



NOTICE OF SPECIAL MEETING OF SHAREHOLDERS AND OPTIONHOLDERS OF WESTJET AIRLINES LTD.

to be held on July 23, 2019

and

NOTICE OF ORIGINATING APPLICATION TO THE COURT OF QUEEN'S BENCH OF ALBERTA

and

MANAGEMENT INFORMATION CIRCULAR

with respect to

AN ARRANGEMENT

involving

WESTJET AIRLINES LTD.

and

KESTREL BIDCO INC., AN AFFILIATE OF ONEX CORPORATION

June 19, 2019

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS
THAT SHAREHOLDERS AND OPTIONHOLDERS VOTE [FOR](#) THE ARRANGEMENT**

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult with your financial, legal or other professional advisor. This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. **If you have questions, you may contact WestJet's proxy solicitation agent, Laurel Hill Advisory Group:**

Laurel Hill Advisory Group

North American Toll- Free Number: 1-877-452-7184

Collect Calls Outside North America: 1-416-304-0211

Email: assistance@laurelhill.com



June 19, 2019

Dear Shareholders and Optionholders,

The board of directors (the **Board**) of WestJet Airlines Ltd. (**WestJet** or the **Corporation**) is pleased to invite you to attend a special meeting (the **Meeting**) of the holders (the **Shareholders**) of common voting shares and variable voting shares (collectively, the **Shares**) and the holders (the **Optionholders**, and together with the Shareholders, the **Securityholders**) of stock options (the **Options**) of the Corporation to be held at the WestJet Campus, Fred Ring building, 22 Aerial Place N.E., Calgary, Alberta, on July 23, 2019 at 10:00 a.m. (MDT).

At the Meeting, Securityholders will be asked to consider and, if deemed advisable, to pass a special resolution (the **Arrangement Resolution**) approving an arrangement (the **Arrangement**) under Section 193 of the *Business Corporations Act* (Alberta) involving the Corporation, Kestrel Bidco Inc. (the **Purchaser**), an affiliate of Onex Corporation, and the Securityholders, pursuant to which, among other things, the Purchaser will, subject to the terms and conditions set out in the arrangement agreement between WestJet and the Purchaser dated May 12, 2019 (the **Arrangement Agreement**), acquire all of the issued and outstanding Shares at a price of \$31.00 per Share in cash.

The Arrangement is the result of an extensive and thorough arm's length negotiation process between Onex Corporation and a special committee of independent directors of the Board (the **Special Committee**), on behalf of the Corporation, and their respective advisors. The determination of the Special Committee and the Board to support the Arrangement is based on various factors described more fully in the accompanying management information circular (the **Information Circular**).

The Board, having taken into account such factors and matters as it considered relevant, having received legal and financial advice, having received and reviewed the financial advisor opinions described in the Information Circular and having considered the unanimous recommendation of the Special Committee to approve the Arrangement, determined that the Arrangement is in the best interests of WestJet and is fair to Shareholders, and unanimously recommends that Securityholders vote **FOR** the Arrangement. Each director and executive officer of WestJet has also agreed to vote all of such individual's Shares in favour of the Arrangement.

The accompanying Information Circular contains a detailed description of the Arrangement as well as the background to, and reasons for, the Arrangement and sets forth the actions to be taken by you at the Meeting. You should carefully review the Information Circular in its entirety and consult with your financial, legal or other professional advisors if you require advice or assistance.

Your vote is important regardless of how many Shares or Options you own. If you are a registered holder of Shares (a **Registered Shareholder**) or an Optionholder, whether or not you plan to attend the Meeting, to vote your Shares or Options at the Meeting, you can return a duly completed and executed form of proxy to AST Trust Company (Canada) in accordance with the instructions included with the enclosed applicable form of proxy by no later than 10:00 a.m. (MDT) on July 19, 2019 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened meeting if the Meeting is adjourned or postponed). If you are a beneficial Shareholder (a **Beneficial Shareholder**) holding Shares through a broker, investment dealer, bank, trust company or other intermediary (each, an **Intermediary**), you should follow the instructions provided by your Intermediary to ensure your vote is counted at the Meeting.

The Arrangement Resolution must be approved by at least 66 2/3 per cent of the votes cast by Shareholders and Optionholders, voting together as a single class, present in person or represented by proxy at the Meeting. The Arrangement Resolution must

also be approved by a majority of the votes cast by Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting, excluding those Shareholders whose votes are required to be excluded in determining minority approval pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

In addition to approval by Securityholders, the Arrangement is subject to customary closing conditions for a transaction of this nature, including the approval of the Court of Queen's Bench of Alberta and receipt of all necessary regulatory approvals, including approvals under the *Competition Act* (Canada), the *Canada Transportation Act* and the *Hart-Scott-Rodino Antitrust Improvements Act of 1976* (United States). If the necessary regulatory approvals are obtained in a timely manner, the Arrangement is expected to be completed in the latter part of 2019 or early 2020. Under the terms of the Arrangement Agreement, the Corporation is permitted to continue paying a regular quarterly cash dividend, not in excess of \$0.14 per Share, consistent with the current practice of the Corporation, pending completion of the Arrangement.

You are also advised that registered Shareholders have been granted the right to dissent in respect to the Arrangement. Please review the Information Circular carefully if you are contemplating exercising these rights.

If you are a Registered Shareholder, you will be provided with a letter of transmittal closer to the closing date of the Arrangement explaining how to deposit your Shares in order to receive the cash consideration under the Arrangement. The depository for the Arrangement will need to receive the applicable letter of transmittal completed by you, if you are a Registered Shareholder, or by your Intermediary, if you are a Beneficial Shareholder, before paying you any consideration under the Arrangement. If you are a Beneficial Shareholder, you must ensure that your Intermediary completes the necessary transmittal documents to ensure that you receive payment for your Shares if the Arrangement is completed. If you are an Optionholder, the Corporation will pay you the cash to which you are entitled in respect of the cancellation of your Options under the Arrangement in connection with the completion of the Arrangement.

On behalf of the Corporation, I would like to thank all of our Securityholders for the support they have demonstrated with respect to our decision to take the proposed Arrangement forward.

Yours very truly,

(Signed) "*Clive J. Beddoe*"

Clive J. Beddoe

Chair of the Board

If you have any questions or need assistance in your consideration of the Arrangement or with the completion and delivery of your proxy, please contact the Corporation's proxy solicitation agent, Laurel Hill Advisory Group, by telephone at 1-877-452-7184 (toll free in North America) or 1-416-304-0211 (collect outside North America), or by email at assistance@laurelhill.com.

Notice of special meeting of securityholders of WestJet Airlines Ltd. to approve the proposed arrangement involving Kestrel Bidco Inc., an affiliate of Onex Corporation

Date and time

July 23, 2019 at 10:00 a.m. (MDT)

Place

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

Business of the special meeting

The business of the special meeting (the **Meeting**) of the holders (the **Shareholders**) of common voting shares and variable voting shares (collectively, the **Shares**) and the holders (the **Optionholders**, and together with the Shareholders, the **Securityholders**) of stock options (the **Options**, and together with the Shares, the **Securities**) of WestJet Airlines Ltd. (**WestJet** or the **Corporation**) is:

1. to consider, pursuant to an interim order of the Court of Queen's Bench of Alberta dated June 18, 2019 as the same may be amended (the **Interim Order**), and, if deemed advisable, to pass, with or without variation, a special resolution (the **Arrangement Resolution**) to approve a proposed arrangement (the **Arrangement**) involving WestJet, Kestrel Bidco Inc. (the **Purchaser**) and the Securityholders, pursuant to Section 193 of the *Business Corporations Act* (Alberta) (the **ABCA**), whereby, among other things, the Purchaser will acquire all of the issued and outstanding Shares of WestJet for cash consideration of \$31.00 per Share, as more particularly described in the accompanying management information circular (the **Information Circular**). The full text of the Arrangement Resolution is set forth in Appendix B to the Information Circular; and
2. 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 special meeting provides specific details about the Arrangement. The full text of the arrangement agreement dated May 12, 2019 between WestJet and the Purchaser and the plan of arrangement to effect the Arrangement are attached as Appendices C and D, respectively, to the Information Circular. A copy of the Interim Order is attached as Appendix G to the Information Circular.

Record date

Registered holders of Shares (the **Registered Shareholders**) and Optionholders at the close of business on June 12, 2019 (the **Record Date**) are entitled to receive notice of and vote at the Meeting. If you acquire your Shares after the Record Date and wish to vote at the Meeting, you must produce properly endorsed Share certificates or otherwise establish that you own the Shares and demand through our transfer agent, AST Trust Company (Canada), at 1-800-387-0825 (toll-free within North America only) or 416-682-3860, not later than ten days before the Meeting, that your name be included in the list of Shareholders entitled to vote at the Meeting. Optionholders are not permitted to transfer their Options.

If you are not a Registered Shareholder and instead receive materials through your broker, investment dealer, bank, trust company or other intermediary (each, an **Intermediary**) please complete the form of proxy or voting instruction form provided to you by your Intermediary in accordance with the instructions provided therein.

Voting

It is important to us at WestJet that you exercise your vote at the Meeting. If you are a Registered Shareholder, please complete and sign the enclosed applicable instrument of proxy and mail it to or deposit it with AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, Canada, M1S 0A1, fax 1-866-781-3111 (toll-free within North America only) or 416-368-2502, Attention: Proxy Department or follow the instructions in such documents to vote electronically, or plan to attend the Meeting and vote in person. Even if you plan to attend the Meeting, you may still vote via proxy.

If you are a not a Registered Shareholder, meaning your Shares are not registered in your own name but are registered in the name of an Intermediary, follow the instructions provided by your Intermediary to vote your Shares.

In order to be acted upon at the Meeting, validly completed instruments of proxy must be returned by 10:00 a.m. (MDT) on July 19, 2019, or, if the Meeting is adjourned or postponed, at least 48 hours prior to such adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays). The chair of the Meeting may waive, without notice, the time limit for deposit of proxies.

Dissent Rights

Pursuant to the Interim Order, Registered Shareholders have been granted the right to dissent in respect of the Arrangement and, if the Arrangement becomes effective, to be paid an amount equal to the fair value of their Shares in accordance with the provisions of Section 191 of the ABCA, as modified by the plan of arrangement and Interim Order. This dissent right, and the procedures for its exercise, are described in the Information Circular under the heading "Dissent Rights of Shareholders", and in the plan of arrangement, Interim Order and the text of Section 191 of the ABCA, which are set forth in Appendices D, G and H, respectively, to the accompanying Information Circular.

To exercise such right, a dissenting Shareholder must send to WestJet, c/o Blake, Cassels & Graydon LLP, Suite 3500, 855 - 2nd Street S.W., Calgary, Alberta, T2P 4J8, Attention: David Tupper, a written objection to the Arrangement Resolution, which must be received by 5:00 p.m. (MDT) on July 19, 2019 or 5:00 p.m. (MDT) on the date that is two business days immediately preceding the date that any adjournment or postponement of the Meeting is reconvened. **Failure to comply strictly with the dissent procedures set forth in Section 191 of the ABCA, as modified by the Interim Order, may result in the loss or unavailability of any right to dissent. It is strongly suggested that any Shareholder wishing to dissent seek independent legal advice, as the failure to strictly comply with the provisions of the ABCA, as modified by the Interim Order, may prejudice such Shareholder's right to dissent.**

Calgary, Alberta, Canada
June 19, 2019

By Order of the Board of Directors,

(Signed) "*Veronica Tang*"

Veronica Tang
Interim Vice President, Legal, General Counsel and
Corporate Secretary

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF CALGARY

**IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*,
R.S.A. 2000, c. B-9, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING WESTJET AIRLINES LTD., KESTREL BIDCO
INC. AND THE SECURITYHOLDERS OF WESTJET AIRLINES LTD.**

NOTICE OF ORIGINATING APPLICATION

NOTICE IS HEREBY GIVEN that an originating application (the **Application**) has been filed with the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the **Court**) on behalf of WestJet Airlines Ltd. (**WestJet**) with respect to a proposed arrangement (the **Arrangement**) under Section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the **ABCA**), involving among others, WestJet, the holders (the **Shareholders**) of common voting shares and variable voting shares (collectively, the **Shares**) and the holders (the **Optionholders**, and together with the Shareholders, the **Securityholders**) of stock options (the **Options**) of WestJet, and Kestrel Bidco Inc. (the **Purchaser**). The Arrangement is described in greater detail in the management information circular dated June 19, 2019 accompanying this Notice of Originating Application. At the hearing of the Application, WestJet intends to seek:

1. a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair to the persons affected from a substantive and procedural perspective;
2. an order approving the Arrangement pursuant to the provisions of Section 193 of the ABCA;
3. an order declaring that the registered Shareholders (the **Registered Shareholders**) shall have the right to dissent from the Arrangement pursuant to the provisions of Section 191 of the ABCA, as modified by the interim order (the **Interim Order**) of the Court dated June 18, 2019;
4. a declaration that the Arrangement will, upon the filing of articles of arrangement under the ABCA, be effective under the ABCA in accordance with its terms and will be binding on each of WestJet, the Purchaser, the Securityholders and other affected parties on and after the Effective Date, as defined in the plan of arrangement to effect the Arrangement; and
5. such other and further orders, declarations or directions as the Court may give.

AND NOTICE IS FURTHER GIVEN that the Application is directed to be heard before a Justice of the Court, at the Calgary Courts Centre, 601 - 5th Street, S.W., Calgary, Alberta, Canada, on July 26, 2019 at 2:00 p.m. (MDT) or as soon thereafter as counsel may be heard. **Any Securityholder or other interested party desiring to support or oppose the Application may appear at the time of the hearing in person or by counsel for that purpose provided such Securityholder or other interested party files with the Court and serves upon WestJet on or before 5:00 p.m. (MDT) on July 24, 2019, a notice of intention to appear (the Notice of Intention to Appear) setting out such Securityholder's or interested party's address for service and indicating whether such Securityholder or interested party intends to support or oppose the Application or make submissions, together with any evidence or materials which are to be presented to the Court.** Service on WestJet is to be effected by delivery to its counsel at the address set forth below.

AND NOTICE IS FURTHER GIVEN that, at the hearing and subject to the foregoing, Securityholders and any other interested persons will be entitled to make representations as to, and the Court will be requested to consider, the fairness of the Arrangement. If you do not attend, either in person or by counsel, at that time, the Court may approve or refuse to approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court may deem fit, without any further notice.

AND NOTICE IS FURTHER GIVEN that the Court, by the Interim Order, has given directions as to the calling and holding of a special meeting of the Securityholders for the purpose of such Securityholders voting upon a special resolution to approve the

Arrangement and, in particular, has directed that Registered Shareholders have the right to dissent under the provisions of Section 191 of the ABCA, as modified by the terms of the Interim Order in respect of the Arrangement.

AND NOTICE IS FURTHER GIVEN that further notice in respect of these proceedings will only be given to those persons who have filed a Notice of Intention to Appear.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any Securityholder or other interested party requesting the same by the under-mentioned solicitors for WestJet upon written request delivered to such solicitors as follows:

Solicitors for WestJet:
Blake, Cassels & Graydon LLP
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8

Facsimile Number: (403) 260-9700
Attention: David Tupper

DATED at the City of Calgary, in the Province of Alberta, this 19th day of June, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS OF
WESTJET AIRLINES LTD.**

(Signed) "*Veronica Tang*"

Veronica Tang
Interim Vice President, Legal, General Counsel and
Corporate Secretary

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APPENDICES

- Appendix A – Glossary of Terms
- Appendix B – Arrangement Resolution
- Appendix C – Arrangement Agreement
- Appendix D – Plan of Arrangement
- Appendix E – Opinion of CIBC
- Appendix F – Opinion of BofA Merrill Lynch
- Appendix G – Interim Order
- Appendix H – Section 191 of the ABCA

MANAGEMENT INFORMATION CIRCULAR

About this Information Circular and related proxy materials

The management (**Management**) of WestJet Airlines Ltd. (**WestJet, we, our**, the **Corporation** and other similar expressions) is providing this information circular (the **Information Circular**) and related proxy materials to you in connection with the special meeting scheduled to be held at the WestJet Campus, Fred Ring building, 22 Aerial Place N.E., Calgary, Alberta on July 23, 2019 at 10:00 a.m. (MDT) (the **Meeting**).

As a holder (a **Shareholder**) of common voting shares (the **Common Voting Shares**) or variable voting shares (the **Variable Voting Shares**, and together with the Common Voting Shares, the **Shares**) or a holder (**Optionholder**, and together with the Shareholders, the **Securityholders**) of stock options (the **Options**, and together with the Shares, the **Securities**), you are invited to attend the Meeting. If you are unable to attend in person, you may still vote. **Management is soliciting your proxy for use at the Meeting and any adjournment or postponement thereof.**

All capitalized terms used in this Information Circular but not otherwise defined have the meanings set forth in the Glossary of Terms in Appendix A. No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Information Circular and, if given or made, any such information or representation should be considered not to have been authorized by WestJet.

This Information Circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer.

This Information Circular describes the business of the Meeting, the Arrangement, the Arrangement Agreement, the background to, and reasons for, the Arrangement and the Arrangement Resolution to be voted on in addition to the voting process. Information contained in this Information Circular should not be construed as legal, tax or financial advice and Securityholders are urged to consult their own professional advisors in connection therewith.

The information concerning Kestrel Bidco Inc. (the **Purchaser**) and its affiliates, including, but not limited to, information pertaining to Onex Corporation and the Onex Funds under the heading "Information Concerning the Purchaser, Onex and the Onex Funds", has been furnished by Onex and its Representatives. In this Information Circular, unless the context otherwise requires, the term **Onex** is used to refer collectively to Onex Corporation and the investment funds and other entities controlled, managed or associated with Onex Corporation in connection with the transactions relating to the Arrangement, including the Purchaser, Midco and the Onex Funds.

Although WestJet does not have any knowledge that would indicate that such information is untrue or incomplete, neither the Corporation nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for the failure by Onex to disclose events or information that may affect the accuracy or completeness of such information.

Descriptions in this Information Circular of the terms of the Arrangement Agreement, the Plan of Arrangement, the CIBC Opinion, the BofA Merrill Lynch Opinion and the Interim Order are summaries of the terms of those documents. Securityholders should refer to the full text of each of these documents attached to this Information Circular as Appendices C, D, E, F and G, respectively. **You are urged to carefully read the full text of these documents.**

Unless otherwise indicated, the information contained in this Information Circular is given as of June 19, 2019.

Solicitation of proxies

To encourage your vote, you may be contacted by WestJet's directors, officers, employees, consultants or agents by telephone, email, internet, facsimile, in person or by other means of communication, or by our strategic shareholder advisor and proxy solicitation agent, Laurel Hill Advisory Group (**Laurel Hill**). In connection with proxy solicitation services, the Corporation has agreed to pay Laurel Hill a fee of \$95,000 plus reasonable out-of-pocket expenses to solicit proxies.

WestJet may utilize the Broadridge QuickVote™ service to assist eligible Shareholders who do not hold their Shares in their own name (the **Beneficial Shareholders**) with voting their Shares over the telephone. Certain Beneficial Shareholders who have not objected to WestJet knowing who they are (non-objecting beneficial owners) may be contacted by Laurel Hill to conveniently obtain a vote directly over the phone. If you have any questions about the Meeting, please contact Laurel Hill by telephone at 1-877-452-7184 (toll-free in North America) or 416-304-0211 (collect outside North America) or by email at assistance@laurelhill.com.

Pursuant to WestJet's Articles, Canadians hold Common Voting Shares and non-Canadians hold Variable Voting Shares. See "Information Concerning the Meeting – Restrictions on voting" for further information on voting restrictions and adjustments attached to the Variable Voting Shares as they relate to the Meeting.

The Corporation will not be relying on the notice-and-access delivery procedures outlined in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* to distribute copies of proxy-related materials in connection with the Meeting. The Corporation will pay for an intermediary to deliver copies of proxy-related materials in connection with the Meeting to "objecting beneficial owners".

Information for Non-Registered Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of such Shareholders do not hold Shares in their own name but instead hold their Shares through brokers, financial institutions, investment dealers, banks, trust companies or other nominees (each, an **Intermediary**). Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of AST Trust Company (Canada) (**AST**), WestJet's registrar and transfer agent, as registered Shareholders (**Registered Shareholders**) can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by an Intermediary, then, in almost all cases, those Shares will not be registered in such holder's name on the records of WestJet. Such Shares will more likely be registered in the name of such holder's Intermediary or an agent of the Intermediary. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for CDS, which acts as nominee for many Canadian brokerage firms). Shares held by Intermediaries or their nominees can only be voted (for or against resolutions) upon instructions of the Beneficial Shareholder. Without specific instructions, these Intermediaries are prohibited from voting Shares for their clients. Beneficial Shareholders should therefore ensure that instructions regarding the voting of their Shares are properly communicated to the appropriate person or that the Shares are duly registered in their name well in advance of the Meeting.

