsequently terminated without cause, all stock options expire on the earlier of the stated expiry date and, in the case of vested Options 120 days, and in the case of unvested Options, 180 days after the cessation of employment. 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.
- (5) The lump-sum payment is based on the base salary level of the NEO as at December 31, 2015, actual amounts paid and STIP percentages for the 2014 and 2015 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.
- (6) The accelerated value for RSUs and PSUs granted in 2013, 2014 and 2015 is equal to the number of outstanding unvested share units times the December 31, 2015 closing Common Voting Share price of \$20.36 and pro-rated for the time period elapsed, other than under of change of control with termination whereby RSUs and PSUs vest in full on a 100 per cent basis. For the purpose of this calculation, PSU amounts have been based on a target payout measurement. The accelerated value for Options is equal to the difference between the December 31, 2015 closing Common Voting Share price of \$20.36 and the exercise price of the Option multiplied by the number of accelerated Options.

Employment contracts

WestJet has agreements in place with the President and CEO and each of the other NEOs 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, 2015 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, 2015, as described below, contain "double trigger" change of control provisions.

President and CEO¹

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

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

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

In exchange for the foregoing payments, Mr. Saretsky is 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.

¹ Mr. Saretsky has a written employment agreement which was entered into on October 8, 2010 and amended on April 12, 2011.

Other NEOs²

Each of the other NEO's contract provides that if he is terminated by WestJet without just 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 the his annual base salary to compensate for loss of participation in the Profit Share Plan, STIP and any other incentive plans.

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

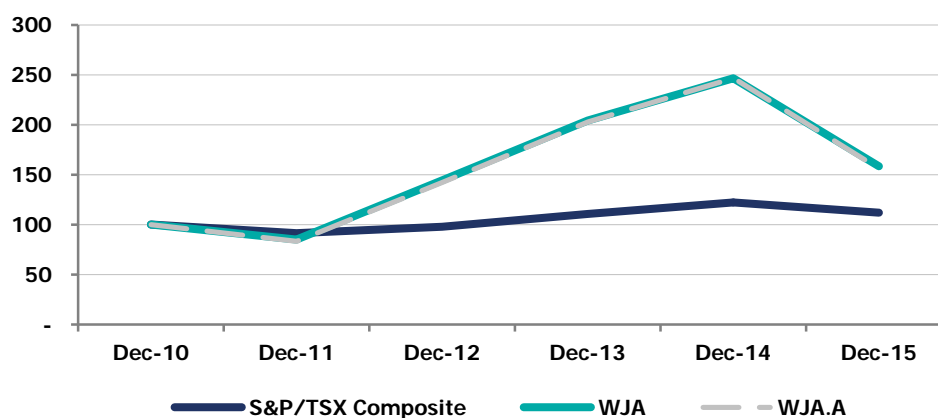
In exchange for the specified payments in the above scenarios, he is required to execute a full and final release in favour of WestJet. Pursuant to their applicable employment agreements, Messrs. Cummings and Pugliese have each agreed not to compete with WestJet for a period of six months after a termination of employment and Messrs. Taylor and Porter 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. Each of the other NEOs has also agreed not to solicit the employment of any employee of WestJet for a period of 12 months after the 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 56.

Performance graphs

The following chart illustrates WestJet's total Shareholder return for Common Voting Shares (WJA) and Variable Voting Shares (WJA.A) from December 31, 2010 to December 31, 2015 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.

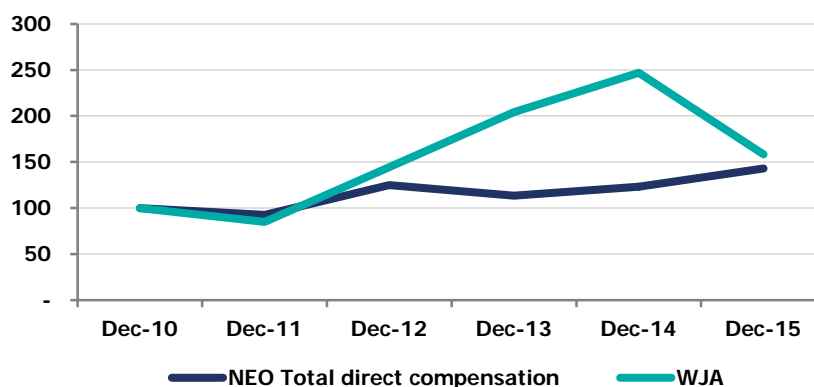


	2010	2011	2012	2013	2014	2015
S&P/TSX Composite Total Return	100.00	91.29	97.85	110.56	122.23	112.06
WestJet Common Voting Shares	100.00	85.00	144.21	204.19	246.77	158.35
WestJet Variable Voting Shares	100.00	83.17	142.39	202.82	246.76	156.20