Applicable regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every Intermediary has its own mailing procedures and provides its own return instructions which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to that provided to a Registered Shareholder. However, its purpose is limited to instructing the Registered Shareholder on how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number listed on the voting instruction form or vote online at www.proxyvote.com. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a form of proxy or voting instruction form from their Intermediary (or an agent or nominee of such Intermediary) cannot use that form to vote Shares directly at the Meeting. Voting instructions must be communicated to the Intermediary (in accordance with the instructions provided by it or on its behalf) well in advance of the Meeting in order to have the Shares to which such instructions relate voted at the Meeting.

If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your Intermediary well in advance of the Meeting to determine how you can do so.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purpose of voting Shares registered in the name of its Intermediary, a Beneficial Shareholder may vote those Shares as a proxyholder for the Registered Shareholder. To do this, a Beneficial Shareholder should enter such Beneficial Shareholder's own name in the blank space on the form of

proxy provided to the Beneficial Shareholder and return the document to such Beneficial Shareholder's Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary well in advance of the Meeting.

Following distribution of the Letter of Transmittal, Beneficial Shareholders should also instruct their Intermediary to complete the Letter of Transmittal with respect to such Beneficial Shareholder's Shares, once it has been provided, in order to receive the Consideration issuable pursuant to the Arrangement in exchange for such holder's Shares.

Information for Shareholders not resident in Canada

WestJet is a corporation organized under the Laws of the Province of Alberta. The solicitation of proxies involves securities of a Canadian issuer and is being effected in accordance with applicable corporate and Securities Laws in Canada. Shareholders should be aware that the requirements applicable to the Corporation under Canadian Laws may differ from requirements under corporate and securities Laws relating to corporations in other jurisdictions.

The enforcement of civil liabilities under the securities Laws of other jurisdictions outside Canada may be affected adversely by the fact that the Corporation is organized under the Laws of the Province of Alberta, that the majority of the Corporation's assets are located in Canada and the majority of its directors and Executive Officers are residents of Canada. You may not be able to sue the Corporation or its directors or officers in a Canadian court for violations of foreign securities Laws. It may be difficult to compel the Corporation to subject itself to a judgment of a court outside Canada.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY, NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THIS TRANSACTION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

Securityholders who are foreign taxpayers should be aware that the Arrangement described in this Information Circular may have tax consequences both in Canada and such foreign jurisdiction. Such consequences for Securityholders are not described in this Information Circular. Securityholders are advised to consult their tax advisors to determine the particular tax consequences to them of the transactions contemplated in this Information Circular.

Currency

All dollar amounts set forth in this Information Circular are in Canadian dollars, except where otherwise indicated.

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 expectations regarding the Arrangement. Forward-looking information may in some cases be identified by words such as "will", "anticipates", "expects", "believes", "intends" and similar expressions suggesting future events or future performance.

In particular, this Information Circular contains forward-looking information pertaining to the following:

- the anticipated benefits of the Arrangement;
- the timing of the Meeting and the Final Order;
- the expected timing and anticipated receipt of the Key Regulatory Approvals;
- the anticipated terms of the Rollover Agreements;
- the anticipated tax treatment of the Arrangement for Securityholders;
- the exercise of Dissent Rights by Shareholders in respect of the Arrangement; and
- the expected timing for completion of the Arrangement and subsequent de-listing of the Shares from the TSX.

By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond WestJet's control. The forward-looking information contained in this Information Circular is based on certain key expectations and assumptions made by WestJet, including expectations and assumptions concerning the anticipated benefits of the Arrangement and the receipt, in a timely manner, of Securityholder Approval, the approval of the Court and Key Regulatory Approvals in respect of the Arrangement.

Forward-looking information is subject to various risks and uncertainties which could cause actual results and expectations to differ materially from the anticipated results or expectations expressed in this Information Circular. The key risks and uncertainties include, but are not limited to: general global economic, market and business conditions; governmental and regulatory requirements and actions by governmental authorities; relationships with employees, customers, business partners and competitors; and diversion of Management time on the Arrangement. There are also risks that are inherent in the nature of the Arrangement, including failure to satisfy the conditions to the completion of the Arrangement and failure to obtain any Key Regulatory Approval or other approvals (or to do so in a timely manner). The anticipated timeline for completion of the Arrangement may change for a number of reasons, including the inability to obtain any Key Regulatory Approval, Court or other approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Arrangement. As a result of the foregoing, readers should not place undue reliance on the forward-looking information contained in this Information Circular concerning the timing of the Arrangement. Some of the more important risks and uncertainties that could affect forward-looking information are described further in this Information Circular under the heading "Risk Factors – Risk Factors Relating to the Arrangement". A comprehensive discussion of other risks that impact WestJet can also be found in WestJet's public reports and filings which are available under WestJet's profile at www.sedar.com.

Readers are cautioned that undue reliance should not be placed on forward-looking information as actual results may vary materially from the forward-looking information. WestJet does not undertake to update, correct or revise any forward-looking information as a result of any new information, future events or otherwise, except as may be required by applicable Law.

SUMMARY

The following is a summary of certain information contained elsewhere in this Information Circular provided for convenience only and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Information Circular, including the Appendices hereto. The capitalized terms used in this document are defined in the Glossary of Terms attached as Appendix A to this Information Circular. Securityholders are urged to read this Information Circular and the Appendices hereto carefully and in their entirety.

The Meeting

Meeting and Record Date

The Meeting will be held at 10:00 a.m. (MDT) on July 23, 2019, at the WestJet Campus, Fred Ring building, 22 Aerial Place N.E., Calgary, Alberta. See "Information Concerning the Meeting – Date, Time and Place of Meeting". The Board of Directors has fixed June 12, 2019 as the record date (the **Record Date**) for determining Securityholders who are entitled to receive notice of and vote at the Meeting. There shall be no change to the Record Date in the event of an adjournment or postponement of the Meeting.

The Arrangement Resolution

At the Meeting, Securityholders will be asked to consider and, if deemed advisable, to pass the Arrangement Resolution, a copy of which is attached to this Information Circular as Appendix B.

Voting at the Meeting

This Information Circular is being sent to all Securityholders. Only Registered Shareholders and Optionholders as of the close of business on the Record Date, or the persons they appoint as their proxyholders, are permitted to vote at the Meeting. Beneficial Shareholders should follow the instructions on the forms they receive from their Intermediary so their Shares can be voted by the entity that is the Registered Shareholder for their Shares. No other securityholders of the Corporation are entitled to vote at the Meeting. See "Information Concerning the Meeting – Solicitation of Proxies".

Subject to voting restrictions and adjustments attached to the Variable Voting Shares, each Share is entitled to one vote at the Meeting and each Option is entitled to one vote at the Meeting. See "Information Concerning the Meeting – Restrictions on voting".

The Arrangement

General

On May 12, 2019, WestJet and the Purchaser entered into the Arrangement Agreement pursuant to which the Purchaser agreed, among other things, to acquire all of the issued and outstanding Shares. A copy of the Arrangement Agreement is attached as Appendix C to this Information Circular and described below. The Arrangement will be completed by way of a statutory Plan of Arrangement, a copy of which is attached as Appendix D to this Information Circular. See "The Arrangement".

Effect of the Arrangement

Under the Arrangement, the Purchaser will acquire all of the Shares outstanding immediately prior to the Effective Time for cash consideration of \$31.00 (the **Consideration**) per Share (other than Rollover Shares and those Shares in respect of which Dissent Rights are validly exercised).

Pursuant to the Plan of Arrangement: (a) each Option (other than Rollover Options), whether vested or unvested, with an exercise price less than the Consideration shall be deemed surrendered by the holder thereof to the Corporation in exchange for a cash payment from the Corporation equal to the amount by which the Consideration exceeds the exercise price; (b) each Option whether vested or unvested, with an exercise price that is more than the Consideration shall be deemed surrendered by

the holder thereof to the Corporation in exchange for a cash payment from the Corporation equal to \$0.05 per such Option; (c) each (i) DSU outstanding immediately prior to the Effective Time; and (ii) RSU granted under the KEP Plan or the TI Plan (whether vested or unvested) shall be deemed to be vested and surrendered by the holder thereof to the Corporation in exchange for a cash payment from the Corporation equal to the Consideration; and (d) each RSU or PSU granted under the ESU Plan and outstanding immediately prior to the Effective Time (whether vested or unvested) shall be deemed to be surrendered by the holder thereof to the Corporation in exchange for an amount equal to (i) in the case of each RSU, the Consideration multiplied by the number of Shares covered by such RSU and (ii) in the case of each PSU, the Consideration multiplied by the number of Shares covered by such PSU assuming 100 per cent performance vesting, multiplied by a factor, being the ratio of (x) the period of time from the grant date of the PSU to the Effective Date, to (y) the term of the PSU, in each case less applicable withholdings, in full satisfaction of the Corporation's obligations under such surrendered Option, DSU, RSU or PSU (as applicable) and all such Options, DSUs, RSUs and PSUs shall immediately be cancelled.

Each Share held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised will be deemed under the Arrangement to have been transferred to the Corporation and such Dissenting Shareholder will be entitled to be paid the fair value of such Shares.

Under the Arrangement, the Executive Officers are eligible to roll over their Shares and Options into non-voting common shares (**Midco Shares**) and options to purchase Midco Shares (**Midco Options**), respectively, in the capital of Kestrel Midco Inc. (**Midco**), an affiliate of the Purchaser. Each Executive Officer who elects to do so will be a **Rollover Securityholder**. Each Rollover Share and Rollover Option (whether vested or unvested) will be transferred by the applicable Rollover Securityholder to Midco in exchange for Midco Shares and Midco Options, respectively, as set out in the applicable Rollover Agreement. Pursuant to their respective Rollover Agreement, Executive Officers will also elect to invest certain of their cash proceeds from the consideration received from the termination of their RSUs and PSUs under the Arrangement in Midco by a subscription for Midco Shares. All Shares received by Midco pursuant to these rollovers will be transferred by it to the Purchaser under the Arrangement. See "The Arrangement – Arrangement Steps" and "The Arrangement – Interests of Certain Persons in the Arrangement – Rollover by Executive Officers".

Background to the Arrangement

The Arrangement Agreement is the result of arm's length negotiations among representatives of the Corporation and Onex and their respective legal advisors. This Information Circular contains a summary of the events leading up to the execution of the Arrangement Agreement and the public announcement of the proposed Arrangement. See "The Arrangement – Background to the Arrangement" for a detailed description of the background to the Arrangement.

Recommendation of the Special Committee

The Special Committee, having undertaken a thorough review of, and having carefully considered, among other things, information concerning the Corporation and its business plan, Onex, the Arrangement and its impact on the Corporation and all affected stakeholders, the alternatives available to the Corporation, the Financial Advisor Opinions and such other matters as it considered necessary or appropriate, including the factors and risks set out below under the heading "The Arrangement – Reasons for the Arrangement", unanimously determined that the Arrangement is in the best interests of the Corporation and is fair to Shareholders and recommended that the Board approve the Arrangement and the entering into of the Arrangement Agreement.

Recommendation of the Board of Directors

The Board, having undertaken a thorough review of, and having carefully considered, among other things, information concerning the Corporation and its business plan, Onex, the Arrangement and its impact on the Corporation and all affected stakeholders, the alternatives available to the Corporation, the Financial Advisor Opinions, the recommendations of the Special Committee and such other matters as it considered necessary or appropriate, including the factors and risks set out below under the heading "The Arrangement – Reasons for the Arrangement", unanimously determined that the Arrangement is in the best interests of the Corporation and is fair to Shareholders and authorized and approved the Arrangement and the entering into of the Arrangement Agreement. **Accordingly, the Board unanimously recommends that the Securityholders vote FOR the Arrangement Resolution.**

Reasons for the Arrangement

In unanimously determining that the Arrangement is in the best interests of the Corporation and fair to Shareholders and supporting the Arrangement, the Special Committee and the Board considered and relied upon a number of principal factors, including, among others, factors related to: (a) the quantum and form of the Consideration payable to Shareholders and the Financial Advisor Opinions; (b) the effect of the Arrangement on the Corporation, its operations and its stakeholders, including the fact that Onex is supportive of the Corporation's business plan and Management, is committed to maintaining the Corporation's operations, constructive relationship with stakeholders and unique ownership driven culture and guest experience, and has made assurances that it will maintain the Corporation's head office in Calgary, Alberta, and will not reduce the Corporation's workforce or do compensation roll-backs as a direct result of the Arrangement; (c) the procedural safeguards and fairness in respect of the Arrangement, including the Securityholder Approval and Court approval required to complete the Arrangement and the right of Registered Shareholders to dissent and receive the fair value of their Shares, as well as the ability of the Board of Directors to respond to and accept a Superior Proposal; and (d) the certainty of completion of the Arrangement given, among other things, the Purchaser's reasonable and customary conditions to completion (including no financing condition), the quantum of the Reverse Termination Fee and the circumstances in which it must be paid by the Purchaser to the Corporation and the Financing Commitments the Purchaser has in place to fund the completion of the Arrangement. See "The Arrangement – Reasons for the Arrangement" for a more detailed description of these and other principal factors.

Financial Advisor Opinions

CIBC Opinion

CIBC World Markets Inc. (**CIBC**) provided the Board with its opinion that, as of May 12, 2019, the Consideration to be received by Shareholders, other than those Shareholders whose votes are required to be excluded pursuant to Section 8.1(2) of MI 61-101 (being the Rollover Securityholders) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such Shareholders. The CIBC Opinion is subject to the assumptions, limitations and qualifications set forth therein. Pursuant to the terms of the Corporation's engagement with CIBC, WestJet is obligated to pay CIBC certain fees for its services, a portion of which was payable on the delivery of the CIBC Opinion to the Board of Directors (which portion was not contingent on completion of the Arrangement), a portion of which was payable on announcement of the Arrangement and a portion of which is contingent on completion of the Arrangement.

The CIBC Opinion is described under the heading "The Arrangement – Financial Advisor Opinions – CIBC Opinion". The complete text of the CIBC Opinion, which describes, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, is attached as Appendix E to this Information Circular, and should be read in its entirety.

BofA Merrill Lynch Opinion

In connection with the Arrangement, the Board of Directors also received an opinion, dated May 12, 2019, from Merrill Lynch, Pierce, Fenner & Smith Incorporated (together with its assignee, BofA Securities, Inc., **BofA Merrill Lynch**), as to the fairness, from a financial point of view and as of that date, of the Consideration to be received under the Arrangement by Shareholders (other than, to the extent applicable, the Purchaser, Onex, any Rollover Securityholder or other direct or indirect investor in the Purchaser, and their respective affiliates). **The BofA Merrill Lynch Opinion was delivered for the benefit and use of the Board (in its capacity as such) in connection with and for purposes of its evaluation of the Consideration from a financial point of view and was only one of many factors considered by, and was not determinative of the views of, the Board and the Special Committee with respect to the Arrangement or the Consideration. BofA Merrill Lynch expressed no opinion or view as to any terms or other aspects or implications of the Arrangement (other than the Consideration to the extent expressly specified in such opinion) and no opinion or view was expressed as to the relative merits of the Arrangement in comparison to other strategies or transactions that might be available to WestJet or in which WestJet might engage or as to the underlying business decision of WestJet to proceed with or effect the Arrangement. BofA Merrill Lynch also expressed no opinion or recommendation as to how any Securityholder should vote or act in connection with the Arrangement or any other matter.**

The Corporation agreed to pay BofA Merrill Lynch for its services with respect to its opinion to the Board of Directors a fee that was paid upon delivery of the BofA Merrill Lynch Opinion and was not contingent upon consummation of the Arrangement or the conclusions reached by BofA Merrill Lynch in its opinion. WestJet also has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch's engagement.

The BofA Merrill Lynch Opinion is described under the heading "The Arrangement – Financial Advisor Opinions – BofA Merrill Lynch Opinion", which also includes a summary of the material financial analyses provided by BofA Merrill Lynch to the Board of Directors in connection with its opinion. The complete text of the BofA Merrill Lynch Opinion, which describes, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, is attached as Appendix F to this Information Circular, and should be read in its entirety.

Voting Agreements

On May 12, 2019, the Purchaser entered into Voting Agreements with each of the directors and Executive Officers of WestJet. The Voting Agreements set forth, among other things, the agreement of those individuals to vote their Shares in favour of the Arrangement and any matter necessary for the consummation of the Arrangement and against any Acquisition Proposal and/or any other matter that could reasonably be expected to delay, prevent or frustrate the completion of the Arrangement. As of the Record Date, an aggregate of 994,926 Shares were subject to the Voting Agreements, representing approximately 0.9 per cent of WestJet's issued and outstanding Shares. See "The Arrangement – Voting Agreements".

Approvals

Securityholder Approval

At the Meeting, Shareholders and Optionholders, voting together as a single class, will be asked to consider and, if deemed advisable, to pass the Arrangement Resolution, a copy of which is attached as Appendix B to this Information Circular. Pursuant to the Interim Order, the approval of the Arrangement Resolution will require the affirmative vote of the following Securityholders present in person or represented by proxy at the Meeting: (a) at least 66 2/3 per cent of the votes cast by Shareholders and Optionholders, voting together as a single class; and (b) a majority of the votes cast by Shareholders, voting together as a single class, excluding those Shareholders whose votes are required to be excluded pursuant to Section 8.1(2) of MI 61-101 (collectively, **Securityholder Approval**). As of the Record Date, an aggregate of 144,244 votes will be required to be excluded pursuant to MI 61-101, which are comprised of the Shares held by the Executive Officers. See "The Arrangement – Approvals – Canadian Securities Law Matters" and "The Arrangement – Interests of Certain Persons in the Arrangement – Rollover by Executive Officers".

In addition, the Arrangement Resolution must be approved by a majority of votes cast by Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting to satisfy the requirements of the TSX.

It is a condition to the completion of the Arrangement that the Arrangement Resolution be approved at the Meeting. See "The Arrangement – Approvals – Securityholder Approval" for a discussion of the Securityholder Approval requirements to effect the Arrangement.

Court Approval

In addition to the Securityholder Approval described above, the Arrangement also requires the approval of the Court. Prior to mailing this Information Circular, WestJet obtained the Interim Order authorizing and directing the Corporation to call, hold and conduct the Meeting and to submit the proposed Arrangement to Securityholders for approval. A copy of the Interim Order is attached as Appendix G to this Information Circular. Subject to obtaining Securityholder Approval, the hearing in respect of the Final Order is expected to take place at 2:00 p.m. (MDT) on July 26, 2019 at the Calgary Courts Centre, 601 - 5th Street S.W., Calgary, Alberta.

Key Regulatory Approvals

The Arrangement is conditional upon receipt of all Key Regulatory Approvals, including the Competition Act Clearance, the CT Act Approval, the Canadian Status Determination and the HSR Approval. See "The Arrangement – Approvals – Key Regulatory Approvals".

Completion of the Arrangement is also subject to the other terms and conditions specified in the Arrangement Agreement. Assuming timely receipt of the Key Regulatory Approvals, the Corporation currently anticipates that the Arrangement will be completed in the latter part of 2019 or early 2020. See "The Arrangement Agreement".

Arrangement Agreement

The obligations of WestJet and the Purchaser to complete the Arrangement are subject to the satisfaction or waiver of certain conditions set out in the Arrangement Agreement. These conditions include, among others, the receipt of the Securityholder Approval, Court approval and the Key Regulatory Approvals. Upon all of the conditions being fulfilled or waived, the Corporation is required to file the Articles of Arrangement with the Registrar in order to give effect to the Arrangement no later than the date on which the Corporation and the Purchaser agree in writing as the Effective Date, or in the absence of such agreement, the fifth Business Day following satisfaction or waiver of the all conditions, subject to certain extensions which may be granted if the Marketing Period (in relation to the Purchaser's Financings to fund the completion of the Arrangement) has not ended on the date of the satisfaction or waiver of the conditions.

In addition to certain covenants, representations and warranties, WestJet has agreed that it will not solicit, assist, initiate, encourage or otherwise facilitate an Acquisition Proposal from any third party. However, WestJet may, prior to the receipt of the Securityholder Approval, engage in discussions and negotiations if the Corporation receives a written Acquisition Proposal that the Board determines in good faith could reasonably be expected to lead to a Superior Proposal. If WestJet receives a Superior Proposal, the Purchaser will have the right, for a period of five Business Days, to negotiate with WestJet to amend the terms of the Arrangement Agreement such that WestJet could proceed with the Arrangement, as amended, rather than the Superior Proposal.

The Purchaser has further covenanted that it will use reasonable best efforts to consummate the Debt Financing and obtain the Sponsor Financing prior to the Effective Date, including completing the syndication of a substantial minority of the equity financing commitment under the Sponsor Commitment Letter as soon as reasonably practicable. See "The Arrangement – Sources of Funds".

The Arrangement Agreement may be terminated by mutual written consent of WestJet and the Purchaser and by each Party in certain circumstances as more particularly set forth in the Arrangement Agreement, including the failure to obtain the requisite Securityholder Approval. Subject to certain limitations, each Party may also terminate the Arrangement Agreement if the Arrangement Agreement is not consummated by the Outside Date, which date can be extended by the Purchaser in certain circumstances or by written agreement of the Parties.

The Arrangement Agreement requires that the Corporation pay the Purchaser a Termination Fee of \$100 million in certain circumstances and that the Purchaser pay the Corporation a Reverse Termination Fee of \$200 million in certain circumstances. In addition to the other rights and remedies of the Corporation and the Purchaser under the Arrangement Agreement, each Party may be required to reimburse the other for certain reasonable out-of-pocket expenses up to a maximum of \$10 million in certain circumstances. See "The Arrangement Agreement – Termination Fees and Expenses".

The above is a summary of certain provisions of the Arrangement Agreement, which summary is qualified in its entirety by the full text of the Arrangement Agreement, a copy of which is attached as Appendix C to this Information Circular and has been filed under WestJet's profile on SEDAR at www.sedar.com. See "The Arrangement Agreement".

Parties to the Arrangement

WestJet

WestJet is a Canadian airline based in Calgary, Alberta, with expanding global operations. WestJet provides scheduled and charter commercial air travel, vacation packages and cargo services across North America, Central America, the Caribbean and Europe with its fleet of Boeing 737 Next Generation aircraft, Boeing 737 MAX aircraft, Bombardier Q400 aircraft, wide-body Boeing 767-300 ERW aircraft and Boeing 787-9 Dreamliner aircraft.

The Purchaser

The Purchaser was formed solely for the purpose of engaging in the transactions contemplated by the Arrangement Agreement and has not engaged in any business activities other than in connection with the transactions contemplated by the Arrangement Agreement and obtaining the Financings contemplated by the Sponsor Commitment Letter and the Debt Commitment Letter. The Purchaser is an affiliate of Onex.

The Onex Funds

At the Effective Time, the Corporation will be indirectly controlled by Onex Corporation, a publicly-traded Canadian investor and asset manager founded in 1984 with approximately US\$37 billion of assets under management. Onex Corporation's shares trade on the TSX under the trading symbol "ONEX".

Each of the Onex Funds is an investment fund with numerous investors from around the world which are managed by affiliates of Onex Corporation. In addition to the Sponsor Commitment Letter, the Onex Funds have entered into a Limited Guarantee pursuant to which each of the Onex Funds has guaranteed certain obligations of the Purchaser under the Arrangement Agreement, on a pro rata and several (and not joint and several) basis. For further information see "The Arrangement – Sources of Funds".

Depository and Proxy Solicitation Agent

The Corporation has engaged AST to act as Depository for the receipt of certificates in respect of the Shares and related Letters of Transmittal.

The Corporation has retained Laurel Hill to assist in the solicitation of proxies. The solicitation of proxies is on behalf of Management. Laurel Hill can be contacted by telephone at 1-877-452-7184 (toll free in North America) or 416-304-0211 (collect outside North America), or by email at assistance@laurelhill.com.

Risk Factors

In the course of its deliberations, the Special Committee and the Board of Directors also identified and considered a variety of risks (as described in greater detail under the heading "Risk Factors") and potentially negative factors relating to the Arrangement, including the following:

- there can be no certainty that all conditions to the Arrangement, including obtaining the Key Regulatory Approvals, will be satisfied by the Outside Date;
- if the Corporation is unable to complete the Arrangement or if completion of the Arrangement is delayed, there could be an adverse effect on the Corporation's business, financial condition, operating results and the price of its Shares;
- the Termination Fee provided under the Arrangement Agreement may discourage other parties from attempting to acquire the Corporation;
- even if the Arrangement Agreement is terminated without payment of the Termination Fee, the Corporation may, in the future, be required to pay the Termination Fee in certain circumstances;

- while the Arrangement Agreement does not contain a financing condition, the risk that the conditions set forth in the Financing Commitments may not be satisfied or that other events may arise which could prevent the Purchaser from consummating the Financings;
- the Arrangement will be a taxable transaction and, as a result, Securityholders will generally be required to pay Taxes on any gains that result from their receipt of their consideration pursuant to the Arrangement. See "Certain Canadian Federal Income Tax Considerations"; and
- other risks associated with the Parties' ability to complete the Arrangement.

Securityholders should consider these and other risk factors relating to the Arrangement and the Corporation in evaluating whether to approve the Arrangement Resolution.

INFORMATION CONCERNING THE MEETING

Date, Time and Place of Meeting

The Meeting will be held at 10:00 a.m. (MDT) on July 23, 2019, at the WestJet Campus, Fred Ring building, 22 Aerial Place N.E., Calgary, Alberta, unless adjourned or postponed.

Purpose of the Meeting

What will I be voting on?

At the Meeting, Securityholders will be asked to consider and, if deemed advisable, to pass the Arrangement Resolution (a copy of which is attached as Appendix B to this Information Circular) and such other business as may properly come before the Meeting. At the time of printing this Information Circular, Management knows of no other matter expected to come before the Meeting, other than the vote on the Arrangement Resolution.

Solicitation of Proxies

Who can vote?

Shareholders and Optionholders of record at the close of business on the Record Date of June 12, 2019 are entitled to vote at the Meeting. To vote any Shares acquired after the Record Date, you must, not later than ten days before the Meeting:

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

There shall be no change to the Record Date in the event of an adjournment or postponement of the Meeting.

What is quorum?

Pursuant to the by-laws of WestJet, a quorum of Shareholders is present at the Meeting if at least two persons are present, one of whom shall be, or be representing, a Canadian as defined in the CT Act, and such persons hold or represent as proxies not less than 25 per cent in the aggregate of the outstanding Shares which may be voted. If a quorum is not present at the Meeting, the Meeting may be adjourned to a fixed time and place, but no other business shall be transacted at the Meeting.

What approvals are required by Securityholders to pass the Arrangement Resolution at the Meeting?

The Arrangement Resolution must be approved by at least 66 2/3 per cent of the votes cast by Shareholders and Optionholders, voting together as a single class, present in person or represented by proxy at the Meeting. The Arrangement Resolution must also be approved by a majority of the votes cast by Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting, excluding those Shareholders whose votes are required to be excluded pursuant to Section 8.1(2) of MI 61-101. In addition, pursuant to and in accordance with the policies of the TSX, WestJet will be required to obtain the approval of the Arrangement Resolution by a majority of the votes cast by Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting. As of the Record Date, an aggregate of 144,244 votes will be required to be excluded pursuant to MI 61-101, which are comprised of the Shares held by the Executive Officers since they are eligible to enter into Rollover Agreements pursuant to which they will agree to roll over some or all of their Shares and Options for Midco Shares and Midco Options, respectively, under the Arrangement.

How many votes do I have?

Subject to the voting restrictions and adjustments attached to the Variable Voting Shares, as discussed below under the heading "Information Concerning the Meeting – Restrictions on voting", you have one vote for every Share or Option that you own.

How many Securities can vote?

As of the Record Date, WestJet had a total of 115,346,091 issued and outstanding Shares and a total of 6,072,803 issued and outstanding Options. As of March 31, 2019, WestJet had a total of 79,124,188 Common Voting Shares and 34,827,827 Variable Voting Shares issued and outstanding. Each Share confers the right to one vote on the Arrangement Resolution, subject to voting restrictions and adjustments attached to the Variable Voting Shares, as discussed below under the heading "Information Concerning the Meeting – Restrictions on voting". Each Option confers the right to one vote on the Arrangement Resolution.

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

Shareholder	Number of Shares	Per cent of Outstanding Shares as at June 12, 2019
Silchester International Investors LLP	19,048,500 ⁽¹⁾	16.51%

Note:

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

Who counts the votes?

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

What is the deadline for proxy voting?

We encourage you to submit your proxy or voting information form as soon as possible to ensure that your vote is counted. AST must receive proxies no later than 10:00 a.m. (MDT) on July 19, 2019, or if the Meeting is adjourned or postponed, at least 48 hours before such adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays). The chair of the Meeting may waive, without notice, the time limit for deposit of proxies. If you are a Beneficial 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?

The Corporation's Articles provide restrictions with respect to subscriptions, issues, transfers or purchases of Common Voting Shares which would cause the Corporation to cease to be "Canadian" as defined in the CT Act. The applicable provisions of the CT Act require that the Corporation, 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. The Articles include provisions which limit the voting power of non-Canadians to 25 per cent or less of the votes cast at meetings of Shareholders. Such limitations align with the definition of "Canadian" in the CT Act prior to the adoption of the amendments in the *Transportation Modernization Act* (Canada) (the **CT Act Amendments**). The CT Act Amendments increased the permitted limit of foreign ownership allowed in respect of Canadian air service providers to 49 per cent from 25 per cent, subject to two new limitations on voting control with respect to single non-Canadian holders and one or more non-Canadian holders authorized to provide air service, in each case

either individually or in affiliation with another person. Such persons that qualify for either of the two new limitations are not permitted to hold more than 25 per cent of the voting interests.

At the 2019 Meeting, Shareholders approved a special resolution to amend the Corporation's Articles and By-Law No. 2005-1 of the Corporation, pursuant to a plan of arrangement under Section 193 of the ABCA to align the restrictions on the level of non-Canadian ownership and control within the Articles with those prescribed by the definition of "Canadian" in Section 55(1) of the CT Act, as amended by the CT Act Amendments. However, the Corporation determined, as permitted by the special resolution approved at the 2019 Meeting, not to amend its Articles or By-Law No. 2005-1 of the Corporation to adjust the voting rights of the Variable Voting Shares, because it was not practicable to do so prior to the Record Date.

The Common Voting Shares and the Variable Voting Shares trade on the TSX under the trading symbol "WJA".

Please note that regardless of how your Shares are held, you must complete the declaration on your instrument of proxy or voting instruction form regarding whether or not the Shares you represent are owned or controlled¹ by a "Canadian" for purposes of WestJet's ownership restrictions. If you do not complete such 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 beneficially owned or controlled, directly or indirectly, by a person who is Canadian is automatically converted to a Common Voting Share.

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

Variable Voting Shares carry one vote per Variable Voting Share held, except where (a) the number of issued and outstanding Variable Voting Shares exceeds 25 per cent of the total number of all issued and outstanding Shares, including securities convertible into such Shares and currently exercisable options and rights to acquire such Shares or such convertible securities (or any higher percentage that the Governor in Council may specify pursuant to the CT Act), or (b) the total number of votes cast by or on behalf of the holders of Variable Voting Shares at any meeting exceeds 25 per cent (or any higher percentage that the Governor in Council may specify pursuant to the CT 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.

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

Under the circumstances described in (a) in the immediately preceding paragraph, the Variable Voting Shares as a class cannot carry more than 25 per cent (or any higher percentage that the Governor in Council may specify pursuant to the CT 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 (b) in the immediately preceding paragraph, the Variable Voting Shares as a class cannot, for a given Shareholders' meeting, carry more than 25 per cent (or any higher percentage that the Governor in Council may specify pursuant to the CT 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 CT Act) of the aggregate votes that may be cast on such matter, the number of votes attached to each Variable Voting Share will decrease automatically and proportionately such that the total votes attached to the Variable Voting Shares cast on the matter shall not exceed 25 per cent of the aggregate votes.

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

Who owns Options?

Options are issued to officers and key employees of WestJet pursuant to the terms of the Stock Option Plan.

What is the voting right attached to the Options?

For the purposes of the Meeting, Optionholders will be entitled to vote on the Arrangement Resolution, together with the Shareholders, voting as a single class. Each Option outstanding will be entitled to one vote.

How do I vote?

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

- You are a Registered Shareholder if your name appears on your share certificate or if you hold your Shares under your name on the records of AST.
- You are a non-Registered Shareholder if your Shares are not held in your name but are held in the name of a nominee or intermediary such as a bank, trust company, securities broker, trustee or other custodian.

If you have any questions about the Meeting, please contact Laurel Hill by telephone at 1-877-452-7184 (toll-free in North America) or 416-304-0211 (collect outside North America) or by email at assistance@laurelhill.com.

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

I am a Registered Shareholder or Optionholder. How do I vote by proxy?

Registered Shareholders and Optionholders have four ways to submit a completed proxy:



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



by email, by completing and signing the enclosed applicable instrument of proxy, scanning (both sides) and emailing it to proxyvote@astfinancial.com;



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



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

You can use the enclosed instrument of proxy, or any other appropriate proxy form, to appoint your proxyholder and to indicate how you want your Shares or Options voted. The persons named in the enclosed instrument of proxy are directors or Executive Officers of WestJet. **However, you can choose another person to be your proxyholder, including someone who is not a Shareholder or Optionholder.** 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 are a Registered Shareholder and you complete another form of proxy, you must still complete the required declaration regarding whether or not the Shares you represent are owned or controlled by a "Canadian" for the purposes of WestJet's ownership restrictions. You may vote by proxy even if you plan to attend the Meeting. **The Shares or Options represented by your instrument of proxy will be voted for or against the Arrangement Resolution in accordance with your instructions indicated on the instrument of proxy.**

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

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

I am an Optionholder. How do I vote in person?

You do not need to do anything except attend the Meeting. You should register with the representatives of AST when you arrive at the Meeting.

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

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

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



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

If a voting instruction form has been returned (either via the internet at ASTvotemyproxy.com, email, fax or mail), **the ESPP Shares represented by your voting instruction form will be voted for or against the Arrangement Resolution in accordance with your instructions indicated on the voting instruction form.** ESPP Shares in respect of which a voting instruction form has not been returned (either via the internet at ASTvotemyproxy.com, email, fax or mail) will not be voted.

The voting instruction form must be used with respect to ESPP Shares. In the event that you hold any Shares other than ESPP Shares, you must separately follow the appropriate voting requirements with respect to those Shares. No instrument of proxy is to be completed with respect to ESPP Shares unless



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



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



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

you have withdrawn such Shares from the ESPP and you hold a Share certificate with respect thereto.

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

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

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

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

If you are a non-Registered Shareholder, you should have received the Notice of Meeting and this Information Circular from your Intermediary, together with a voting instruction form. Voting instruction forms include instructions on how to vote on the internet, or by telephone, fax, mail or email. Please contact your Intermediary if you did not receive a request for voting instructions in this package. Each Intermediary has its own signing and return instructions, which you should follow carefully to ensure that your votes are tabulated. Your Intermediary 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 Intermediary cannot vote your Shares. **Voting instructions must be communicated to the Intermediary (in accordance with the instructions provided by it on its behalf) well in advance of the Meeting in order to have the Shares to which such instructions relate voted at the Meeting.**

You can appoint a person or company other than the directors or Executive Officers 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 Intermediary 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 Intermediary 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 Intermediary. In so doing, you are instructing your Intermediary to appoint you as proxyholder. Then follow the execution and return instructions provided by your Intermediary. It is not necessary to otherwise complete the form, as you plan to vote at the Meeting. For further details, contact your Intermediary directly.

PROXY INFORMATION

How are proxies solicited?

Proxies are solicited primarily by mail or by any other means Management may deem necessary, which may include solicitation by telephone, email, internet, facsimile, in person or by other means of communication. Members of Management receive no additional compensation for these services but are reimbursed for any expenses incurred by them in connection with these services. To encourage your vote, you may be contacted by our strategic shareholder advisor and proxy solicitation agent, Laurel Hill. In connection with proxy solicitation services, the Corporation expects to pay Laurel Hill a fee of \$95,000 for services provided, plus the aggregate amount of the per call fees payable in connection with calls to retail holders of Shares. Arrangements may also be made with Intermediaries 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.

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 Securities; or (b) you can let your proxyholder decide for you. If you have specified on the instrument of proxy how you want your Securities to be voted on a particular matter, then your proxyholder must vote your Securities 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, Securities 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 the matter 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 matter 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 or an Optionholder, clearly state in writing that you want to revoke your proxy and deliver this written statement to the Interim Corporate Secretary of WestJet at 22 Aerial Place N.E., Calgary, Alberta, Canada, T2E 3J1, no later than 10:00 a.m. (MDT) on the last Business Day before the Meeting, being July 22, 2019, or to the chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or in any other manner permitted by Law. If you are a Registered Shareholder or an Optionholder and have already submitted a proxy and you personally attend 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 or an Optionholder 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.

Only Registered Shareholders and Optionholders have the right to revoke a proxy. If you are a non-Registered Shareholder who has voted and you want to change your mind or revoke your proxy, you must, in sufficient time in advance of the Meeting, arrange for your respective Intermediary to change your vote and if necessary, revoke your proxy, in accordance with the revocation procedures set out above.

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

DISSENT RIGHTS OF SHAREHOLDERS

Registered Shareholders have been provided with the right to dissent from the Arrangement Resolution in the manner provided in Section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement (**Dissent Rights**). The following summary is qualified in its entirety by the provisions of the Plan of Arrangement, the Interim Order and the text of Section 191 of the ABCA, which are attached to this Information Circular as Appendices D, G and H respectively.

Pursuant to the Plan of Arrangement and the Interim Order, a Registered Shareholder as of the Record Date who validly exercises Dissent Rights (a **Dissenting Shareholder**), is entitled, in addition to any other right such Dissenting Shareholder may have, to dissent and be paid by WestJet the fair value of the Shares held by such Dissenting Shareholder, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Meeting. A Dissenting Shareholder will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holder not exercised its Dissent Rights in respect of such Shares. Dissenting Shareholders are cautioned that fair value could be determined to be less than the amount per Share payable pursuant to the terms of the Arrangement.

A Dissenting Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement. Failure to comply with the provisions of that section as modified by the Interim Order and the Plan of Arrangement, and to adhere to the procedures established therein may result in the loss of all rights thereunder.

The Court hearing the application for the Final Order has the discretion to alter the rights of dissent described herein based on the evidence presented at such hearing.

A Registered Shareholder who wishes to dissent must provide a written objection to the Arrangement Resolution (a **Dissent Notice**) to WestJet, c/o Blake, Cassels & Graydon LLP, Suite 3500, 855 - 2nd Street S.W., Calgary, Alberta, T2P 4J8, Attention: David Tupper, which Dissent Notice must be received by 5:00 p.m. (MDT) on July 19, 2019, or such day that is two Business Days immediately preceding the date that any adjournment or postponement of the Meeting is reconvened. **Failure to properly exercise Dissent Rights may result in the loss or unavailability of the right to dissent.**

Only Registered Shareholders may dissent. In many cases, Shares beneficially owned by a Beneficial Shareholder are registered either: (a) in the name of an Intermediary, or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. Accordingly, a Beneficial Shareholder will not be entitled to exercise its Dissent Rights directly (unless the Shares are re-registered in the Beneficial Shareholder's name). A Beneficial Shareholder who wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Beneficial Shareholder deals in respect of its Shares and either: (i) instruct the Intermediary to exercise Dissent Rights on the Beneficial Shareholder's behalf (which, if the Shares are registered in the name of CDS Clearing and Depository Services Inc. or other clearing agency, may require that such Shares first be re-registered in the name of the Intermediary), or (ii) instruct the Intermediary to re-register such Shares in the name of the Beneficial Shareholder, in which case the Beneficial Shareholder would be able to exercise Dissent Rights directly.

No Shareholder who has voted in favour of the Arrangement or holder of Incentive Securities is entitled to dissent with respect to the Arrangement.

Pursuant to Section 191 of the ABCA and the Interim Order, a Registered Shareholder may not exercise Dissent Rights in respect of only a portion of such holder's Shares, but may dissent only with respect to all of the Shares held by the holder.

A vote against the Arrangement Resolution, an abstention from voting, or a proxy submitted instructing a proxyholder to vote against the Arrangement Resolution does not constitute a Dissent Notice, but a Registered Shareholder need not vote its Shares against the Arrangement Resolution in order to dissent. Similarly, the revocation of a proxy

conferring authority on the proxyholder to vote in favour of the Arrangement Resolution does not constitute a Dissent Notice. However, any proxy granted by a Registered Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Arrangement Resolution, should be validly revoked in order to prevent the proxyholder from voting such Shares in favour of the Arrangement and thereby causing the Registered Shareholder to forfeit his or her Dissent Rights.