² Mr. Taylor has a written employment agreement which was entered into on October 26, 2015. Mr. Cummings has a written employment agreement which was entered into on September 8, 2006 and amended on February 22, 2008, September 17, 2010 and April 12, 2011. Mr. Pugliese has a written employment agreement which was entered into on April 26, 2007 and amended on February 22, 2008, September 17, 2010, April 12, 2011 and December 7, 2012. Mr. Porter has a written employment agreement which was entered into on October 26, 2015.

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 44, 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 Common Voting Shares (WJA) from December 31, 2010 to the period ending December 31, 2015 considering a \$100 investment versus total direct compensation for the Corporation's NEOs.



	2010	2011	2012	2013	2014	2015
NEO Total direct compensation ⁽¹⁾	100.00	92.50	125.03	113.35	123.23	142.92
WestJet Common Voting Shares	100.00	85.00	144.21	204.19	246.77	158.35

Note:

(1) Total NEO direct compensation excludes WestJet's previous President and CEO's retiring allowance in 2010 and one-time incentive payments for Mr. Saretsky in 2010 and Mr. Taylor and Mr. Porter in 2015.

Equity compensation plans

Stock option plan

As approved by the Shareholders at WestJet's 2009 annual general and special meeting, WestJet currently has in place the 2009 SO Plan. At the Meeting, Shareholders will be asked to consider and if deemed appropriate, to ratify and approve the amendment to the 2009 SO Plan to increase the maximum number of Shares that may be issued on exercise of Options to 14,449,168 from 12,449,168.

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 ranging 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 18, 2016 (%)
Maximum number of Shares that may be issued on exercise of Options	12,449,168	10.2
Shares issued following the exercise of Options	3,345,502	2.7
Shares remaining available for issuance under reserve	9,103,666	7.4
Options granted and outstanding	5,685,563	4.6

During 2015 a total of 2,477,323 Options were granted, representing approximately two per cent of the outstanding Shares of WestJet as at March 18, 2016.

Any change to the maximum number of Shares issuable under WestJet's security-based compensation arrangements is subject to approval by Shareholders. At the Meeting, Shareholders will be asked to consider and if deemed appropriate to ratify and approve the amendment to the 2009 SO Plan to increase the maximum number of Shares that may be issued on exercise of Options to 14,449,168 Shares (11.8 per cent of the Shares outstanding as at March 18, 2016).

If the amendment is approved, 11,103,666 Shares (9.1 per cent of Shares outstanding as at March 18, 2016) will be available for issuance under reserve with 5,418,103 Shares (4.4 per cent of Shares outstanding as at March 18, 2016) available for future grants.

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 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, the aggregate number of Shares issued to insiders within any one-year period may not exceed ten per cent of the issued and outstanding Shares, and the aggregate number of Shares issued to any individual insider within any one-year period may not exceed five per cent of the issued and outstanding Shares.

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.

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.

Settlement of substituted right

In order to minimize the level of dilution resulting from 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:

Number of Shares	=	Number of Shares under the exchanged Options	x	(Current Price ⁽¹⁾ – Exercise Price) Current Price
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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.

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.

Adjustments in the event of merger or 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 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. In the event of such a transaction or series of transactions, and the termination without cause of an Optionee within 24 months of such transaction or transactions, all Options held by such Optionee vest and are exercisable until the applicable Expiry Date.

Assignability of options

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

Amending or discontinuing the 2009 SO plan

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

Amendments made by the Board since WestJet's 2015 AGM

At the Meeting, Shareholders will be asked to consider and if deemed appropriate to ratify and approve the amendment to the 2009 SO Plan to increase the maximum number of Shares that may be issued on exercise of Options to 14,449,168. If Shareholders do not approve the amendment, the Board may be required to approve alternate means of compensation for certain participants.