WestJet (or following completion of the Arrangement, any successor thereof) or a Dissenting Shareholder may apply to the Court, by way of an originating notice after the approval of the Arrangement Resolution, to fix the fair value of the Dissenting Shareholder's Shares. If such an application is made to the Court by either WestJet or a Dissenting Shareholder, WestJet must, unless the Court orders otherwise, send to each Dissenting Shareholder a written offer to pay the Dissenting Shareholder an amount considered to be the fair value of the Shares held by such Dissenting Shareholder. The offer, unless the Court orders otherwise, must be sent to each Dissenting Shareholder at least ten days before the date on which the application is returnable, if WestJet is the applicant, or within ten days after WestJet is served a copy of the originating notice, if a Dissenting Shareholder is the applicant. Every offer will be made on the same terms to each Dissenting Shareholder and contain or be accompanied with a statement showing how the fair value was determined.

A Dissenting Shareholder may make an agreement with WestJet for the purchase of such holder's Shares in the amount of the offer made by WestJet or otherwise, at any time before the Court pronounces an order fixing the fair value of the Shares.

A Dissenting Shareholder will not be required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application or appraisal. On the application, the Court will make an order fixing the fair value of the Shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against WestJet and in favour of each of those Dissenting Shareholders, and fixing the time within which WestJet must pay the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as a Shareholder, until the date of payment.

On the Arrangement becoming effective, or upon the making of an agreement between WestJet and the Dissenting Shareholder as to the payment to be made by WestJet to the Dissenting Shareholder, or upon the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as a Shareholder other than the right to be paid the fair value of such holder's Shares in the amount or in the amount of the judgment, as the case may be. Until one of these events occurs, the Dissenting Shareholder may withdraw the Dissenting Shareholder's dissent, or if the Arrangement has not yet become effective, WestJet may rescind the Arrangement Resolution, and in either event, the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

WestJet shall not make a payment to a Dissenting Shareholder under Section 191 of the ABCA if there are reasonable grounds for believing that it is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of its assets would thereby be less than the aggregate of its liabilities. In such event, WestJet shall notify each Dissenting Shareholder that it is unable lawfully to pay the Dissenting Shareholder for its Shares, in which case the Dissenting Shareholder may, by written notice to WestJet within 30 days after receipt of such notice, withdraw such holder's written objection, in which case the holder shall be deemed to have participated in the Arrangement as a Shareholder. If the Dissenting Shareholder does not withdraw such holder's written objection, such Dissenting Shareholder retains status as a claimant against WestJet to be paid as soon as it is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of its creditors but in priority to its Shareholders.

All Shares held by Dissenting Shareholders who validly exercise their Dissent Rights will, if the holders do not otherwise withdraw such holder's written objection, be deemed to be transferred to the Corporation under the Arrangement and cancelled in exchange for the fair value thereof, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution is adopted at the Meeting or will, if such Dissenting Shareholders ultimately are not so entitled to be paid the fair value thereof, be treated as if the holder had participated in the Arrangement on the same basis as a non-Dissenting Shareholder, and such Shares will be deemed to be exchanged for the Consideration on the same basis as all other Shareholders pursuant to the Arrangement.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of its Shares. Section 191 of the ABCA, other than as amended by the Interim Order and the Plan of Arrangement, requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, Dissenting Shareholders who might desire to exercise Dissent Rights and appraisal should carefully consider and comply with the provisions of Section 191 of the ABCA, the full text of which is set out in Appendix H to this Information Circular, as modified by the Interim Order, the full text of which is set out in Appendix G of this Information Circular, and as modified by the Plan of Arrangement, the full text of which is set out in Appendix D of this Information Circular, and consult their own legal advisor.**

THE ARRANGEMENT

On May 12, 2019, WestJet entered into the Arrangement Agreement with the Purchaser, an affiliate of Onex Corporation, providing for the acquisition of all of the issued and outstanding Shares of WestJet by the Purchaser. Under the terms of the Arrangement Agreement, the acquisition is to be accomplished through a statutory plan of arrangement in respect of WestJet under the ABCA. If the Arrangement is completed, Shareholders (other than Dissenting Shareholders) will receive \$31.00 in cash for each Share (other than Rollover Shares) that they own and Optionholders will receive for each of their Options (other than Rollover Options) the difference between \$31.00 and the exercise price thereof or \$0.05 per Option if the exercise price exceeds \$31.00.

Background to the Arrangement

General

The Corporation's specific dealings with Onex and other specific events leading to the execution of the Arrangement Agreement are described under "The Arrangement – Background to the Arrangement – Specific Events Leading to the Arrangement Agreement" below. This section provides general background information about the Corporation and the events affecting the Corporation that are relevant to understanding the process leading to the execution of the Arrangement Agreement and the determinations, approvals and recommendations made by the Special Committee and the Board in relation to the Arrangement. This section also provides introductory information about Onex, with additional information on Onex set forth under "Information Concerning the Purchaser, Onex and the Onex Funds".

WestJet's Background

WestJet was founded in Calgary, Alberta in 1996 and began operations as a no-frills, low-cost carrier with five destinations, three aircraft and 220 employees. From the outset of its operations, WestJet has prided itself on the friendly service provided by its employees, referred to as "WestJetters", and a high level of employee engagement, fostered in large part by significant employee share ownership. Since its inception, WestJet has grown and expanded its services and now has over 14,000 employees, more than 180 aircraft and offers scheduled services to over 100 destinations in North America, Central America, the Caribbean and Europe, and to over 175 destinations in over 20 countries through its various airline partnerships. WestJet has an award-winning culture of care and has been recognized for three consecutive years as the Best Airline in Canada (2017, 2018 and 2019) and favourite Mid-Sized Airline in North America (2019) as voted by the travelling public in TripAdvisor's Traveller's Choice awards. WestJet remains headquartered in Calgary, Alberta.

Events in Recent Years

Over the past three years, the development of WestJet's business has focused on strategic expansion through: investment in a larger and more diversified fleet and network; the implementation of a dual-brand strategy to more effectively address a broader range of travellers; the shift from a point-to-point operation to a hub network structure in order to increase connectivity and schedule convenience; investments in new products and services to improve its value proposition; investments and initiatives to drive cost-effective operations in order to continue to offer low fares and stimulate demand; deepening its strategic relationships with select airline and non-airline partners to enhance WestJet's network reach and improve its product/service offerings; and preserving, enhancing and continuing to deliver on WestJet's culture of exceptional guest care. Examples of these measures include the launch of wide-body transatlantic service on WestJet's new 787 Dreamliners with first ever business class

cabins, entering into a proposed transborder joint venture with Delta Air Lines, the launch of Swoop (WestJet's ultra-low-cost carrier), and the launch of a capacity purchase agreement with Pacific Coastal Airlines (branded WestJet Link) which connects several smaller cities/communities to WestJet's Calgary hub.

In connection with its transformation into a global competitor, WestJet recently assembled an executive leadership team with over 150 years of combined aviation experience. In early March, 2018, Mr. Ed Sims, who joined WestJet in May 2017 as Executive Vice President, Commercial, was appointed President and Chief Executive Officer. WestJet also appointed Mr. Craig Maccubbin as Executive Vice President and Chief Information Officer in April 2017; Mr. Steven Greenway as Executive Vice President and President, Swoop in March 2018; Mr. Charles Duncan, as Executive Vice President and Chief Strategy Officer in August 2018 (previously Executive Vice President and President, WestJet Encore); Captain Jeffrey Martin as Executive Vice President and Chief Operating Officer in September 2018; and Mr. Arved von zur Muehlen as Executive Vice President and Chief Commercial Officer in January 2019.

On March 13, 2019, WestJet announced that it was grounding its 737 MAX aircraft following Transport Canada's decision that same day to close Canadian airspace to Boeing MAX aircraft until further notice in response to an Ethiopian Airlines crash on March 10, 2019 and Lion Air crash on October 29, 2018. Following the decision by Transport Canada, the Federal Aviation Administration's temporary grounding order and Boeing's decision to suspend all 737 MAX deliveries to airline customers, on March 18, 2019 WestJet announced that it was suspending its 2019 financial guidance provided on December 4, 2018 and February 5, 2019, with the exception of guidance with respect to earnings per share growth, return on invested capital and cumulative free-cash flow over the period of 2020 to 2022. As of the date of this Information Circular, the 737 MAX grounding is still in effect. WestJet continues to work closely with the respective regulatory bodies and Boeing with the ultimate goal of reintroducing the 737 MAX aircraft to service.

Canadian Airline Industry

The Canadian airline industry is highly competitive. WestJet (including WestJet Encore and Swoop) competes with a number of Canadian airlines, including Air Canada, Air Canada Rouge, Sunwing, Air Transat, Porter Airlines and Flair Airlines in the Canadian domestic market, and with certain of these Canadian airlines and numerous US and international carriers in the transborder and international markets.

The Canadian airline industry is regulated by various pieces of legislation, including the CT Act, which is the legislation pursuant to which the CTA, and in certain circumstances the Minister, regulates certain aspects of transportation industries in Canada, including air transportation, and provides oversight and enforcement of the CT Act. As disclosed under "Information Concerning the Meeting – Restrictions on voting", the CT Act imposes certain restrictions on foreign ownership of Canadian airlines which effectively prohibit non-Canadians from acquiring control of Canadian airlines.

About Onex

Onex Corporation is a publicly-traded Canadian investor and asset manager founded in 1984 and now has approximately US\$37 billion of assets under management. Onex Corporation manages and invests capital in its private equity and credit platforms on behalf of investors from around the world. Onex Corporation, through its various acquisition vehicles, focuses on creating long-term value by acquiring and building industry-leading businesses in partnership with management teams.

Generally, acquisitions by private equity firms are not made directly by the firms themselves. In contrast to acquisitions by operating companies engaged in the same line of business (commonly referred to as "strategic buyers"), acquisitions conducted by private equity firms (commonly referred to as "financial buyers") are generally made by newly incorporated special purpose corporations with no material assets. The acquisitions by these special purpose corporations are funded by a combination of equity investments from the private equity investment vehicles managed by the private equity firm and by debt financing from financial institutions arranged by the private equity firm. The funds from the equity and debt financings are provided to the special purpose corporation making the acquisition at the time of closing for the acquisition. In this case, the party which will acquire all of the Shares (other than the Rollover Shares and those Shares in respect of which Dissent Rights are validly exercised) is Kestrel Bidco Inc. (the Purchaser), which has obtained an equity commitment from the Sponsors under the Sponsor

Commitment Letter and debt commitments from the Debt Financing Sources under the Debt Commitment Letter, to provide the necessary financing for the Purchaser to complete the Arrangement.

Specific Events Leading to the Arrangement Agreement

The Arrangement Agreement is the result of arm's length negotiations among representatives of the Corporation and Onex and their respective legal advisors, as more fully described herein.

The following is a summary of the material events, meetings, negotiations and discussions between the representatives of the Corporation and Onex that preceded the execution of the Arrangement Agreement and the public announcement of the transaction.

Onex first contacted the Corporation in July 2016 to express preliminary interest in exploring an investment in the Corporation. Informal conceptual discussions were held at a meeting in October 2016 between Mr. Tawfiq Popatia, a Managing Director of Onex, and the then-President and Chief Executive Officer (**CEO**), Mr. Gregg Saretsky, the Executive Vice President, Finance and Chief Financial Officer (**CFO**), Mr. Harry Taylor, and the then-Executive Vice President, Commercial of the Corporation and at a meeting in January 2017 between representatives of Onex and the same officers of the Corporation, along with the Vice Chair of the Board, Mr. Chris Burley. This was followed by two meetings, in April 2017 and November 2017, between representatives of Onex and Messrs. Saretsky and Taylor at which the possibility of Onex acquiring the Corporation and potential non-binding indicative acquisition prices were discussed. In May 2017, CIBC was informally engaged by the Corporation to provide analysis and advice with respect to a potential acquisition of the Corporation by Onex, as well as other strategic alternatives. During 2016 and 2017, no offer or proposal was made by Onex and no confidential information was provided to Onex by the Corporation.

In January 2018, Mr. Popatia contacted Mr. Saretsky to express Onex' continued interest in acquiring the Corporation. This led to a meeting among representatives of Onex and Messrs. Burley, Saretsky and Taylor and the then-General Counsel of the Corporation, at which the representatives of Onex communicated non-binding terms that Onex was considering, based on publicly available information. The Board was subsequently apprised of that meeting. Mr. Burley was asked to be directly involved, on behalf of the Board, in any further discussions or negotiations with Onex.

Following these initial discussions, at Onex' request, the Corporation agreed to provide Onex with a limited period in which to review certain limited confidential financial information of the Corporation so that Onex could conduct further due diligence and potentially refine its view on the value of the Corporation. In furtherance of that process, Onex and the Corporation entered into a confidentiality agreement on February 21, 2018, containing a customary standstill covenant. On February 28, 2018, Onex was provided with limited confidential information relating to the Corporation.

In discussions with Onex, Onex also indicated its support for existing senior management remaining with the Corporation, as well as the possibility of senior management retaining an equity interest in the Corporation. This raised the possibility of MI 61-101 applying to a potential transaction. See "The Arrangement – Approvals – Canadian Securities Law Matters".

On March 12, 2018, Mr. Ed Sims, the then newly appointed CEO, was introduced to representatives of Onex at a meeting attended by Messrs. Burley and Taylor. Following that meeting, Onex gave the Corporation a written non-binding proposal for the acquisition of the Corporation by funds managed by Onex (the **2018 Proposal**). In conjunction with the delivery of the 2018 Proposal, Onex requested access to additional confidential information to conduct a full due diligence review of the Corporation in respect of its proposal.

On March 13, 2018, the Board was advised of the 2018 Proposal at a regularly scheduled meeting of the Board being held that day. At that meeting, the Board received legal advice from the Corporation's legal counsel, Blake, Cassels & Graydon LLP (**Blakes**), regarding the Board's duties and responsibilities in the context of a potential change of control transaction. The Board also reviewed and considered Management's then current five-year business plan scenarios and certain financial analysis presented by CIBC. The Board determined that the Onex proposal warranted further consideration and analysis before determining the appropriate response.

In light of the nature of the proposed transaction, the potential application of MI 61-101 to the transaction and the steps that would be required to pursue the transaction, the Board determined that it was appropriate to form a special committee of independent directors to consider the proposal. Accordingly, the Board formed a special committee comprised of Mr. Burley (Chair), Mr. Clive Beddoe, Mr. Allan Jackson, Mr. S. Barry Jackson and Ms. Karen Sheriff, all independent directors, with a mandate to, among other things: (a) consider the 2018 Proposal; (b) if the committee determined to proceed with further discussions with Onex regarding the 2018 Proposal, to supervise, oversee and/or conduct the negotiation of the structure and terms of the proposed transaction and any definitive agreements related thereto; (c) consider whether the proposed transaction is in the best interests of the Corporation, having regard to all circumstances, including (i) an assessment of the terms, potential benefits and risks associated with the 2018 Proposal and (ii) any reasonably available alternatives to the 2018 Proposal, including maintenance of the status quo and/or seeking other transactions that would enhance value to the Securityholders; and (d) if the committee determined to proceed with further discussions with Onex regarding the 2018 Proposal, report to the Board as to the ongoing negotiations with Onex regarding the 2018 Proposal and determine whether or not to make a recommendation to the Board regarding the proposed transaction or any alternative thereto.

Following the March 13, 2018 Board meeting, the special committee engaged Norton Rose Fulbright Canada LLP (**Norton Rose**) as its independent legal counsel.

During March 2018, the special committee met three times and, in consultation with CIBC, Blakes and Norton Rose, evaluated the 2018 Proposal, taking into consideration, among other things, the Corporation's existing five-year business plan scenarios, financial analysis and advice provided by CIBC, other potential value enhancing alternatives and the existing circumstances, including the significant business initiatives underway at the time. The special committee reported to the Board on these matters and, with the authorization of the Board, Messrs. Burley and Beddoe entered into negotiations with representatives of Onex on the proposed price for a transaction. The parties failed to reach an agreement on price and, as a result, discussions with Onex about a possible transaction were discontinued in mid-April 2018. The special committee was disbanded effective May 7, 2018 and there were no further substantive communications between Onex and the Corporation between April 2018 and March 2019.

On March 9, 2019, a representative of Onex contacted Mr. Burley seeking a meeting to discuss the possibility of Onex renewing its proposal to acquire the Corporation. On March 12, 2019, at a regularly scheduled meeting of the Board, after discussing the approach from Onex the Board re-established a special committee (the **Special Committee**) with the same mandate as in 2018 but in respect of any new proposal received from Onex. The Special Committee was once again authorized to retain its own advisors in the performance of its duties and, once formed, the Special Committee re-engaged Norton Rose as its independent legal counsel. The Corporation re-engaged CIBC to act as financial advisor to the Corporation in connection with its dealings with Onex.

The Special Committee is comprised of Mr. Burley (Chair), Mr. Beddoe, Mr. A. Jackson, Mr. S. B. Jackson and Ms. Colleen Johnston.

On March 18, 2019, the Chair of the Special Committee (Mr. Burley), the CEO (Mr. Sims) and the CFO (Mr. Taylor) met with representatives of Onex, at which various aspects of the Corporation's business and the possible acquisition of the Corporation by funds managed by Onex were discussed. The representatives of Onex verbally confirmed Onex' interest in acquiring the Corporation and suggested a potential purchase price per Share that would form the basis of any further negotiations. Mr. Burley requested that Onex provide a written proposal addressing, among other things, the proposed purchase price, Onex' proposed financing arrangements, the transaction structure and Onex' plans for the business.

The next morning, on March 19, 2019, the Special Committee had a meeting at which Mr. Burley briefed the Special Committee members on the discussions with the Onex representatives on March 18. The Special Committee received legal advice from Norton Rose on the process for a transaction and the duties of the directors in the context of a possible change of control transaction. CIBC attended the meeting and presented a market analysis and other financial analyses.

On March 25, 2019, Onex sent a written non-binding proposal to the Corporation to acquire all of the Shares (the **March 2019 Proposal**). The March 2019 Proposal contained an indicative purchase price of \$35.75 and was contingent on Onex conducting due diligence investigations, the negotiation of a definitive acquisition agreement and approval by Onex' Investment Committee. The March 2019 Proposal stated that the acquisition would not be subject to a financing condition and, in support of this,

included a "highly confident" letter from a large U.S. financial institution to fund \$3.25 billion of debt financing for the transaction. The March 2019 Proposal indicated that Onex was highly supportive of the Corporation's existing senior management and strategy, would seek to uphold the Corporation's values, employee engagement and guest experience and would be focused on the Corporation's growth following completion of the proposed transaction. Onex also included assurances in the proposal that the Corporation's head office would remain headquartered in Calgary, Alberta and that there would be no direct reduction to the Corporation's workforce or compensation roll-backs as a result of the proposed transaction.

In conjunction with the March 2019 Proposal, the Corporation and Onex entered into an amended and restated confidentiality agreement which expanded the scope of the parties to whom the Corporation's confidential information could be provided (in particular to debt financing parties and to equity co-investors with the Corporation's consent), contemplated the delivery of a broader, comprehensive set of due diligence materials to Onex and extended the standstill covenant applicable to Onex to September 21, 2019. Later in the process, the Corporation and Onex entered into a separate confidentiality agreement relating to the provision by Onex to the Corporation of information which would allow the Corporation to conduct due diligence relating to the corporate structure for the various Onex entities to be involved with the acquisition, as well as Onex' equity and debt financing arrangements for the transaction.

On March 30, 2019, the Special Committee held a meeting to, among other things, receive certain financial analyses prepared by CIBC. At the meeting, CIBC presented various analyses of the indicative purchase price and discussed with the Special Committee the potential for any other parties to be interested in, and capable of, acquiring the Corporation at a higher price, having regard to, among other things, the Canadian regulatory framework. After considering and discussing CIBC's financial analyses, Onex' assurances as to maintaining the Corporation's headquarters and operations following completion of the transaction, potential benefits to the Corporation of being privately owned by an institutional investor such as the Onex Funds and other potential alternatives available to the Corporation, the Special Committee concluded that the March 2019 Proposal presented an attractive opportunity for the Corporation, its Shareholders and other stakeholders, and that the Corporation should continue to engage with Onex. In reaching that conclusion, the Special Committee considered whether to conduct a public or private auction process for the Corporation. The Special Committee was of the view that there was a very low likelihood of any other party being capable of acquiring the Corporation at a higher price having regard to, among other things, the Canadian regulatory framework, and concluded that it was in the best interests of the Corporation and its Shareholders to pursue the transaction proposed by Onex without exposing it to the risks associated with conducting an auction process. At that meeting, the Special Committee also decided to recommend to the Board that the Corporation retain a second financial advisor, the compensation of which would not be contingent on the consummation of the transaction, to provide an opinion to the Board as to the fairness, from a financial point of view, of the consideration to be received by Shareholders under the proposed transaction.

Following that meeting, Onex was advised of the Corporation's willingness to continue considering and negotiating the transaction, and to proceed with the steps necessary to be in a position to decide whether to enter into a definitive agreement with respect to a transaction. This led to numerous discussions between Mr. Burley and representatives of Onex regarding the timing and steps for further consideration of and potential agreement on a transaction.