Other than housekeeping amendments made to clarify the impact of the "cashless" settlement alternative on the number of Shares reserved and available for issuance under the 2009 SO Plan, no other amendments to the 2009 SO Plan were made by the Board since the 2015 AGM.

2009 SO Plan amendments approved at the 2015 AGM

No amendments to the 2009 SO Plan requiring Shareholder approval were put forward at WestJet's 2015 AGM.

Executive Share Unit Plan

As approved by the Shareholders at WestJet's 2008 annual general and special meeting, WestJet currently has in place the 2008 ESU Plan.

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 18, 2016 (%)
Maximum number of Shares that may be issued pursuant to Unit Awards	1,450,000	1.2
Shares issued following the vesting of Unit Awards	438,073	0.4
Shares remaining available for issuance under reserve ⁽¹⁾	1,011,927	0.8
Unit Awards outstanding (maximum number) ⁽²⁾	828,496	0.7

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 open market purchases.
- (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. 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.

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 made by the Board since WestJet's 2015 AGM

Since WestJet's 2015 AGM, the Board has not made any amendments to the 2008 ESU Plan.

2008 ESU Plan amendments approved at WestJet's 2015 AGM

No amendments to the 2008 ESU Plan requiring Shareholder approval were put forward at WestJet's 2015 AGM.

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.

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 18, 2016 (%)
Maximum number of Shares that may be issued pursuant to Unit Awards	1,000,000	0.8
Shares issued following the vesting of Unit Awards	55,262	–
Shares remaining available for issuance under reserve	944,738	0.8
Unit Awards outstanding	277,683	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 open market purchases.

Adjustment on payment of dividends

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

Exchange ratio for RSUs

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

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

Term and vesting

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

Cessation of entitlement to RSUs

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

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

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

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

Settlement of RSUs

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

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

Adjustments in the event of merger and sale

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

Assignability of RSUs

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

Amending the KEP Plan

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

(f) amend the amendment provisions of the KEP Plan to delete any of the foregoing matters requiring Shareholder approval. In addition, no such amendment, suspension or termination, unless required by applicable law, adversely affects the rights of any Eligible Participant without the consent of the affected Eligible Participant.

Amendments made by the Board since WestJet's 2015 AGM

Since WestJet's 2015 AGM, the Board has not made any amendments to the KEP Plan.

KEP Plan amendments approved at WestJet's 2015 AGM

No amendments to the KEP Plan requiring Shareholder approval were put forward at WestJet's 2015 AGM.

Employee Stock Purchase Plan

Purpose, general information and eligible participants

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

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

Under the ESPP, each Employee must elect the percentage of his or her pay, to a maximum of 10 per cent, 15 per cent or 20 per cent (dependent on his or her employment agreement), he or she wishes to contribute to the ESPP. As at December 31, 2015, approximately 84.6 per cent of WestJet's active Employees participate in the ESPP, contributing on average 14.2 per cent of their salary.

Acquisition and withdrawal of shares

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

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

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

Cessation of employment

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

Assignability of shares

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

Amendments made by the Board since WestJet's 2015 AGM

Since WestJet's 2015 AGM, the Board has not made any amendments to the ESPP.

ESPP Amendments Approved at WestJet's 2015 AGM

No amendments to the ESPP requiring Shareholder approval were put forward at WestJet's 2015 AGM.

Securities authorized for issuance under equity compensation plans

The following table sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2015.

		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 ⁽¹⁾	5,706,547	24.40	3,402,729
	2008 ESU Plan ⁽²⁾	828,494 ⁽³⁾	—	183,433
	KEP Plan ⁽²⁾	278,140	—	666,598
	Total	6,813,181		4,252,760

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. During 2015, approximately 98 per cent of Option exercises 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.
- (3) The number of Shares 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.

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 2015, 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.

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 ten 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.

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 Common Voting Shares and Variable 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 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 of incorporation, by-laws or share capital structure, nor the terms and conditions or the voting and ownership restrictions applicable to the Common Voting Shares and Variable Voting Shares.