Beginning on April 1, 2019, the Corporation began compiling information and populating a data room for purposes of Onex' due diligence investigations. Between April 1, 2019 and May 12, 2019 (the date of the Arrangement Agreement), the Corporation responded to numerous information requests, and representatives of Onex, its advisors and the Debt Financing Sources conducted extensive due diligence investigations, including both documentary reviews as well as numerous in-person and telephonic meetings with representatives of the Corporation and its advisors.

Throughout the period from receipt of the March 2019 Proposal until execution of the Arrangement Agreement, Mr. Burley, on behalf of the Special Committee, attended many of the due diligence sessions and acted as the primary representative of the Corporation in its dealings with Onex regarding the transaction process and negotiation of the terms of the proposed transaction. Mr. Burley continually apprised the Special Committee of material developments in the process, through email updates, telephone discussions and meetings of the Special Committee.

The Special Committee met again on April 13, 2019. The Special Committee was provided with an update on various business matters and an overview of Onex' due diligence process, including the particular areas of focus of Onex and its advisors. CIBC

provided a market and financial analysis update and further discussed the potential for any other parties to be interested in, and capable of, acquiring the Corporation at a higher price than the price indicated by Onex. The Special Committee received advice from Blakes and Norton Rose regarding the impact of the proposed transaction on the Corporation's stakeholders other than the Shareholders, including the Corporation's customers, employees, lenders and other business partners. The Special Committee also reviewed and approved an interim report to be provided to the Board by the Special Committee providing an update on the developments following the formation of the Special Committee as well as information on a number of matters considered by the Special Committee, and to be considered by the Board, in evaluating the proposed transaction.

On April 16, 2019, the Board had a meeting regarding the proposed transaction, during which the Board received a business update from the CEO and CFO (including regarding the 737 MAX grounding), further advice from Blakes on the duties of the directors, a presentation from CIBC and the Special Committee's update report. The Board endorsed the steps that had been taken by the Special Committee to that point in the process and supported the continuation of the process.

On April 17, 2019, Onex' counsel, Goodmans LLP (**Goodmans**), provided Blakes with an initial draft of the Arrangement Agreement. Between April 17, 2019 and May 12, 2019, Mr. Burley, on behalf of the Special Committee, and Blakes, as counsel to the Corporation, negotiated the terms of the Arrangement Agreement with representatives of Onex and Goodmans, and reviewed and provided comments on related Transaction Documents, including the Debt Commitment Letter, the Sponsor Commitment Letter and the Limited Guarantee. During that period, CIBC, on behalf of the Special Committee, also conducted due diligence on Onex' proposed financing arrangements for the proposed transaction. Mr. Burley and Blakes also discussed with representatives of Onex and Goodmans the processes and efforts that would need to be made by Onex to obtain the necessary Regulatory Approvals for the proposed transaction, and Blakes conducted a review of Onex' plans to obtain those approvals.

During the week of April 21, 2019, the Corporation engaged BofA Merrill Lynch as a financial advisor, acting under the direction of the Special Committee, to provide an opinion to the Board as to the fairness, from a financial point of view, of the consideration to be received by Shareholders under the proposed transaction.

The Special Committee met again on April 27, 2019. The Special Committee discussed the status of the Arrangement Agreement and the other Transaction Documents with input from Blakes, Norton Rose and CIBC. CIBC provided a market update and further financial analysis to the Special Committee, including an analysis of the financial viability of the Corporation following the proposed transaction in certain downside scenarios based on the equity and debt capital structure proposed by Onex. The Special Committee also discussed recommending to the Board the implementation of a retention plan for certain officers and employees of the Corporation pending completion of the transaction, to be effective if an agreement were reached with Onex.

On April 30, 2019, a representative of Onex informed Mr. Burley that Onex had further considered the proposed transaction, taking into account, among other things, the results of Onex' due diligence investigations to that point in time and uncertainties relating to the 737 MAX grounding, and provided Mr. Burley with Onex' proposed purchase price, which was less than the indicative price initially provided by Onex. The following morning, on May 1, 2019, the Special Committee had a meeting to consider the proposed transaction and appropriate next steps in light of the price proposed by Onex. Blakes provided a comprehensive summary of the status of the negotiation of the Arrangement Agreement and other transaction documents, regulatory matters and timeline considerations. CIBC provided a market and financial analysis update and discussed the potential for any other parties to propose a transaction at a higher price. BofA Merrill Lynch reviewed with the Special Committee its preliminary financial analysis of Onex' proposed purchase price. The Special Committee discussed at length the proposed purchase price in light of these preliminary financial analyses and as compared to the expected value to be received, and the risks and uncertainties involved with, continuing to pursue the Corporation's strategic plan or pursuing an alternative transaction. After considering various factors, the Special Committee determined to recommend to the Board that the Corporation continue to pursue negotiations with Onex and attempt to negotiate a higher price per Share than the price proposed by Onex.

Later in the day on May 1, 2019, the Board held a meeting to receive an update from the Special Committee with respect to the status of the transaction, the Transaction Documents and the proposed purchase price. Following a thorough discussion of the relative benefits and risks of reasonably available alternatives to the Corporation, the Board concurred with the Special Committee's recommendation to continue to pursue negotiations with Onex and attempt to negotiate a higher price.

Over the next several days, Mr. Burley, on behalf of the Special Committee, negotiated the key terms of the Arrangement, including the purchase price, with representatives of Onex. As a result of those discussions Onex agreed, among other things, to increase its purchase price to \$31.00 per Share.

On May 4, 2019, the Special Committee held a meeting immediately prior to a meeting of the Board, at which the Special Committee discussed the results of Mr. Burley's negotiations with representatives of Onex and decided on the recommendation it intended to make to the Board regarding those negotiations and the continued pursuit of the proposed transaction. The Board then held a meeting to consider a number of matters relating to the proposed transaction. The Board received an update on the negotiations and status of the transaction documentation. CIBC provided a market and financial analysis update and BofA Merrill Lynch reviewed with the Board its preliminary financial analysis of Onex' proposed purchase price under its latest revised proposal. The Board discussed communications matters and continued its evaluation of the need for a reasonable retention plan for certain employees of the Corporation. The Board authorized the Special Committee to continue negotiations with Onex on the basis of a purchase price of \$31.00 per Share, and to attempt to finalize the other outstanding key deal terms. Immediately following the Board meeting, Mr. Burley advised representatives of Onex of the Board's determination regarding Onex' proposed purchase price and the Corporation's position on certain other outstanding key deal terms.

During the week of May 6, 2019, Mr. Burley and representatives of Onex and the respective legal counsel of the Corporation and Onex continued to negotiate the Arrangement Agreement and the other Transaction Documents. Onex continued its due diligence of the Corporation and advanced negotiations with the Debt Financing Sources regarding the Debt Commitment Letter. During that week, with the permission of the Special Committee, Onex engaged with the Corporation's executive leadership team regarding the exchange, or "rollover", of a portion of their investment in the Corporation for securities of the immediate parent corporation of the Purchaser, Midco, as part of the Arrangement, in order for those personnel to have a continued ownership interest in the Corporation's business following completion of the Arrangement. See "The Arrangement – Interests of Certain Persons in the Arrangement – Rollover by Executive Officers".

On May 11, 2019, the Special Committee met to review and consider the proposed transaction. Blakes provided a comprehensive summary of the status and terms of the Arrangement Agreement and other Transaction Documents, including the Debt Commitment Letter and the Sponsor Commitment Letter, as well as certain Regulatory Approval matters. The Special Committee discussed and considered the terms of the Arrangement Agreement and the proposed transaction. The Corporation's communications plan for the announcement of the transaction, as well as the draft news release announcing the transaction, were discussed. CIBC confirmed to the Special Committee that it would be in a position the following day to render its opinion to the Board as to the fairness, from a financial point of view, of the Consideration to be received by Shareholders under the Arrangement and Mr. Burley advised the Special Committee that BofA Merrill Lynch had confirmed the same to him. The Special Committee further reviewed and considered the proposed transaction, including considering the interests of the Corporation, the Shareholders and the Corporation's other stakeholders. After discussion, the Special Committee unanimously determined, subject to the satisfactory resolution of the outstanding terms of the Arrangement Agreement and other Transaction Documents and the receipt of opinions from each of CIBC and BofA Merrill Lynch, to recommend to the Board that it authorize and approve the Arrangement Agreement and other related matters and the Transaction Documents. The Special Committee approved the form of a final report to be provided to the Board setting forth, among other things, the factors and risks considered by the Special Committee in relation to such recommendations. See "The Arrangement – Reasons for the Arrangement" below.

The Board met on the morning of May 12, 2019 and received an update as to the status of various matters relating to the Arrangement, and in particular the Arrangement Agreement. CIBC provided an update regarding its financial analysis, including its analysis regarding the likelihood of any other party proposing a transaction at a higher price. After the Board had considered the information provided at the meeting and prior meetings and the status of certain matters which remained to be resolved prior to entering into the Arrangement Agreement, the Board meeting was adjourned to enable the parties to finalize the terms of the Arrangement Agreement and the other Transaction Documents prior to the Board receiving the final report and recommendations of the Special Committee and the Board approving the Arrangement. The Board reconvened its meeting in the evening of May 12, 2019 and received a further update as to the status of the transaction documentation. CIBC orally delivered to the Board its opinion (later confirmed by delivery of a written opinion) relating to the fairness, from a financial point of view, as of the date of such opinion, of the Consideration to be received by Shareholders (other than as specified in such opinion) pursuant to the Arrangement Agreement. Additionally, BofA Merrill Lynch reviewed its financial analysis and rendered its oral opinion (confirmed by delivery of a written opinion) to the Board as to the fairness, from a financial point of view and as

of the date of such opinion, of the Consideration to be received by Shareholders (other than as specified in such opinion) under the Arrangement. The chair of the Special Committee delivered the final report and recommendations of the Special Committee, which included reviewing the process undertaken by, and the factors and risks considered by, the Special Committee and recommending that the Board approve the Arrangement and the Arrangement Agreement. The Board, after considering the recommendations of the Special Committee, unanimously: (a) concluded that the Arrangement is in the best interests of the Corporation and that the Arrangement is fair to Shareholders; (b) approved the Arrangement, the entering into of the Arrangement Agreement and related matters; and (c) determined to recommend that Shareholders vote in favour of the Arrangement, in each case, subject to the satisfactory finalization of the Arrangement Agreement and the other Transaction Documents. See "The Arrangement – Reasons for the Arrangement".

The Arrangement Agreement and related Transaction Documents were finalized and executed late in the evening of May 12, 2019. The Corporation and Onex issued a joint news release announcing the Arrangement prior to markets opening on May 13, 2019.

Recommendation of the Special Committee

The Special Committee, having undertaken a thorough review of, and having carefully considered, among other things, information concerning the Corporation and its business plan, Onex, the Arrangement and its impact on the Corporation and all affected stakeholders, the alternatives available to the Corporation, the Financial Advisor Opinions and such other matters it considered necessary or appropriate, including the factors and risks set out below under the heading "The Arrangement – Reasons for the Arrangement", unanimously determined that the Arrangement is in the best interests of the Corporation and is fair to Shareholders and recommended that the Board approve the Arrangement and the entering into of the Arrangement Agreement.

Recommendation of the Board of Directors

The Board, having undertaken a thorough review of, and having carefully considered, among other things, information concerning the Corporation and its business plan, Onex, the Arrangement and its impact on the Corporation and all affected stakeholders, the alternatives available to the Corporation, the Financial Advisor Opinions, the recommendations of the Special Committee and such other matters as it considered necessary or appropriate, including the factors and risks set out below under the heading "The Arrangement – Reasons for the Arrangement", unanimously determined that the Arrangement is in the best interests of the Corporation and is fair to Shareholders and authorized and approved the Arrangement and the entering into of the Arrangement Agreement. **Accordingly, the Board unanimously recommends that the Securityholders vote [FOR](#) the Arrangement Resolution.**

Reasons for the Arrangement

Principal Factors

In unanimously determining that the Arrangement is in the best interests of the Corporation and that the Arrangement is fair to Shareholders and unanimously recommending to Shareholders that they approve the Arrangement, the Special Committee and the Board considered and relied upon a number of factors, including, among others, the following principal factors:

Consideration Payable to Shareholders

- *Arrangement More Favourable than Status Quo.* The view of the Special Committee and the Board that the value offered to Shareholders under the Arrangement is more favourable to Shareholders than the potential value that could result from remaining a publicly traded Corporation and continuing to pursue the Corporation's strategic business plan.
- *Better Acquisition Terms Highly Unlikely.* Having regard to the regulatory constraints facing any potential acquiror, the magnitude of any acquisition of the Corporation and the nature of the Corporation's business, it is highly unlikely that any other party or parties would be capable of paying, and be prepared to pay, a higher price to acquire the Corporation.

- *Significant Premium to Market Price.* The Consideration to be paid to the Shareholders of \$31.00 cash per Share represents a premium of 67 per cent over the closing price of the Shares on May 10, 2019 (the last trading day prior to the public announcement of the Arrangement), and a premium of 63 per cent over the 20 day volume-weighted average trading price for the Shares ended on such date.
- *Supporting Financial Advisor Opinions.* CIBC and BofA Merrill Lynch each provided an opinion to the Board as to the fairness, from a financial point of view, as of the date of such opinion, of the Consideration to be received by Shareholders (other than as specified in such opinion) under the Arrangement. See "The Arrangement – Financial Advisor Opinions".
- *Certainty of Value and Liquidity.* The Consideration to be paid to Shareholders (other than the Rollover Securityholders) pursuant to the Arrangement is all cash, which provides Shareholders with certainty of value and immediate liquidity.
- *Continued Payment of Regular Quarterly Dividends.* Under the terms of the Arrangement, the Corporation is permitted to pay its regular quarterly cash dividend, not in excess of \$0.14 per Share, consistent with the current practice of the Corporation, pending completion of the Arrangement.

Effect of the Arrangement on the Corporation, its Operations and Stakeholders

- *Maintenance of Headquarters, Operations, Business Strategy, Culture and Guest Experience.* Onex, as one of Canada's oldest and most respected investment firms, is a financial buyer that is supportive of the Corporation's business plan and Management and has a strong track record of investing in and empowering management teams to grow and improve the businesses it acquires. Onex is committed to maintaining and enhancing the Corporation's business plan (including WestJet's ongoing transformation to a global airline), operations, constructive relationship with stakeholders and unique ownership-driven culture and focus on guest experience. In addition, Onex has confirmed to the Corporation that it will maintain the Corporation's head office in Calgary, Alberta and that there will not be a reduction in the Corporation's workforce as a direct result of the Arrangement.
- *Public Interest Protection.* The public interest regarding national transportation will be considered and protected as, in order for the Arrangement to proceed, the Minister must be satisfied that the completion of the Arrangement does not raise issues with respect to the public interest as it relates to national transportation.
- *Reasonable Restrictions on Business Pending Closing.* The Arrangement Agreement contains customary restrictions on, among other things, significant transactions, changes of business and capitalization by the Corporation until the Arrangement is completed or the Arrangement Agreement is terminated. These restrictions are reasonable and the Corporation does not expect that they will impair or materially affect the Corporation's ability to operate the business during such period.

Procedural Safeguards and Fairness

- *Arm's Length Negotiations.* The Arrangement is the result of robust, arm's-length negotiations among the Corporation, Onex and their respective advisors.
- *Special Committee and Board Oversight.* The Special Committee, which is comprised entirely of independent directors, oversaw, reviewed and considered, and directly participated in the negotiation of, the Arrangement. The Special Committee and the Board were advised by experienced and qualified financial and legal advisors. The Arrangement was unanimously recommended to the Board by the Special Committee, and was unanimously approved by the Board, which is comprised of eleven directors, nine of whom are non-management and independent.
- *Shareholder and Court Approvals Required.* The Arrangement will only become effective if it is approved by: (i) at least 66 2/3 per cent of the votes cast by Shareholders and Optionholders, voting as a single class, present in person or represented by proxy, at the Meeting; (ii) a majority of the votes cast by Shareholders, voting together as a single class, present in person or represented by proxy, at the Meeting, excluding those Shareholders whose votes are

required to be excluded for minority approval pursuant to MI 61-101; and (iii) the Court after considering the procedural and substantive fairness of the Arrangement to all Securityholders.

- *Right of Shareholders to Dissent.* Registered Shareholders will be entitled to dissent with respect to the Arrangement and have the Court determine the fair value of their Shares.
- *Ability to Respond to and Accept a Superior Proposal.* The Arrangement Agreement does not preclude unsolicited acquisition proposals from other parties and permits the Corporation to accept a Superior Proposal in certain circumstances. Accordingly, subject to the terms and conditions of the Arrangement Agreement, if a Superior Proposal were to be made that the Purchaser did not match, it could be accepted upon paying the Termination Fee to the Termination Fee Recipients. The quantum of the Termination Fee is customary for a transaction of this nature and should not preclude another party from making an unsolicited Acquisition Proposal.

Deal Certainty

- *No Financing Condition and Reverse Break Fee for Failure to Fund or Willful Breach.* The Arrangement is not subject to a financing condition. Although the Purchaser is a new entity formed in connection with the Arrangement, the Special Committee and the Board are comfortable that the Purchaser will have the funds necessary to complete the Arrangement as it has the Financing Commitments in place with large and credible counterparties. The Arrangement Agreement also provides for a \$200 million Reverse Termination Fee if the Arrangement cannot be completed due to either (a) the failure of the Purchaser to fund the consideration payable by it under the Arrangement when due (which payment is guaranteed by the Sponsors in accordance with the terms and conditions of the Limited Guarantee) or (b) a Willful Breach by the Purchaser of its covenants under the Arrangement Agreement resulting in non-completion of the Arrangement.
- *Certainty of Closing.* The obligation of the Purchaser to complete the Arrangement is subject to a limited number of conditions which the Special Committee and the Board believe are reasonable under the circumstances.

Key Risks Inherent in the Transaction

The Special Committee and the Board also considered a number of potential risks and potential negative factors relating to the Arrangement, including the following:

- The risks relating to obtaining the Key Regulatory Approvals by the Outside Date, having regard to the nature of such approvals, the subjective factors to be applied by the regulators and Onex' obligations related to obtaining such approvals.
- The risks to the Corporation if the Arrangement is not completed, including the costs to the Corporation in pursuit of the Arrangement, the diversion of Management's attention away from conducting the Corporation's business in the Ordinary Course and the potential impact on the Corporation's current business relationships (including with current and prospective employees, suppliers and industry partners).
- The conditions to the Purchaser's obligation to complete the Arrangement and the rights of the Purchaser to terminate the Arrangement Agreement in certain circumstances.
- While the Arrangement Agreement does not contain a financing condition, the risk that the conditions set forth in the Financing Commitments may not be satisfied or that other events may arise which could prevent the Purchaser from consummating the financing.
- The Arrangement will be a taxable transaction and, as a result, Securityholders will generally be required to pay Taxes on any gains that result from their receipt of their consideration pursuant to the Arrangement.

The foregoing discussion of the principal factors and risks considered and given weight by the Special Committee and the Board is not intended to be exhaustive. In reaching the determination to approve and recommend the Arrangement, the Special Committee and the Board did not assign any relative or specific weights to the foregoing factors, and individual directors may have given different weights to different factors. The Special Committee's and the Board's reasons for recommending the Arrangement include certain assumptions relating to forward-looking information, and such information and assumptions are subject to various risks. See "Management Information Circular – Cautionary statement regarding forward-looking information" and "Risk Factors".

Financial Advisor Opinions

CIBC Opinion

In connection with the evaluation by the Board of Directors of the Arrangement, the Board of Directors received the CIBC Opinion from CIBC that, as of May 12, 2019 and subject to the assumptions, limitations and qualifications contained in the CIBC Opinion, the Consideration to be received in the Arrangement by the Shareholders, other than those Shareholders whose votes are required to be excluded pursuant to Section 8.1(2) of MI 61-101 (being the Rollover Securityholders) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such Shareholders. The CIBC Opinion was only one of many factors considered by the Board of Directors in evaluating the Arrangement. **The following summary of the CIBC Opinion is qualified in its entirety by reference to the full text of the CIBC Opinion attached as Appendix E to this Information Circular. Securityholders are urged to, and should, read the CIBC Opinion in its entirety.**

CIBC was engaged by WestJet as a financial advisor to the Corporation pursuant to an engagement agreement dated as of April 16, 2019, with CIBC having provided financial advisory services to the Corporation prior to its formal engagement. Pursuant to the engagement agreement between WestJet and CIBC, CIBC agreed to provide, among other things, financial analysis and advice and if requested, to deliver to the Board of Directors an opinion as to the fairness, from a financial point of view, of the Consideration to be received by the Shareholders in respect of the Arrangement.