Normal course issuer bid

On May 8, 2015, 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 2,000,000 Shares (representing approximately 1.6 per cent of the Corporation's issued and outstanding Shares at the time of the bid) during the period May 13, 2015 to May 12, 2016, or until such time as the bid is completed or terminated at the Corporation's option. The notice was subsequently first amended to increase the maximum number of Shares authorized for repurchase from 2,000,000 to 4,000,000 Shares on July 28, 2015 and a second time on February 2, 2016 to increase the maximum number of Shares authorized for repurchase from 4,000,000 to 6,000,000 Shares (representing approximately 4.8 per cent of the Corporation's issued and outstanding Shares at the time of the bid).

Any Shares purchased under this bid are purchased on the open market through the facilities of the TSX 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 notices 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; telephone: (403) 444-2600; or by faxing a written request to (403) 444-2604.

Additional information relating to WestJet

Additional information relating to the Corporation is available on SEDAR at sedar.com.

Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited consolidated financial statements for the year ended December 31, 2015 and the related MD&A. Copies of the Corporation's consolidated financial statements and related MD&A are available upon request from the Corporation at investor_relations@westjet.com, by telephone at 1-877-493-7853, or by writing to Investor Relations at 22 Aerial Place N.E., Calgary, Alberta, Canada, T2E 3J1.

Other matters

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

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	2015 (\$)
Operating expenses	3,459,512,000
Less: Aircraft fuel expense	(814,498,000)
Employee profit share expense	(100,965,000)
Operating expenses, adjusted	2,544,049,000
Available seat miles	26,902,227,359
CASM, excluding fuel and employee profit share (cents)	9.46

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	2015 (\$)
Earnings before income tax	520,258,000
Add: Employee profit share	100,965,000
STIP	5,787,000
Other	(4,929,000)
Earnings before income taxes, adjusted	622,081,000
Total revenue	4,029,265,000
Earnings margin	15.44%

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 42, 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 earnings per share and return on invested capital targets and our STIP targets for 2016. 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 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 and statements. 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 their nature, forward-looking information and statements are 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 AIF and other documents we file from time to time with securities regulatory authorities, which are available through the Internet on SEDAR at sedar.com or, upon request, without charge from us.

The forward-looking information and statements contained in this Information Circular is expressly qualified by this cautionary statement. Except as required by law, we do not undertake to update any forward-looking information and statements.

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), 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

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| (a) Disclose the identity of Directors who are independent. | 11 of the 13 current Directors are independent and 10 of the 12 Director nominees are independent.

For further details please see " <i>Board independence</i> " on page 18. |
| (b) Disclose the identity of Directors who are not independent and describe the basis for that determination. | For details please see " <i>Board independence</i> " on page 18. |
| (c) Disclose whether or not a majority of the Directors are independent. | A majority of the Board is independent. As indicated in item 1(a) above, 11 of the 13 current Directors are independent and 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 2015, please see " <i>Board and committee meetings held and attendance</i> " on page 22 and " <i>In-camera sessions</i> " on page 22.

Since December 31, 2015, the Board has held two <i>in camera</i> session 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 18.

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 Board members in 2015, please see " <i>Board and committee meetings held and attendance</i> " on page 22. |

2. Board mandate

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| Disclose the text of the board's written mandate. | The Board's mandate is set out in Appendix B to this Information Circular. |
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3. Position descriptions

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| (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 and the Committee Chairs. The role and responsibilities of the Chair of the Board and the Committee Chairs are described under " <i>Position descriptions</i> " on page 17. |
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| (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. |
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4. Orientation and continuing education

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| (a) Briefly describe what measures the Board takes to orient new directors regarding <ul style="list-style-type: none"> (i) the role of the board, its committees and Directors; and (ii) the nature and operation of the issuer's business. | For details, please see " <i>Director orientation and continuing education</i> " on page 18. |
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| (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 " <i>Director orientation and continuing education</i> " on page 18. |
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5. Ethical business conduct

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| (a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If so: <ul style="list-style-type: none"> (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. | <p>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.</p> <ul style="list-style-type: none"> (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. (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, 2015. |
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| (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 <i>Business Corporations Act</i> (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. |
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| (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 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. |
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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 16.

(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 Corporate Governance and Nominating Committee of the Board is comprised of five 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 20.

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 25 and "*Executive compensation discussion and analysis*" beginning on page 29.

(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.

Each member of the People and Compensation Committee of the Board is an independent Director. For further information, please see "*Board committees*" on page 20.

(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 20 and "*Compensation decision-making process*" on page 32.

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 20.

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 19.

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. For further information, please see "*Board tenure*" on page 17.

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.

In its approach to board diversity, 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. WestJet believes in the encompassing of diversity and inclusion criteria in overall corporate culture, including through actions such as signing of the Catalyst Accord.

For further information, please see " *Board diversity* on page 16.

- (b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:
- (i) a short summary of its objectives and key provisions,
 - (ii) the measures taken to ensure that the policy has been effectively implemented,
 - (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and
 - (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

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

12. Consideration of the Representation of Women in the Director Identification and Selection Process

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

When reviewing Board succession plans and director nominations, WestJet considers candidates on merit, 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 16.

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 considers candidates on merit, based on a balance of skills, knowledge and experience. In doing so, WestJet is committed to identifying a diverse slate of 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 believes in the encompassing of diversity and inclusion criteria in overall corporate culture, including through actions such as signing of the Catalyst Accord. By signing the Catalyst Accord, WestJet supports the call to action for Canadian corporations to increase the overall proportion of the Financial Post 500 board seats held by women to 25 per cent by 2017.

For further information, please see "*Board diversity*" on page 16.

(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 targets 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. In 2012, WestJet signed the Catalyst Accord and renewed its partnership with Catalyst in 2013, 2014 and 2015 to re-commit its intention to increase the presence of women in leadership roles. The Corporation's partnership with Catalyst has provided increased education and awareness opportunities for employees.

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 recruitment 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 (including at least one woman); employment equity self-identification surveys; enhancements to the Corporation's external "Great Jobs" landing page to include WestJet's commitment to equitable hiring practices; and the creation of an internal diversity and inclusion website for employees.

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 13 (15%) current Directors are women and 2 of the 12 (17%) Director nominees are women.

For further information, please see "*Information concerning Directors and the Director nominees*" beginning on page 9.

(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, 2015, none of WestJet's executives are women; however, six of the 28 (21%) senior leaders at WestJet (defined as 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 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 of the Board, develop a position description for the 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. 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;
32. 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;
33. review annually the adequacy and form of the compensation of directors;

Members of the Board

34. 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) provide independent judgment on a broad range of issues;
 - (e) understand and challenge the strategic and business plans and the strategic direction of the Corporation;
 - (f) raise questions and issues to encourage effective participation in Board meetings and meetings of any committee of the Board;
 - (g) make all reasonable efforts to attend all meetings of the Board and of any committees of the Board;
 - (h) diligently review the materials provided by management in advance of any meeting of the Board or any committee of the Board;

Delegation

35. the Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board;

Meetings

36. the Board shall meet at least four times per year and/or as deemed appropriate by the Chair of the Board;
37. minutes of each meeting shall be prepared;
38. 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
39. Vice Presidents, 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: November 3, 2015

Last reviewed: November 3, 2015

Appendix C - 2009 SO Plan

1. Purpose of the Plan

The purpose of this WestJet Airlines Ltd. ("**WestJet Airlines**") stock option plan (which together with the WestJet Stock Option Plan 2008, subsumed hereunder, is hereinafter referred to as the "**Plan**") is to develop the interest of officers and key employees of WestJet Airlines, WestJet (an Alberta partnership), and any subsidiary or partnership controlled directly or indirectly by any of the foregoing (collectively or individually, as applicable, "**WestJet**") and others providing services to WestJet in the growth and development of WestJet by aligning their interests with those of the shareholders of WestJet Airlines and providing them with the opportunity to acquire an increased proprietary interest in WestJet Airlines.

The common equity of WestJet Airlines, meaning the (i) common voting shares of WestJet Airlines when the Optionee is a Canadian within the meaning of the *Canadian Transportation Act* ("**CTA**"), or (ii) variable voting shares of WestJet Airlines, if this Optionee is not Canadian within the meaning of the CTA, as the case may be, ("**Common Shares**") will be made available under this Plan.