At the meeting of the Board of Directors held on May 12, 2019, CIBC delivered an oral opinion, subsequently confirmed in writing by the CIBC Opinion, as to the fairness, from a financial point of view, to Shareholders of the Consideration to be received by such Shareholders, other than those Shareholders whose votes are required to be excluded pursuant to Section 8.1(2) of MI 61-101 (being the Rollover Securityholders), pursuant to the terms and subject to the conditions of the Arrangement Agreement.

The full text of the CIBC Opinion, which sets forth among other things, assumptions made, matters considered, information reviewed and limitations on the review undertaken by CIBC in connection with the CIBC Opinion, is attached as Appendix E to this Information Circular. **CIBC provided the CIBC Opinion to the Board of Directors for its exclusive use in considering the Arrangement. The CIBC Opinion may not be published, disclosed to any other person, relied upon by any other person, or used for any other purpose, without the prior written consent of CIBC, which consent has been obtained for the purposes of the CIBC Opinion's inclusion in this Information Circular.** The CIBC Opinion is not and is not intended to be and does not constitute a recommendation as to how Shareholders should vote in respect of the Arrangement Resolution.

Pursuant to the terms of the engagement agreement with CIBC, the Corporation is obligated to pay CIBC certain fees for its services, a portion of which was payable upon delivery of the CIBC Opinion to the Board of Directors (which portion was not contingent on completion of the Arrangement), a portion of which was payable on announcement of the Arrangement and a portion of which is contingent on completion of the Arrangement. The Corporation has also agreed to reimburse CIBC for its reasonable expenses and to indemnify CIBC and certain related parties for certain liabilities and other items arising out of or related to the engagement of CIBC.

CIBC provides and has historically provided banking services in the normal course of business to WestJet, Onex and affiliated entities and other portfolio companies unrelated to the Arrangement. In addition to the services being provided under the engagement agreement with the Corporation, CIBC has in the past provided and/or may in the future provide investment banking and other financial services to the Corporation, the Purchaser Related Parties, Onex and affiliated entities or other

portfolio companies not directly related to the Arrangement and through its affiliates has provided corporate banking services to WestJet, including acting as a lender under WestJet's term loan and revolving credit facility and acting as a counterparty to foreign exchange and fuel hedging contracts with WestJet. In addition to the aforementioned services, WestJet has also purchased short term investments from CIBC or its affiliates.

BofA Merrill Lynch Opinion

WestJet also engaged BofA Merrill Lynch to provide an opinion to the Board in connection with the Arrangement. BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. BofA Merrill Lynch was selected as an additional financial advisor on the basis of BofA Merrill Lynch's experience in similar transactions and its reputation in the investment community.

At the May 12, 2019 meeting of the Board held to evaluate the Arrangement, BofA Merrill Lynch rendered an oral opinion, confirmed by delivery of a written opinion dated May 12, 2019, to the Board to the effect that, as of that date and based on and subject to various assumptions made, procedures followed, matters considered and limitations and qualifications described in the opinion, the Consideration to be received under the Arrangement by Shareholders (other than, to the extent applicable, the Purchaser, Onex, any Rollover Securityholder or other direct or indirect investor in the Purchaser, and their respective affiliates) was fair, from a financial point of view, to such holders.

The full text of the BofA Merrill Lynch Opinion as delivered to the Board is attached as Appendix F to this Information Circular. The written opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by BofA Merrill Lynch in rendering its opinion. The following summary of the BofA Merrill Lynch Opinion is qualified in its entirety by reference to the full text of the opinion. BofA Merrill Lynch delivered its opinion to the Board for the benefit and use of the Board (in its capacity as such) in connection with and for purposes of its evaluation of the Consideration, from a financial point of view. BofA Merrill Lynch expressed no opinion or view as to any terms or other aspects or implications of the Arrangement (other than the Consideration to the extent expressly specified in such opinion) and no opinion or view was expressed as to the relative merits of the Arrangement in comparison to other strategies or transactions that might be available to WestJet or in which WestJet might engage or as to the underlying business decision of WestJet to proceed with or effect the Arrangement. BofA Merrill Lynch also expressed no opinion or recommendation as to how any Securityholder should vote or act in connection with the Arrangement or any other matter.

In connection with rendering the BofA Merrill Lynch Opinion, BofA Merrill Lynch, among other things:

- (a) reviewed certain publicly available business and financial information relating to WestJet;
- (b) reviewed certain internal financial and operating information with respect to the business, operations and prospects of WestJet furnished to or discussed with BofA Merrill Lynch by Management, including certain financial forecasts and estimates relating to WestJet prepared by Management (such forecasts and estimates referred to as the **WestJet Forecasts**);
- (c) discussed the past and current business, operations, financial condition and prospects of WestJet with members of the senior Management;
- (d) reviewed the trading history for Shares and a comparison of that trading history with the trading histories of other companies BofA Merrill Lynch deemed relevant;
- (e) compared certain financial and stock market information of WestJet with similar information of other companies BofA Merrill Lynch deemed relevant;

- (f) compared certain financial terms of the Arrangement to financial terms, to the extent publicly available, of other transactions BofA Merrill Lynch deemed relevant;
- (g) reviewed a draft, provided to BofA Merrill Lynch on May 12, 2019, of the Arrangement Agreement; and
- (h) performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with BofA Merrill Lynch and relied upon the assurances of Management that it was not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the WestJet Forecasts that BofA Merrill Lynch was directed to utilize in its analyses, BofA Merrill Lynch was advised by WestJet, and BofA Merrill Lynch assumed, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of Management as to the future financial performance of WestJet and the other matters covered thereby. At the direction of WestJet, BofA Merrill Lynch relied upon the assessments of Management as to, among other things, (a) the potential impact on WestJet of certain market, seasonal, competitive, geopolitical and macroeconomic and other trends and developments in and prospects for, and governmental, regulatory and legislative matters relating to or otherwise affecting, the airline industry and the markets and geographic regions in which WestJet operates, including fuel prices and supply and foreign exchange rates, which are subject to significant volatility or fluctuations and which, if different than as assumed, could have a material impact on BofA Merrill Lynch's analyses or opinion, (b) certain strategic initiatives of WestJet, including the likelihood, timing and associated costs of such initiatives, (c) matters relating to WestJet's lease arrangements, including with respect to financial and other terms and implications of such arrangements, (d) matters relating to, and the potential impact on WestJet resulting from, the grounding of Boeing 737 MAX series airplanes and other emergency orders, and (e) WestJet's existing and future agreements and arrangements involving, and the ability to attract, retain and/or replace, key employees, suppliers, joint ventures, partnerships and other commercial relationships. BofA Merrill Lynch assumed, with the consent of WestJet, that there would be no developments with respect to any such matters (including, without limitation, as a result of recent changes in applicable accounting principles) that would be meaningful in any respect to BofA Merrill Lynch's analyses or opinion.

BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent, off-balance sheet, accrued, derivative or otherwise) of WestJet or any other entity, nor did BofA Merrill Lynch make any physical inspection of the properties or assets of WestJet or any other entity. BofA Merrill Lynch did not evaluate the solvency or fair value of WestJet or any other entity under any state, federal or other Laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of WestJet, that the Arrangement would be consummated in accordance with its terms and in compliance with all applicable Laws, documents and other requirements, without waiver, modification or amendment of any material term, condition or agreement, and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the Arrangement, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed or occur that would have an adverse effect on WestJet or the Arrangement or that otherwise would be meaningful in any respect to BofA Merrill Lynch's analyses or opinion. BofA Merrill Lynch also assumed, at the direction of WestJet, that the final executed Arrangement Agreement would not differ in any material respect from the draft reviewed by BofA Merrill Lynch.

BofA Merrill Lynch expressed no opinion or view as to any terms or other aspects or implications of the Arrangement (other than the Consideration to the extent expressly specified in the BofA Merrill Lynch Opinion), including, without limitation, the form or structure of the Arrangement or any terms, aspects or implications of any pre-acquisition reorganization, limited guarantee, rollover agreement, voting agreement or other agreements, arrangements or understandings entered into in connection with, related to or contemplated by the Arrangement or otherwise. The BofA Merrill Lynch Opinion was limited to the fairness, from a financial point of view, of the Consideration to Shareholders (to the extent expressly specified) collectively as a group without regard to individual circumstances of specific holders or any rights, preferences, restrictions or limitations (whether by virtue of voting, control, liquidity or otherwise) that may distinguish such holders or Common Voting Shares or Variable Voting Shares held by such holders, and the BofA Merrill Lynch Opinion did not in any way address proportionate allocation or relative fairness between or among holders of Common Voting Shares or Variable Voting Shares. No opinion or view was expressed with respect to any consideration received in connection with the Arrangement by the holders of any class of securities, creditors or other

constituencies of any party. In addition, BofA Merrill Lynch expressed no opinion or view with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation or other consideration to any of the officers, directors or employees of any party to the Arrangement or any related entities, or class of such persons, relative to the Consideration or otherwise. Furthermore, BofA Merrill Lynch expressed no opinion or view as to the relative merits of the Arrangement in comparison to other strategies or transactions that might be available to WestJet or in which WestJet might engage or as to the underlying business decision of WestJet to proceed with or effect the Arrangement. As WestJet was aware, in connection with BofA Merrill Lynch's engagement, BofA Merrill Lynch was not requested to, and BofA Merrill Lynch did not, participate in the negotiation of the terms of the Arrangement, nor was BofA Merrill Lynch requested to, and BofA Merrill Lynch did not, provide any advice or services in connection with the Arrangement other than the delivery of its opinion, and BofA Merrill Lynch expressed no view or opinion as to any such matters. As WestJet also was aware, BofA Merrill Lynch was not requested to, and BofA Merrill Lynch did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of WestJet or any alternative transaction. BofA Merrill Lynch did not express any opinion as to the prices at which Shares or any other securities of WestJet may trade or otherwise be transferable at any time, including following announcement of the Arrangement. BofA Merrill Lynch also expressed no opinion or view with respect to, and BofA Merrill Lynch relied, at the direction of WestJet, upon the assessments of representatives of WestJet regarding, legal, regulatory, accounting, tax or similar matters, including, without limitation, as to tax or other consequences of the Arrangement or otherwise or changes in, or the impact of, accounting standards or tax and other Laws, regulations and governmental and legislative policies affecting WestJet and the Arrangement, as to which BofA Merrill Lynch understood WestJet obtained such advice as it deemed necessary from qualified professionals. In addition, BofA Merrill Lynch expressed no opinion or recommendation as to how any Securityholder should vote or act in connection with the Arrangement or any other matter.

The BofA Merrill Lynch Opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. As WestJet was aware, the credit, financial and stock markets, and the industry, markets and geographic regions in which WestJet operates, have experienced and continue to experience volatility and BofA Merrill Lynch expressed no opinion or view as to any potential effects of such volatility on WestJet or the Arrangement. It should be understood that subsequent developments may affect the BofA Merrill Lynch Opinion, and BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of the BofA Merrill Lynch Opinion was approved by a fairness opinion review committee of BofA Merrill Lynch. Except as described in this summary, WestJet imposed no other instructions or limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

In connection with its opinion, BofA Merrill Lynch performed a variety of financial and comparative analyses, including those described below. The summary of the analyses below and certain factors considered is not a comprehensive description of all analyses undertaken or factors considered by BofA Merrill Lynch. The preparation of a financial opinion or analysis is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion and analyses are not readily susceptible to summary description. BofA Merrill Lynch believes that the analyses and factors summarized below must be considered as a whole and in context. BofA Merrill Lynch further believes that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses and factors, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's analyses and opinion.

In performing its financial analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of WestJet. The estimates of the future performance of WestJet and other estimates in or underlying BofA Merrill Lynch's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by such analyses. These analyses were prepared solely as part of BofA Merrill Lynch's analysis of the fairness, from a financial point of view, of the Consideration and were provided to the Board in connection with the delivery of the BofA Merrill Lynch Opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the reference ranges resulting from, any particular analysis described below are inherently subject to substantial uncertainty and should not be taken as the views of BofA Merrill Lynch regarding the actual value of WestJet or otherwise.

The type and amount of consideration payable under the Arrangement was determined through negotiations between WestJet and Onex, rather than by any financial advisor, and was approved by the Board. The decision to enter into the Arrangement Agreement was solely that of the Board. BofA Merrill Lynch's opinion and analyses were only one of many factors considered by the Special Committee and the Board in their evaluation of the Arrangement and should not be viewed as determinative of the views of the Special Committee or the Board or any other person with respect to the Arrangement or the Consideration.

Financial Analyses

The discussion set forth below under this subheading, "— Financial Analyses", is a summary of the material financial analyses provided by BofA Merrill Lynch in connection with its opinion, dated May 12, 2019, to the Board. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch. Future results may differ from those described and such differences may be material. The order in which the financial analyses summarized below appear does not necessarily reflect the relative importance or weight given to such analyses.** For purposes of the financial analyses described below, implied per Share equity value reference ranges, other than the 52-week price range for Shares, are rounded to the nearest \$0.05. The WestJet Forecasts that BofA Merrill Lynch was directed to utilize for purposes of its analyses and opinion did not reflect the impact of the IFRS 16 lease accounting rules effective January 1, 2019.

Selected Public Companies Analysis. BofA Merrill Lynch reviewed publicly available financial and stock market information of WestJet and the following ten selected publicly traded companies in the airline industry with North American-based operations that BofA Merrill Lynch considered generally relevant for purposes of analysis, consisting of six selected companies with operations primarily in the low cost and/or leisure carrier sector (the **selected low cost / leisure carriers**) and four selected companies with operations in the legacy carrier sector (the **selected legacy carriers** and, together with the selected low cost / leisure carriers, collectively, the **selected companies**):

Selected Low Cost / Leisure Carriers	Selected Legacy Carriers
<ul style="list-style-type: none"> • Alaska Air Group, Inc. • Allegiant Travel Company • Hawaiian Holdings, Inc. • JetBlue Airways Corporation • Southwest Airlines Co. • Spirit Airlines, Inc. 	<ul style="list-style-type: none"> • Air Canada • American Airlines Group Inc. • Delta Air Lines, Inc. • United Continental Holdings, Inc.

BofA Merrill Lynch reviewed, among other information, adjusted enterprise values of the selected companies, calculated as fully diluted equity values based on closing stock prices on May 10, 2019 plus total debt, preferred equity and non-controlling interests (as applicable) and aircraft rents capitalized at 7.0x less cash and cash equivalents, as a multiple of calendar year 2019 and calendar year 2020 estimated earnings before interest, taxes, depreciation, amortization and aircraft leasing expense (**EBITDAR**). BofA Merrill Lynch also reviewed per share equity values, based on closing stock prices on May 10, 2019, of the selected companies as a multiple of calendar year 2019 and calendar year 2020 estimated adjusted earnings per share (**adjusted EPS**). Financial data of the selected companies were based on publicly available research analysts' estimates, public filings and other publicly available information and calendarized (as applicable) for comparative purposes. Financial data of WestJet was based on the WestJet Forecasts, publicly available research analysts' estimates, and public filings.

The overall low to high calendar year 2019 and calendar year 2020 estimated EBITDAR multiples observed for the selected low cost / leisure carriers were 4.1x to 6.3x (with a mean of 5.4x and a median of 5.7x) and 3.8x to 5.9x (with a mean of 5.0x and a median of 5.2x), respectively, and the overall low to high calendar year 2019 and calendar year 2020 estimated EBITDAR multiples for the selected legacy carriers were 3.9x to 5.8x (with a mean of 5.0x and a median of 5.2x) and 3.5x to 5.6x (with a mean of 4.8x and a median of 5.0x), respectively. The overall low to high calendar year 2019 and calendar year 2020 estimated

adjusted EPS multiples observed for the selected low cost / leisure carriers were 6.8x to 11.6x (with a mean of 9.7x and a median of 10.1x) and 6.8x to 10.1x (with a mean of 8.6x and a median of 8.5x), respectively, and the overall low to high calendar year 2019 and calendar year 2020 estimated adjusted EPS multiples for the selected legacy carriers were 6.0x to 9.4x (with a mean of 7.9x and a median of 8.0x) and 5.6x to 7.9x (with a mean of 7.0x and a median of 7.2x), respectively.

BofA Merrill Lynch then applied selected ranges derived from the selected companies of calendar year 2019 and calendar year 2020 estimated EBITDAR multiples of 4.0x to 6.0x and 3.5x to 5.5x, respectively, and calendar year 2019 and calendar year 2020 estimated adjusted EPS multiples of 8.0x to 12.0x and 6.5x to 10.0x, respectively, to corresponding data of WestJet based on the WestJet Forecasts. This analysis indicated the following approximate implied per Share equity value reference ranges for WestJet, as compared to the Consideration:

Approximate Implied Per Share Equity Value Reference Ranges Based On:		Consideration
FY 2019E EBITDAR	FY 2020E EBITDAR	\$31.00
\$17.95 – \$32.75	\$19.45 – \$36.90	
FY 2019E adjusted EPS	FY 2020E adjusted EPS	
\$11.95 – \$17.90	\$16.00 – \$24.65	

No company used in this analysis is identical or directly comparable to WestJet. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which WestJet was compared.

Selected Precedent Transactions Analysis. BofA Merrill Lynch reviewed publicly available financial information relating to the following five selected transactions involving target companies in the airline industry with North American-based operations that BofA Merrill Lynch considered generally relevant for purposes of analysis (collectively, the **selected transactions**):

Announcement Date	Acquiror	Target
• April 2016	• Alaska Air Group, Inc.	• Virgin America Inc.
• October 2013	• Indigo Partners LLC	• Frontier Airlines Holdings, Inc.
• February 2013	• AMR Corporation	• US Airways Group, Inc.
• September 2010	• Southwest Airlines Co.	• AirTran Holdings, Inc.
• May 2010	• UAL Corporation	• Continental Airlines, Inc.

BofA Merrill Lynch reviewed, among other information and to the extent publicly available, adjusted transaction values, calculated as the enterprise values implied for the target companies based on the consideration payable in the selected transactions adjusted to capitalize aircraft rent at 7.0x, as a multiple of the latest 12 months EBITDAR of the target companies as of one trading day prior to the applicable announcement dates of the selected transactions. Financial data for the selected transactions were based on publicly available research analysts' estimates, public filings and other publicly available information. Financial data of WestJet was based on public filings.

The overall low to high latest 12 months EBITDAR multiples observed for the selected transactions were 5.4x to 9.5x (with a mean of 7.8x and a median of 8.2x). BofA Merrill Lynch then applied a selected range of latest 12 months EBITDAR multiples derived from the selected transactions of 5.5x to 9.5x to the latest 12 months EBITDAR (as of March 31, 2019) of WestJet. This analysis indicated the following approximate implied per Share equity value reference range for WestJet, as compared to the Consideration:

Approximate Implied Per Share Equity Value Reference Range	Consideration
\$21.50 – \$44.90	\$31.00

No company, business or transaction used in this analysis is identical or directly comparable to WestJet or the Arrangement. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, businesses or transactions to which WestJet and the Arrangement were compared.

Discounted Cash Flow Analysis. BofA Merrill Lynch performed a discounted cash flow analysis of WestJet by calculating the estimated present value (as of March 31, 2019) of the standalone unlevered, after-tax free cash flows that WestJet was forecasted to generate during the fiscal years ending December 31, 2019 through December 31, 2023 based on the WestJet Forecasts. BofA Merrill Lynch calculated terminal values for WestJet by applying a selected range of EBITDAR multiples of 3.5x to 4.5x to WestJet's fiscal year 2023 estimated EBITDAR. The cash flows and terminal values were then discounted to present value (as of March 31, 2019) using a selected range of discount rates of 6.75 per cent to 8.25 per cent. This analysis indicated the following approximate implied per Share equity value reference range for WestJet, as compared to the Consideration:

Approximate Implied Per Share Equity Value Reference Range	Consideration
\$27.90 – \$38.10	\$31.00

Certain Additional Information

BofA Merrill Lynch observed certain additional information that was not considered part of its financial analyses for its opinion but was noted for informational purposes, including the following:

- the historical trading performance of Shares during the 52 weeks ended May 10, 2019, which indicated low and high closing prices during such period of \$16.71 per Share and \$21.80 per Share, respectively;
- Share price targets as reflected in selected publicly available Wall Street research analysts' reports, which indicated an overall low to high target price range of \$15.00 to \$25.00 per Share (undiscounted), implying a range of approximately \$13.90 to \$23.15 per Share on a discounted basis (discounted one year utilizing WestJet's estimated average cost of equity of 8.0 per cent); and
- the average next 12 months (**NTM**) EBITDAR trading multiples over the one-year, three-year and five-year periods ended May 10, 2019, and the high and low NTM EBITDAR trading multiples over the five-year period ended May 10, 2019, of the selected companies, which indicated that the Canadian selected companies (including WestJet) generally traded at a discount to the U.S. selected companies during such periods.

Miscellaneous

WestJet agreed to pay BofA Merrill Lynch for its services with respect to its opinion to the Board a fee that was paid upon delivery of the BofA Merrill Lynch Opinion and was not contingent upon consummation of the Arrangement or the conclusions reached by BofA Merrill Lynch in its opinion. WestJet also has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under securities Laws.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of their

businesses, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of WestJet and certain of its affiliates and Onex and certain of its affiliates and portfolio companies.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to WestJet and certain of its affiliates, and have received or in the future may receive compensation for the rendering of these services, including having acted or acting as a lender under certain leasing facilities of WestJet and/or certain of its affiliates. From May 1, 2017 through April 30, 2019, BofA Merrill Lynch and its affiliates derived aggregate revenues from WestJet and certain of its affiliates of approximately \$5 million for investment and corporate banking services.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Onex and certain of its affiliates and portfolio companies, and have received or in the future may receive compensation for the rendering of these services, including (a) having acted or acting as financial advisor to Onex and certain of its affiliates and portfolio companies in connection with certain mergers and acquisition transactions, (b) having acted or acting as a book-running manager, global coordinator and/or underwriter for various debt and equity offerings of Onex and certain of its affiliates and portfolio companies, (c) having acted or acting as an administrative agent, collateral agent, bookrunner and/or arranger for, and/or as a lender under, certain term loans, letters of credit, credit and leasing facilities and other credit arrangements of Onex and/or certain of its affiliates and portfolio companies (including acquisition financing), (d) having provided or providing certain derivatives, foreign exchange and other trading services to Onex and/or certain of its affiliates and portfolio companies, (e) having provided or providing certain managed investments services and products to Onex and/or certain of its affiliates and portfolio companies, and (f) having provided or providing certain treasury management products and services to Onex and/or certain of its affiliates and portfolio companies. From May 1, 2017 through April 30, 2019, BofA Merrill Lynch and its affiliates derived aggregate revenues from Onex and certain of its affiliates and portfolio companies of approximately \$130 million for investment and corporate banking services.

Voting Agreements

On May 12, 2019, the Purchaser entered into Voting Agreements with each of the directors and Executive Officers of WestJet. The Voting Agreements set forth, among other things, the agreement of those individuals to vote their Shares in favour of the Arrangement and any matter necessary for the consummation of the Arrangement and against any Acquisition Proposal and/or any other matter that could reasonably be expected to delay, prevent or frustrate the completion of the Arrangement. As of the Record Date, an aggregate of 994,926 Shares were subject to the Voting Agreements, representing approximately 0.9 per cent of WestJet's issued and outstanding Shares.

Arrangement Steps

If all conditions to the implementation of the Arrangement have been satisfied or waived (if permitted), the following steps will occur and shall be deemed to occur at the Effective Time in the following order without any further authorization, act or formality:

- (a) notwithstanding the terms of the DSU Plan, the KEP Plan, the ESU Plan or the TI Plan or any applicable award agreements, simultaneously:
 - (i) the DSU Plan shall be terminated and each DSU outstanding immediately prior to the Effective Time shall, without any further action or formality on behalf of the holder thereof and the Corporation, be deemed to be surrendered to the Corporation in exchange for a cash payment equal to the Consideration, less applicable withholdings, payable to the holder in full satisfaction of such surrendered DSU;
 - (ii) the KEP Plan and the TI Plan shall be terminated and each RSU granted under the KEP Plan or the TI Plan and outstanding immediately prior to the Effective Time (whether then vested or unvested) shall, without any further action or formality on behalf of the holder thereof and the Corporation, be

deemed to be surrendered to the Corporation in exchange for a cash payment equal to the Consideration, less applicable withholdings, payable to the holder in full satisfaction of the Corporation's obligations under such surrendered RSU;

- (iii) the ESU Plan shall be terminated and each RSU or PSU granted thereunder and outstanding immediately prior to the Effective Time (whether then vested or unvested) shall, without any further action or formality on behalf of the holder thereof and the Corporation, be deemed to be surrendered to the Corporation in exchange for, an amount equal to (i) in the case of each RSU, the Consideration multiplied by the number of Shares covered by such RSU and (ii) in the case of each PSU, the Consideration multiplied by the number of Shares covered by such PSU assuming 100 per cent performance vesting, multiplied by a factor, being the ratio of (x) the period of time from the grant date of the PSU to the Effective Date, to (y) the term of the PSU, in each case payable in cash to the holder, less applicable withholdings, in full satisfaction of the Corporation's obligations under such surrendered RSU or PSU (as applicable);

and all such DSUs, RSUs and PSUs shall immediately be cancelled;

- (b) notwithstanding the terms of the Stock Option Plan or any applicable award agreements in relation thereto, the Stock Option Plan shall be cancelled and each Option (other than Rollover Options) whether vested or unvested, that has not, prior to the Effective Time, been exercised or surrendered in accordance with its terms shall, without any further action or formality on behalf of the holder thereof and the Corporation and without any payment by such Optionholder, be deemed to be transferred to the Corporation as follows:
 - (i) in respect of each Option outstanding at the Effective Time (other than Rollover Options) whether vested or unvested, that has an exercise price that is less than the Consideration, the applicable Option shall be deemed to be surrendered to the Corporation in exchange for a cash payment equal to the amount by which the Consideration exceeds the exercise price thereof, less applicable withholdings, payable to the Optionholder in full satisfaction of the Corporation's obligations under such surrendered Option;
 - (ii) in respect of each Option outstanding at the Effective Time whether vested or unvested, that has an exercise price that is equal to or greater than the Consideration, the applicable Option shall be deemed to be surrendered to the Corporation in exchange for a cash payment equal to \$0.05, less applicable withholdings, payable to the Optionholder in full satisfaction of the Corporation's obligations under such surrendered Option;

and all such Options (other than Rollover Options) shall immediately be cancelled;

- (c) each Share held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised shall be transferred by the holder thereof to the Corporation in exchange for a debt claim against the Corporation for the amount determined in accordance with Article 3 of the Plan of Arrangement;
- (d) each Rollover Share shall be transferred by the Rollover Securityholder to Midco in exchange for such number of Midco Shares as set out in the applicable Rollover Agreement;
- (e) simultaneously with step (d), each outstanding Share (other than a Share held by a Dissenting Shareholder or a Rollover Share) shall be transferred to the Purchaser in exchange for a cash payment equal to the Consideration;
- (f) each Rollover Option (whether then vested or unvested) shall be exchanged for such number of Midco Options as set out in the applicable Rollover Agreement on the terms and conditions set out in the applicable Rollover Agreement; and

- (g) each Rollover Share shall be transferred by Midco to the Purchaser in exchange for common shares of the Purchaser on the terms and conditions set out in the Midco Transfer Agreement.

See the Plan of Arrangement attached as Appendix D to this Information Circular.

Effective Date

The Arrangement will become effective upon the filing of the Articles of Arrangement and a copy of the Final Order with the Registrar, together with such other materials as may be required by the Registrar, and receipt of the Certificate giving effect to the Arrangement.

Sources of Funds

The Purchaser estimates that the total amount of funds required to complete the Arrangement and related transactions and to pay related fees and expenses will be approximately \$4.79 billion. The Purchaser expects this amount to be provided through a combination of the proceeds of the Debt Financing and the Sponsor Financing (together, the **Financings**) as described below, the rollover of WestJet Encore's loans with Export Development Corporation, together with available cash of the Corporation and its Subsidiaries. The Consideration payable to Shareholders under the Arrangement will all come from the Financings.

In connection with the Arrangement Agreement, the Purchaser delivered to the Corporation the following:

- the Debt Commitment Letter, pursuant to which each lender party thereto has committed, subject to the terms and conditions set forth therein, to lend the amounts set forth therein for, among other things, the purpose of partially financing the transactions contemplated by the Arrangement Agreement;
- the Sponsor Commitment Letter, pursuant to which each of the Onex Funds has committed, on a pro rata and several (and not joint and several) basis, subject to the terms and conditions set forth therein, to invest or cause to be invested in the Purchaser, the amounts set forth therein, which will be used by the Purchaser for purposes of partially financing the transactions contemplated by the Arrangement Agreement; and
- the Limited Guarantee, pursuant to which each of the Onex Funds has agreed, on a pro rata basis, to guarantee certain obligations of the Purchaser under the Arrangement Agreement relating to, among other things: (a) the Reverse Termination Fee; and (b) the Company Expense Fee (as defined in the Arrangement Agreement, being an amount up to a maximum of \$10,000,000).

The Sponsor Commitment Letter and Arrangement Agreement provide the Onex Funds the right to assign all or a portion of their obligations under the Sponsor Commitment Letter to certain permitted assignees, including: (i) any pension plan or non-publicly-traded investment fund that has at least \$500,000,000 of assets under management and that is "Canadian" for purposes of Section 55(1) of the CT Act; (ii) another Sponsor; or (iii) any direct or indirect Subsidiary of Onex, or any funds or entities controlled or managed, directly or indirectly, by a Sponsor or Onex or any Subsidiary of Onex Funds or Onex, in each case so long as such assignment would not reasonably be expected to delay the Effective Time.

The Debt Financing Sources may also syndicate the funds to be loaned to the Purchaser pursuant to the Debt Commitment Letter.

The Purchaser has agreed, subject to the terms and conditions set forth in the Arrangement Agreement, to use its reasonable best efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange and obtain the proceeds of the Debt Financing and the Sponsor Financing on or prior to the Effective Date on the terms and conditions described in the Financing Commitments including completing the syndication of a substantial minority of the equity financing commitment under the Sponsor Commitment Letter as soon as reasonably practicable.

The proceeds to be received from the Financings (together with the available cash of the Corporation and its Subsidiaries) are sufficient to fund all amounts required to be paid by the Purchaser pursuant to the Arrangement.

Interests of Certain Persons in the Arrangement

In considering the Arrangement, Securityholders should be aware that directors and executive officers of the Corporation may have interests in the Arrangement or may receive benefits in connection with the Arrangement that differ from, or are in addition to, the interests of Securityholders generally. Other than the interests and benefits described below, none of the directors or executive officers of the Corporation or, to the knowledge of the directors and executive officers of the Corporation, any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon in connection with the Arrangement or that would materially affect the Arrangement.

All benefits received, or to be received, by directors, executive officers or employees of the Corporation as a result of the Arrangement are, and will be, solely in connection with their services as directors, executive officers or employees of the Corporation. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such Person for the Shares held by such Persons and no benefit is, or will be, conditional on the Person supporting the Arrangement.

Rollover by Executive Officers

The Executive Officers are eligible to enter into Rollover Agreements pursuant to which they will agree to: (a) exchange at least 50 per cent of the value of the Shares held by them (Shares subject to a Rollover Agreement being Rollover Shares) for Midco Shares; (b) exchange at least 50 per cent of the value of all Options held by them (Options subject to a Rollover Agreement being Rollover Options) for Midco Options; and (c) invest at least 25 per cent of the cash proceeds payable for their RSUs and PSUs in Midco Shares.

Under the terms of the Rollover Agreements, it is anticipated that: (a) each Rollover Share would be exchanged for one Midco Share valued at \$31.00 per Midco Share; (b) each Rollover Option would be exchanged for one Midco Option to purchase a Midco Share at the same exercise price as the Rollover Option for which it was exchanged; and (c) the cash proceeds received for their RSUs and PSUs under the Arrangement would be invested in Midco Shares at a subscription price of \$31.00 per Midco Share.

Entering into a Rollover Agreement is one of the conditions to receiving cash payments under the Executive Retention Plan. See "Interests of Certain Persons in the Arrangement – Employee Retention Plans".

Shares and the Intentions of Directors and Executive Officers

As of the Record Date, the directors and Executive Officers of the Corporation, beneficially owned, directly or indirectly, or exercised control or direction over, in the aggregate 994,926 Shares, which represented approximately 0.9 per cent of the issued and outstanding Shares on an undiluted basis. Each director and Executive Officer of the Corporation has agreed to, pursuant to the terms of their respective Voting Agreements, and intends to, vote all of his or her Shares in favour of the Arrangement.

All of the Shares (other than Rollover Shares) held by such directors and Executive Officers of the Corporation will be treated in the same fashion under the Arrangement as Shares held by all other Shareholders.

Options

The Stock Option Plan will be terminated in accordance with the terms of the Plan of Arrangement.

Each "in-the-money" Option (other than Rollover Options), shall be deemed to be assigned and transferred by such holder to the Corporation in exchange for a cash payment from the Corporation equal to the amount by which the Consideration exceeds the exercise price of such Option, less applicable withholdings, and each such Option shall immediately be cancelled. Each "out-of-the-money" Option shall be deemed to be assigned and transferred by such holder to the Corporation in exchange for a cash payment from the Corporation equal to \$0.05, less applicable withholdings.

The 892,568 outstanding Options held by the Executive Officers as of the Record Date have exercise prices ranging from \$19.20 to \$29.96. Accordingly, the Executive Officers would be entitled to receive cash proceeds for their Options (other than Rollover Options) of approximately \$7,773,215, in the aggregate (before applicable withholdings). Such cash proceeds will be reduced for each Rollover Option, and each Rollover Option will be exchanged for a Midco Option to purchase one Midco Share at the same exercise price as the Rollover Option for which it was exchanged. See "The Arrangement – Interests of Certain Persons in the Arrangement – Rollover by Executive Officers".

All of the Options (other than Rollover Options) held by such Executive Officers of the Corporation will be treated in the same fashion under the Arrangement as Options held by all other employee Shareholders.

DSUs

The DSU Plan will be terminated in accordance with the terms of the Plan of Arrangement.

As of the Record Date, there were 232,119 DSUs held by non-employee directors of the Corporation. If the Arrangement is consummated, each DSU outstanding immediately prior to the Effective Time, notwithstanding the terms of the DSU Plan, shall, without any further action by or on behalf of a holder of DSUs, be deemed to be assigned and transferred by such holder to the Corporation in exchange for a cash payment from the Corporation equal to the Consideration, less applicable withholdings, and each such DSU shall immediately be cancelled. Accordingly, the directors would be entitled to receive cash compensation for their DSUs of approximately \$7,195,689 in the aggregate (before applicable withholdings).

RSUs and PSUs under the ESU Plan

The ESU Plan will be terminated in accordance with the terms of the Plan of Arrangement.

As of the Record Date, there were 269,458 RSUs and 458,421 PSUs granted and outstanding under the ESU Plan, which are held by the Executive Officers. If the Arrangement is consummated, each RSU or PSU granted under the ESU Plan and outstanding immediately prior to the Effective Time (whether vested or unvested) shall be deemed to be surrendered to the Corporation in exchange for, an amount equal to: (a) in the case of each RSU, the Consideration multiplied by the number of Shares covered by such RSU; and (b) in the case of each PSU, the Consideration multiplied by the number of Shares covered by such PSU assuming 100 per cent performance vesting (at target), multiplied by a factor, being the ratio of (x) the period of time from the grant date of the PSU to the Effective Date, to (y) the term of the PSU, in each case payable in cash to the holder, less applicable withholdings, in full satisfaction of the Corporation's obligations under such surrendered RSU or PSU (as applicable). Accordingly, the Executive Officers holding RSUs and PSUs under the ESU Plan would be entitled to receive cash compensation for such RSUs and PSUs of approximately \$15,369,954, in the aggregate (before applicable withholdings) and, in the case of the PSUs, assuming an Effective Date of December 31, 2019.

Consideration

The following table sets out the names and positions of the directors and Executive Officers of the Corporation as of June 12, 2019, the number of Shares and Incentive Securities owned or over which control or direction was exercised by each such director or Executive Officer of the Corporation and, where known after reasonable enquiry, by their respective associates or affiliates as of such date and the consideration to be received for such Shares and Incentive Securities pursuant to the Arrangement.

Name and Position with the Corporation	Shares	Estimated amount of Consideration to be received in respect of Shares ⁽¹⁾	"In-the-Money" Options ⁽¹⁾	DSUs	RSUs	PSUs	Estimated amount of cash to be received in respect of Options, DSUs, RSUs and PSUs ⁽¹⁾⁽²⁾ (as applicable)	Total estimated amount of consideration to be received (before applicable withholdings)
Edward Sims, President and Chief Executive Officer, Director	9,444 <0.01%	\$292,764	190,263	-	86,370	144,534	\$6,426,965	\$6,719,729
Charles Duncan, Executive Vice President and Chief Strategy Officer	9,218 <0.01%	\$285,758	77,153	-	27,943	53,399	\$2,442,329	\$2,728,087
Jeffrey Martin, Executive Vice President and Chief Operating Officer	3,471 <0.01%	\$107,601	31,979	-	28,923	30,935	\$1,443,937	\$1,551,538
Craig Maccubbin, Executive Vice President and Chief Information Officer	7,924 <0.01%	\$245,644	75,585	-	26,617	51,330	\$2,420,202	\$2,665,846
Mark Porter, Executive Vice President, People and Culture	47,336 <0.05%	\$1,467,416	266,889	-	30,419	58,661	\$4,290,577	\$5,757,993
Harry Taylor, Executive Vice President, Finance and Chief Financial Officer	66,647 <0.06%	\$2,066,057	189,737	-	33,307	64,234	\$3,922,202	\$5,988,259
Steven Greenway, Executive Vice President and President, Swoop	-	-	40,830	-	18,990	33,668	\$1,406,218	\$1,406,218
Arved von zur Muehlen, Executive Vice President and Chief Commercial Officer	204 <0.01%	\$6,324	20,132	-	16,889	21,660	\$790,739	\$797,063
Clive J. Beddoe, Director (Chair)	641,925 <0.6%	\$19,899,675	-	9,326	-	-	\$289,106	\$20,188,781
Ron Brenneman, Director	70,000 <0.07%	\$2,170,000	-	13,582	-	-	\$421,042	\$2,591,042
Christopher Burley, Director (Vice Chair)	40,000 <0.04%	\$1,240,000	-	22,486	-	-	\$697,066	\$1,937,066
Brett Godfrey, Director	16,097 <0.02%	\$499,007	-	15,305	-	-	\$474,455	\$973,462
Allan Jackson, Director	25,000 <0.03%	\$775,000	-	69,051	-	-	\$2,140,581	\$2,915,581
S. Barry Jackson, Director	10,000 <0.01%	\$310,000	-	51,916	-	-	\$1,609,396	\$1,919,396

Name and Position with the Corporation	Shares	Estimated amount of Consideration to be received in respect of Shares ⁽¹⁾	"In-the-Money" Options ⁽¹⁾	DSUs	RSUs	PSUs	Estimated amount of cash to be received in respect of Options, DSUs, RSUs and PSUs ⁽¹⁾⁽²⁾ (as applicable)	Total estimated amount of consideration to be received (before applicable withholdings)
Colleen Johnston, Director	30,000 <0.03%	\$930,000	-	1,568	-	-	\$48,608	\$978,608
Janice Rennie, Director	6,500 <0.01%	\$201,500	-	29,289	-	-	\$907,959	\$1,109,459
Karen Sheriff, Director	9,000 <0.01%	\$279,000	-	19,596	-	-	\$607,476	\$886,476
Brad Armitage, Director	2,160 <0.01%	\$66,960	-	-	-	-	-	\$66,960

Notes:

- (1) The Executive Officers are eligible to enter into Rollover Agreements pursuant to which they will agree to (a) exchange at least 50 per cent of the value of the Shares held by them for Midco Shares; (b) exchange at least 50 per cent of the value of all Options held by them for Midco Options; and (c) invest at least 25 per cent of the cash proceeds payable for their RSUs and PSUs under the Arrangement in Midco Shares at a subscription price of \$31.00 per Midco Share. See "The Arrangement – Interests of Certain Persons in the Arrangement – Rollover by Executive Officers".
- (2) Cash compensation for DSUs and RSUs outstanding under the DSU Plan and ESU Plan, respectively, includes dividend equivalents paid on such DSUs and RSUs, up to and including June 12, 2019. DSUs are granted quarterly on the last trading day of the quarter. Cash compensation for PSUs outstanding under the ESU Plan is calculated assuming 100 per cent performance vesting (at target), multiplied by a factor, being the ratio of (x) the period of time from the grant date of the PSU to the Effective Date (assuming an Effective Date of December 31, 2019), to (y) the term of the PSU, and includes, among other things, dividend equivalents paid on such PSUs up to and including June 12, 2019.

Change of Control Provisions

The Corporation has entered into individual employment agreements with the following individuals, pursuant to which such individuals may receive change of control payments or other benefits: Edward Sims, President and Chief Executive Officer; Charles Duncan, Executive Vice President and Chief Strategy Officer; Jeffrey Martin, Executive Vice President and Chief Operating Officer; Craig Maccubbin, Executive Vice President and Chief Information Officer; Mark Porter, Executive Vice President, People and Culture; Harry Taylor, Executive Vice President, Finance and Chief Financial Officer; Steven Greenway, Executive Vice President and President, Swoop; and Arved von zur Muehlen, Executive Vice President and Chief Commercial Officer (collectively, the **Change of Control Agreements**). The Change of Control Agreements provide for compensation in the event of a subsequent termination of employment without cause (including a constructive dismissal as set out in the Change of Control Agreements) within 24 months of a change of control.