2. Eligibility

Officers (including a personal holding company of an officer) and employees of WestJet (individually, an "**Optionee**", and collectively, the "**Optionees**") will be eligible to participate in the Plan. Non-Employee directors are not eligible for the grant of options under the Plan.

3. Administration

The Plan will be administered by the Board of Directors (the "**Board**") of WestJet Airlines (the "**Administrator**") pursuant to rules of procedure fixed by the Board. The Board shall have the authority to delegate to a committee of the Board, the Chief Executive Officer or the Executive Vice President, People such duties as it may deem advisable, and the committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the committee or such person may have under the Plan.

4. Granting of Options

The Administrator may from time to time grant options ("**Options**") to purchase Common Shares to the Optionees and fix the number of Common Shares subject to option to each Optionee. The Board, in its discretion, may also establish any other terms and conditions it deems appropriate.

For greater certainty and without limiting the discretion conferred on the Board pursuant to this Section, the Board's decision to approve the grant of Options in any period shall not require the Board to approve the grant of Options to any Optionee in any other period; nor shall the Board's decision with respect to the size or terms and conditions of an Option grant in any period require it to approve the grant of an Option grant of the same or similar size or with the same or similar terms and conditions to any Optionee in any other period. No Optionee has any claim or right to be granted Options.

5. Common Share Maximum

The maximum number of Common Shares which may be issued under the Plan is 14,449,168 Common Shares (the "**Common Share Maximum**"), subject to adjustment as set forth in clause 11, and subject to the following limitations:

Limitations on Reservations of Common Shares

- (a) the number of Common Shares reserved for issuance to any one Optionee will not exceed 5% of the outstanding Common Shares at any time;
- (b) the number of Common Shares, together with all of WestJet Airlines' other previously established or proposed share compensation arrangements, reserved for issuance to Insiders will not exceed 10% of the outstanding Common Shares;

Limitations on Issuances of Common Shares

- (c) the number of Common Shares which may be issued within a one year period pursuant to the Plan, together with all of WestJet Airlines' other previously established or proposed share compensation arrangements, will not exceed 10% of the outstanding Common Shares at any time;

- (d) the number of Common Shares which may be issued pursuant to the Plan, together with all of WestJet Airlines' other previously established or proposed share compensation arrangements, within a one year period to:
 - i. Insiders will not exceed 10% of the outstanding Common Shares at any time; and
 - ii. any one Insider's and such Insider's associates will not exceed 5% of the outstanding Common Shares at any time.

For the purpose of this clause: (i) "insider" and "associate" have the meaning set forth in the Toronto Stock Exchange Company Manual; (ii) "Insider" means an insider of WestJet Airlines and any person who is an associate of an insider of WestJet Airlines; and (iii) "outstanding Common Shares" means the issued and outstanding Common Shares on a non-diluted basis provided that for the purposes of (c) and (d) above outstanding Common Shares excludes Common Shares issued within the preceding one-year period under any share compensation arrangement.

6. Expiry Date

All Options granted pursuant to the Plan will expire on the date (the "**Expiry Date**") as determined by the Administrator at the date of grant provided that no Option may be exercised beyond seven (7) years from the date of grant, subject to any applicable Blackout Period extension. In addition and subject to any extended periods prescribed by WestJet's policies then in effect, all Options will expire on the Expiry Date other than:

- (a) in the case of voluntary or mandatory retirement or disability, the earlier of the Expiry Date and forty eight (48) months following the date of retirement or disability;
- (b) in the case of death, the earlier of the Expiry Date and the first anniversary of the date of death;
- (c) in the case of termination without cause (wrongful dismissal), the earlier of the Expiry Date and, in the case of vested Options, 120 days, and in the case of unvested Options, 180 days, after the Optionee ceases to hold office or be employed by WestJet or, in the case of an employee of a company providing management services to WestJet, ceases to be employed by such company or such company is no longer retained by WestJet;
- (d) in the case of resignation, for vested Options, the earlier of the Expiry Date and 120 days after the Optionee ceases to hold office or be employed by WestJet or, in the case of an employee of a company providing management services to WestJet, ceases to be employed by such company or such company is no longer retained by WestJet and for unvested Options, immediately; and
- (e) in the case of termination for cause, at the close of business on the last day of employment.

If the Expiry Date for any Option falls within a Blackout Period or within 10 business days from the expiration of a Blackout Period (such Options to be referred to as "**Restricted Options**"), the Expiry Date of such Restricted Options shall be extended to the date that is the 10th business day following the end of the Blackout Period. For the purposes of this clause, "Blackout Period" means the period of time when, pursuant to any policies of WestJet, any securities of the Corporation may not be traded by certain persons as designated by WestJet, including any holder of an Option.

Notwithstanding the foregoing, the Administrator may, in its sole discretion and notwithstanding what is provided in the Option agreement in respect of any Options granted, extend the period of time that Options may be exercised following cessation of employment, provided such period does not extend beyond the Expiry Date of such Options.

7. Exercise Price

The exercise price (the "**Exercise Price**") of any Option will be fixed by the Administrator when such Option is granted and will be the current market price (the "**Current Market Price**") which will be equal to the weighted average trading price of the Common Shares on the Toronto Stock Exchange (or if not listed on the Toronto Stock Exchange, then such other stock exchange as the Common Shares may then be listed and as designated by the Board) for the five trading days immediately prior to the date of the grant or, if such Common Shares are not listed on any stock exchange, at fair market value as determined by the Administrator.

8. Vesting

The Administrator may, in its sole discretion, determine the time during which Options will vest and the method of vesting. Additionally, the Administrator may, at its sole discretion, impose performance related conditions on the Options. Further the Administrator may, at its sole discretion at any time or in the Option agreement 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 shall continue to be eligible to vest in accordance with their terms other than (a) in the case of death, all Options vest immediately; (b) in the case of a termination without cause (wrongful dismissal), all Options unvested at the date thereof shall continue to be eligible to vest for 180 days following termination, (c) in the case of a 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 shall continue to be eligible to vest for twenty four (24) months following retirement or disability.

9. Exercise/Exchange of Option

Subject to the provisions of the Plan:

- (a) Options may be exercised (the “**Exercised Options**”) from time to time, at any time (the “**Exercise Date**”), by an Optionee’s delivery to WestJet Airlines at its head office in Calgary, Alberta or such other place as may be specified by WestJet Airlines of a written exercise specifying the number of Options being exercised and accompanied by payment in full of the purchase price of the Common Shares then being purchased; or
- (b) Options may be exchanged (the “**Exchanged Options**”) for a right (the “**Substituted Right**”) to acquire Common Shares in accordance with clause 10 below, from time to time, at any time (the “**Exchange Date**”), by an Optionee’s delivery to WestJet Airlines at its head office in Calgary, Alberta or such other place as may be specified by WestJet Airlines of a written election specifying the number of Options being exchanged. The Options exchanged under this clause 9(b), shall terminate upon such exchange and the Optionee shall cease to have further rights in such Options; or
- (c) if a particular Optionee elects under clause 9(a) hereof, WestJet Airlines may, in its sole discretion, require the Optionee to exchange his Options for Substituted Rights.

10. Settlement of Substituted Right

An Optionee electing under clause 9(b) or required to elect under clause 9(c) will receive a Substituted Right which will entitle him to acquire on exercise the following number of Common Shares in settlement of the Substituted Right:

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

For the purpose of this clause, “Current Price” means, the closing price of the Common Voting Shares immediately prior to exercise or exchange of the Options.

Following the settlement of the Substituted Right, WestJet Airlines shall cause a certificate representing such Common Shares to be issued in the name of the Optionee (or as the Optionee may direct) to be sent by pre-paid mail or delivered to the Optionee. Such actual number of Common Shares issued will be deducted from the number of Common shares reserved and available for issuance under the Plan.

11. Alterations in Shares

Appropriate adjustments in the number of Common Shares optioned, in the Exercise Price and in the type of securities to be issued, as regards to Options granted or to be granted, shall be made by the Administrator in its discretion to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends by WestJet Airlines or other relevant changes in the capital of WestJet Airlines.

12. Option Agreement

A written agreement will be entered into by WestJet Airlines and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the Exercise Price, the vesting dates, if any, the Expiry Date and any other terms approved by the Administrator, all in accordance with the provisions of the Plan, including such terms as may be considered necessary in order that the Option will comply with any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over WestJet Airlines.

13. Merger and Sale, etc

In the event that WestJet Airlines enters into any transaction or series of transactions whereby WestJet Airlines or all or substantially all of WestJet Airlines’ undertaking, property or assets would become the property of any other corporation, partnership, trust or other person (a “**Successor**”) whether by way of takeover bid, acquisition, reorganization,

consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, WestJet Airlines and the Successor shall execute such instruments and do such things as are necessary, if any, to establish that upon the consummation of such transaction the Successor will have assumed all the covenants and obligations of WestJet Airlines under this Plan and the Option agreements outstanding on consummation of such transaction in a manner that substantially preserves and does not impair the rights of the Optionees thereunder in any material respect (including the right to receive shares, securities, cash or other property of the Successor in lieu of Common Shares upon the subsequent vesting of Options), provided that in the case of the right to receive cash or other property in lieu of Common Shares, the Board may vest all or a portion of outstanding Options and may, in addition to or as an alternative to such vesting, cancel the "out-of-the-money" Options for nominal consideration. In the event of such a transaction or series of transactions, and the termination without cause of an Optionee within twenty-four (24) months of such transaction or transactions, all such Options held by such Optionee shall become vested and exercisable until the applicable Expiry Date. Any such Successor shall succeed to, and be substituted for, and may exercise every right and power of WestJet Airlines under this Plan and such Option agreements with the same effect as though the Successor had been named as WestJet Airlines herein and therein and thereafter, WestJet Airlines shall be relieved of all obligations and covenants under this Plan and such Option agreements and the obligation of WestJet Airlines to the Optionees in respect of the Options shall terminate and be at an end and the Optionees shall cease to have any further rights in respect thereof including, without limitation, any right to acquire Common Shares upon vesting of the Options.

14. Termination of Option in the Event of Take-Over Bid

In the event a take-over bid (as defined in the *Securities Act* (Alberta)), which is not exempt from the take-over bid requirements of Part 13 of the *Securities Act* (Alberta) (or its replacement or successor provisions) shall be made for the Common Shares, WestJet Airlines may in the agreement providing for the grant of Options herein provide that WestJet Airlines may satisfy any obligations to the Optionee in respect of any Options granted by delivering to the Optionee, in Common Shares, the difference between the exercise price of unexercised Options and the Current Market Price of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date. Upon settlement as aforesaid, the Options shall terminate and the Optionee shall cease to have any further rights in respect thereof.

15. Amendment or Discontinuance of Plan

Subject to the restrictions set out in this Section 15, the Administrator may amend or discontinue the Plan at any time without shareholder approval; subject to the approval of any stock exchange on which the Common Shares are listed for trading. Without the prior approval of the shareholders, as may be required by the Exchange, the Administrator may not:

- (a) make any amendment to the Plan to increase the number of Common Shares issuable pursuant to the Plan or lower the limitations prescribed by subclauses 5(a) to (d), inclusive;
- (b) reduce the exercise price of any outstanding Options;
- (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 Plan beyond seven (7) years;
- (e) change the eligible participants;
- (f) make any amendment to the Plan that would 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 for any individual grant benefiting an insider of the issuer; or
- (h) amend this clause 15.

In addition, no amendment to the Plan or Options granted pursuant to the Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Plan.

16. Withholding Taxes

On the exercise of an Option, WestJet or a WestJet Entity shall have the right to require the Optionee to remit to WestJet an amount sufficient to satisfy any withholding or other tax requirements relating thereto. Such withholding tax obligation may also be accomplished, in whole or in part, by WestJet or the WestJet Entity, as the case may be, withholding from the Common Shares to be delivered such number of Common Shares or such amount as is necessary to satisfy the amount of the total withholding tax obligation, and/or sell on behalf of an Optionee such number of Common Shares as is sufficient to remit such amount, or in such other manner as WestJet or WestJet Entity may determine.

17. Common Shares Duly Issued

Common Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon payment thereof in accordance with the terms of the particular agreement and the issuance of Common Shares thereunder will not require a resolution or approval of the Board.

18. Non-Assignability

All Options granted pursuant to the Plan will be personal to the Optionee and will not be assignable.

19. Governing Law

This Plan shall be governed by and construed in accordance with the laws in force in the Province of Alberta.

20. Effective Date

This Plan is effective from May 5, 2009.