Mr. Sims' severance entitlements include: (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.

The severance entitlements in each of the other Change of Control Agreements, excluding Mr. Sims', include: (a) one and one half times the annual base salary; (b) one and one half times the 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 the 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 annual base salary to compensate for loss of participation in the Profit Share Plan, STIP and any other incentive plans.

If the individuals that are parties to the Change of Control Agreements are terminated without cause (including a constructive dismissal as set out in the Change of Control Agreements) within 24 months of the Effective Date, the payments and benefits due under the Change of Control Agreements would have an aggregate value of approximately \$8,573,938, calculated as of the Record Date. The approximate total value is based on the base salaries of the Executive Officers as at June 12, 2019, the individual STIP amounts paid for 2018 and 2017 and the STIP percentages for the respective Executive Officer positions for 2018 and 2017. The actual payment to the Executive Officer could differ materially as a result of, among other things, the timing of the terminating event.

Employee Retention Plans

Completion of the Arrangement is subject to uncertainty and, accordingly, officers and employees of the Corporation may experience uncertainty about their future roles with the Corporation. This may adversely affect the Corporation's ability to attract or retain officers and employees in the period until the Arrangement is completed and following the Effective Time. In order to mitigate this risk, the Corporation established the Executive Retention Plan in an aggregate amount of up to \$2.75 million for the Executive Officers. The payment of various elements under the Executive Retention Plan is subject to certain conditions, including the continued employment of the Executive Officer and the Executive Officer agreeing to enter into a Rollover Agreement. No portion of the Executive Retention Plan is payable to any Executive Officer unless the Arrangement is completed.

The Corporation has also established a retention program up to an aggregate of \$2.3 million with respect to certain other key employees to, among other things, assist with retention, transition and support matters relating to the Arrangement.

Continuing Insurance Coverage for Directors and Executive Officers of the Corporation

The Arrangement Agreement provides that, prior to the Effective Date, the Corporation shall, in reasonable consultation with the Purchaser, purchase customary "tail" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate than the protection provided by the policies maintained by the Corporation and its Subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date. The Arrangement Agreement also provides that the Purchaser will, or will cause the Corporation and its Subsidiaries, to maintain such tail policies in effect without any reduction in scope or coverage for six years from the Effective Date; provided that the aggregate cost of such policies does not exceed 300 per cent of the current annual premium for the Corporation's directors and officers insurance policies.

Approvals

The completion of the Arrangement is conditional upon the receipt of the Securityholder Approval, Court approval, as well as the Key Regulatory Approvals (which include the Competition Act Clearance, the CT Act Approval, the Canadian Status Determination and the HSR Approval).

Securityholder Approval

At the Meeting, Shareholders and Optionholders, voting together as a single class, will be asked to consider and, if deemed advisable, to pass the Arrangement Resolution, a copy of which is attached as Appendix B to this Information Circular. Pursuant to the Interim Order, the approval of the Arrangement Resolution will require the affirmative vote of the following Securityholders present in person or represented by proxy and entitled to vote at the Meeting: (a) at least 66 2/3 per cent of the votes cast by Shareholders and Optionholders, voting together as a single class, present in person or represented by proxy at the Meeting; and (b) a majority of the Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting, excluding those Shareholders whose votes are required to be excluded pursuant to Section 8.1(2) of MI 61-101. As of the Record Date, an aggregate of 144,244 votes will be required to be excluded pursuant to Section 8.1(2) of MI 61-101, which are comprised of the Shares held by the Executive Officers. See "The Arrangement – Interests of Certain Persons in the Arrangement" above.

In addition, pursuant to and in accordance with the policies of the TSX, WestJet will be required to obtain the approval of the Arrangement Resolution by a majority of the votes cast by Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting.

It is a condition to the completion of the Arrangement that the Arrangement Resolution be approved at the Meeting in accordance with the Interim Order.

Court Approvals

An arrangement of a corporation under the ABCA requires approval by the Court. On June 18, 2019, WestJet obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order is attached to this Information Circular as Appendix G and the Notice of Originating Application for the Final Order accompanies this Information Circular.

If Securityholder Approval is obtained at the Meeting in the manner required by the Interim Order, WestJet will apply to the Court to obtain the Final Order. The hearing of the application for the Final Order is scheduled to take place at the Court at 2:00 p.m. (MDT) on July 26, 2019 at the Calgary Courts Centre, 601 - 5th Street S.W., Calgary, Alberta, or as soon after such time as counsel may be heard. Any Securityholders wishing to appear in person or to be represented by counsel at the hearing of the application for the Final Order may do so but must comply with certain procedural requirements, including filing an appearance with the Court and serving it on the Corporation through its counsel as soon as reasonably practicable and, in any event, by 5:00 p.m. (MDT) on July 24, 2019, being the second Business Day prior to the Final Order hearing.

The Court has broad discretion under the ABCA when making orders with respect to arrangements. The Court, when hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement to Securityholders. The Court may approve the Arrangement in any manner it may direct and determine appropriate.

Once the Final Order is granted and the other conditions contained in the Arrangement Agreement are satisfied or waived to the extent legally permissible, the Articles of Arrangement will be filed with the Registrar for issuance of the Certificate giving effect to the Arrangement.

Key Regulatory Approvals

Competition Act Clearance

Part IX of the Competition Act requires that each of the parties to a transaction that exceeds the thresholds set out in Sections 109 and 110 of the Competition Act (a **Notifiable Transaction**) provide the Commissioner with pre-closing notification filings (**Notifications**) in respect of their Notifiable Transaction. The parties to a Notifiable Transaction cannot complete the transaction until the applicable statutory waiting period under Section 123 of the Competition Act has expired or been terminated, an Advance Ruling Certificate has been issued by the Commissioner pursuant to Section 102 of the Competition Act, or an appropriate waiver of the requirement to submit Notifications has been provided by the Commissioner via the issuance of a No Action Letter. The Commissioner may issue an Advance Ruling Certificate or a No Action Letter without having received Notifications.

The statutory waiting period is 30 calendar days after the day on which the parties to the Notifiable Transaction submit their Notifications, provided that, before the expiry of this period, the Commissioner has not notified the parties pursuant to Section 114(2) of the Competition Act that the Commissioner requires additional information that is relevant to the Commissioner's assessment of the transaction (a **Supplementary Information Request**). If the Commissioner provides the parties with a Supplementary Information Request, the parties cannot complete the transaction until 30 calendar days after compliance with the Supplementary Information Request (unless an Advanced Ruling Certificate or a No Action Letter is issued before the expiry of such extended period) and cannot complete the transaction after that 30-day period if there is any Competition Tribunal order in effect prohibiting completion of the transaction at that time.

The Arrangement constitutes a Notifiable Transaction under the Competition Act. On May 31, 2019 the Parties filed with the Commissioner a request for an Advance Ruling Certificate or, in the alternative, a No Action Letter. The Parties have agreed to file their Notifications within 10 days of the date of delivery of either Party's instruction, should either Party determine that it is necessary. At this time, the Parties have not filed their Notifications, and the statutory waiting period under Part IX of the Competition Act has not commenced, but the Commissioner's review of the Arrangement is proceeding following the filing of the request for an Advance Ruling Certificate.

It is a condition to Closing that Competition Act Clearance be obtained. See "Risk Factors – Risk Factors Relating to the Arrangement".

CT Act Approval

Section 53.1(1)(a) of the CT Act requires that the Minister be notified of a Notifiable Transaction that involves a transportation undertaking (a **CT Transaction**). A CT Transaction is prohibited from closing until the Minister issues an opinion that the CT Transaction does not raise issues with respect to the public interest as it relates to national transportation under Section 53.1(4) of the CT Act, or, if the Minister is of the opinion that the CT Transaction raises issues with respect to the public interest as it relates to national transportation under Section 53.1(5) of the CT Act, the Governor in Council approves the CT Transaction under Section 53.2(7) of the CT Act.

The Minister is obligated to issue an opinion under Section 53.1(4) or Section 53.1(5) of the CT Act within 42 calendar days after the date on which the notification was submitted to the Minister under the CT Act. If the Minister issues an opinion under Section 53.1(5) of the CT Act, the statutory prohibition on closing continues until the issuance of a decision by the Governor in Council. There is no time period within which the Governor in Council must reach a decision.

In connection with the transactions contemplated by the Arrangement, on May 31, 2019 the Parties filed with the Minister a written application seeking CT Act Approval. The CT Act Approval will be obtained by either (a) the Minister giving notice under Section 53.1(4) of the CT Act, or (b) the Governor in Council approving the transactions under Section 53.2(7) of the CT Act.

It is a condition to Closing that CT Act Approval be obtained. See "Risk Factors – Risk Factors Relating to the Arrangement – Completion of the Arrangement is subject to receipt of the Key Regulatory Approvals and satisfaction or waiver of several other conditions".

Canadian Status Determination

Section 53.1(1)(b) of the CT Act requires that the Canadian Transportation Agency (the **CTA**) be notified of a Notifiable Transaction that involves an air transportation undertaking (a **CTA Transaction**).

The CTA shall make a decision as expeditiously as possible, but no later than 120 days after the Parties have given notice to the CTA, unless the Parties agree to an extension.

On May 31, 2019 the Parties filed with the CTA, an application to seek a written determination by the CTA that each Subsidiary of the Corporation that is a CTA Licensee will continue to be a "Canadian" within the meaning of Section 55(1) of the CT Act upon and following the closing of the transactions contemplated by the Arrangement Agreement.

It is a condition of Closing that the CTA determines that the CTA Transaction would result in an undertaking that is Canadian as defined in the CT Act. See "Risk Factors – Risk Factors Relating to the Arrangement – Completion of the Arrangement is subject to receipt of the Key Regulatory Approvals and satisfaction or waiver of several other conditions".

HSR Approval

Under the HSR Act, certain transactions exceeding prescribed thresholds may not be completed until each party has filed a notification and report form with the Antitrust Division of the DOJ and with the FTC and applicable waiting period requirements have been satisfied. The Arrangement exceeds the prescribed thresholds and therefore is subject to the applicable waiting

period requirements of the HSR Act. The Parties expect to file their respective notification and report forms under the HSR Act in the near term.

The waiting period under the HSR Act will expire 30 days after the Parties each filed their notification and report form, unless earlier terminated by the FTC or the DOJ or unless the FTC or the DOJ issues a request for additional information and documentary material (a **Second Request**) prior to that time. If within the 30-day waiting period, the FTC or the DOJ were to issue a Second Request, the waiting period with respect to the Arrangement would be extended until 30 days following substantial compliance with the Second Request unless the FTC or the DOJ terminates the waiting period prior to its expiration. The Parties are entitled to complete the Arrangement at the end of the waiting period, provided that the FTC or the DOJ has not taken action that results in a court order stopping the Arrangement. The expiration or termination of the waiting period does not bar the FTC or the DOJ from subsequently challenging the Arrangement.

It is a condition to Closing that HSR Approval be obtained. See "Risk Factors – Risk Factors Relating to the Arrangement – Completion of the Arrangement is subject to receipt of the Key Regulatory Approvals and satisfaction or waiver of several other conditions".

Canadian Securities Law Matters

The Corporation is a reporting issuer (or the equivalent) under the applicable Securities Laws in each of the provinces of Canada and is, among other things, subject to the provisions of MI 61-101.

MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties, and, in certain instances, independent valuations. Approval and oversight of these transactions by a special committee of independent directors is recommended by MI 61-101. The protections afforded by MI 61-101 apply to "business combinations" (as defined in MI 61-101) which are transactions that can result in the interests of securityholders being terminated without their consent.

If any of the "related parties" (as defined in MI 61-101) of the Corporation are entitled to receive, directly or indirectly, as a consequence of the Arrangement, consideration per equity security that is not identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class (**Different Consideration**) or a "collateral benefit" (as defined in MI 61-101), the Arrangement will constitute a "business combination" for the purposes of MI 61-101 and the Arrangement Resolution will require "minority approval" in accordance with MI 61-101. If "minority approval" is required, the Arrangement Resolution must be approved by a majority of the votes cast, excluding those votes beneficially owned, or over which control or direction is exercised, by the "related parties" of the Corporation who can be considered to be receiving a Different Consideration or a "collateral benefit" in connection with the Arrangement, or "joint actors" (as defined in MI 61-101) of such related parties.

Since each Executive Officer is eligible to enter into a Rollover Agreement pursuant to which such officer will agree to acquire an interest in Midco under the Arrangement, each Executive Officer may be considered to be entitled to receive Different Consideration, requiring "minority approval" of the Arrangement. This approval is in addition to the requirement that the Arrangement Resolution be approved by at least 66 2/3 per cent of the votes cast by Shareholders and Optionholders, voting together as a single class, present in person or represented by proxy at the Meeting, as well as the requirement to obtain the approval of the Arrangement Resolution by a majority of the votes cast by Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting, pursuant to and in accordance with the policies of the TSX. Under MI 61-101, the Arrangement Resolution is subject to minority approval of Common Voting Shares and Variable Voting Shares, in each case voting separately as a class. The Corporation has received discretionary exemptive relief from the Canadian Securities Administrators from this requirement, such that the minority approval will be required from the Shareholders voting together as a single class. The relief was granted, among other reasons, because: (a) the Corporation's Articles provide that Shareholders vote as a single class except where the holders of a specified class of voting Shares are entitled to vote separately as a class as provided in the ABCA; (b) the ABCA does not require a separate class vote to approve the Arrangement as the holders of each class of Shares are entitled to receive the same Consideration per Share under the Arrangement; (c) the Corporation's Articles formally identify each class of Shares as separate classes in order to facilitate compliance with the Canadian ownership and control requirements of the CT Act, however the Shares have identical economic attributes and are listed and

trade on the TSX as a single class of Shares; (d) there is no distinction in accounting treatment between the two classes of Shares; (e) negotiation of the Arrangement was overseen by the Special Committee; (f) the Board of Directors has received the Financial Advisor Opinions; (g) granting a separate class vote would be inconsistent with the policy objectives of the CT Act and, absent exemptive relief, would provide the non-Canadian holders of Variable Voting Shares with the ability to prevent the Arrangement; and (h) to the best of the knowledge of the Corporation, there is no reason to believe that Shareholders of either class would not approve the Arrangement.

A "collateral benefit", as defined in MI 61-101, includes any benefit that a "related party" of the issuer (which includes the directors and senior officers of the issuer) is entitled to receive, directly or indirectly, as a consequence of the transaction, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, director or consultant of the issuer. However, MI 61-101 excludes from the meaning of "collateral benefit" certain benefits to a related party received solely in connection with the related party's services as an employee, director or consultant of the issuer, an affiliated entity of the issuer or a successor to the business of the issuer where, among other things: (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction; (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner; (c) full particulars of the benefit are disclosed in the disclosure document for the transaction; and (d) at the time the transaction is agreed to, the related party and its associated entities beneficially own or exercise control or direction over less than one per cent of the outstanding shares of each class of equity securities of the issuer.

Pursuant to the terms of the Arrangement Agreement and the Arrangement: (a) each Option (other than Rollover Options), whether vested or unvested, with an exercise price less than the Consideration shall be deemed surrendered by the holder thereof to the Corporation in exchange for a cash payment from the Corporation equal to the amount by which the Consideration exceeds the exercise price; (b) each Option, whether vested or unvested, with an exercise price that is more than the Consideration shall be deemed surrendered by the holder thereof to the Corporation in exchange for a cash payment from the Corporation equal to \$0.05 per such Option; (c) each (i) DSU outstanding immediately prior to the Effective Time; and (ii) RSU granted under the KEP Plan or the TI Plan (whether vested or unvested) shall be deemed to be vested and surrendered by the holder thereof to the Corporation in exchange for a cash payment from the Corporation equal to the Consideration; and (d) each RSU or PSU granted under the ESU Plan and outstanding immediately prior to the Effective Time (whether then vested or unvested) shall be deemed to be surrendered by the holder thereof to the Corporation in exchange for an amount equal to (i) in the case of each RSU, the Consideration multiplied by the number of Shares covered by such RSU and (ii) in the case of each PSU, the Consideration multiplied by the number of Shares covered by such PSU assuming 100 per cent performance vesting, multiplied by a factor, being the ratio of (x) the period of time from the grant date of the PSU to the Effective Date, to (y) the term of the PSU, in each case less applicable withholdings, in full satisfaction of the Corporation's obligations under such surrendered Option, DSU, RSU or PSU (as applicable).

The acceleration of the vesting of the Incentive Securities may be considered a "collateral benefit". In addition, the entitlements of the Executive Officers under the Executive Retention Plan may be considered a "collateral benefit". Finally, the Board of Directors has exercised its discretion under the Corporation's Executive and Board Member Travel Policy to grant certain directors of the Corporation that are currently not entitled to a lifetime travel benefit at the employee rate, such rights. These payments and benefits may also be considered "collateral benefits".

However, except as noted below, these benefits or payments fall within an exception to the definition of "collateral benefit" for the purposes of MI 61-101, since the benefits are received solely in connection with the related parties' services as employees or directors of the Corporation and of any affiliated entities of the Corporation or of any successors to the business, are not conferred for the purpose, in whole or in part, of increasing the value of the Consideration to be paid to the related parties for their Shares, the benefits are not conditional on the related parties supporting the Arrangement in any manner and none of the related parties entitled to receive the benefits exercises control or direction over, or beneficially owns, more than one per cent of the outstanding Shares. Accordingly, no related party will be considered to receive a "collateral benefit" for the purposes of MI 61-101. However, in any event, for the reasons given above, the Shares that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by the Executive Officers, will be excluded for the purposes of determining if minority approval of the Arrangement Resolution is obtained. As of the Record Date, there were 144,244 Shares which were beneficially owned, directly or indirectly, or over which control or direction is exercised by the Executive Officers representing in the

aggregate approximately 0.13 per cent of the issued and outstanding Shares of the Corporation. See the table under the heading, "The Arrangement – Interests of Certain Persons in the Arrangement – Consideration" for the number of Shares held by each Executive Officer, which will be excluded for the purposes of determining if minority approval of the Arrangement Resolution is obtained pursuant to MI 61-101.

The Corporation is not required to obtain a formal valuation under MI 61-101 as no "interested party" (as defined in MI 61-101) is, as a consequence of the Arrangement, directly or indirectly acquiring the Corporation or its business or combining with the Corporation, whether alone or with joint actors, and neither the Arrangement nor the transactions contemplated by the Rollover Agreements, is a "related party transaction" (as defined in MI 61-101) for which the Corporation would be required to obtain a formal valuation.

To the knowledge of the Board of Directors, there have been no prior valuations in respect of the Corporation (as contemplated in MI 61-101) in the 24 months prior to the date of the Arrangement Agreement and no *bona fide* prior offer (as contemplated in MI 61-101) that relates to the transactions contemplated by the Arrangement has been received by the Corporation during the 24 months before the execution of the Arrangement Agreement.

Stock Exchange De-Listing and Reporting Issuer Status

The Shares are currently listed for trading on the TSX under the trading symbol "WJA". WestJet expects that the Shares will be de-listed from the TSX on or following the Effective Date. The Parties have agreed to cooperate with each other to take or cause to be taken, all action necessary to facilitate the Shares being de-listed as soon as practicable following the Effective Date (or on the Effective Date if requested by the Purchaser).

Following the Effective Date, it is expected that the Purchaser will cause WestJet to apply to cease to be a reporting issuer under the securities legislation of each of the provinces in Canada or take or cause to be taken such other measures as may be appropriate to ensure that WestJet is not required to prepare and file continuous disclosure documents.

Employee Ownership Following the Arrangement

Onex has advised the Corporation that it intends to continue the strong ownership culture at WestJet and may offer employees an opportunity to acquire an interest in Midco. Without limiting the foregoing, such arrangements could involve providing an opportunity to employees to receive or acquire Midco Shares or otherwise subscribe for securities of Midco. The structure and terms of any such arrangements would be determined by Onex and communicated to the employees to whom such opportunity is being offered with time to allow such employees to decide whether to participate in such opportunity. Following Closing, employees of the Corporation and its affiliates may also be entitled to participate in employee ownership, investment and/or profit sharing plans, the terms and conditions of which would be determined by Onex and may differ from plans currently available to such employees, except as required by Law. As of the date hereof, no agreements, arrangements, or understandings have been entered into between the Corporation, the Purchaser or any of their respective affiliates in respect of these matters.

Effects on the Corporation if the Arrangement is Not Completed

If the Securityholder Approval is not obtained or if the Arrangement is not completed for any other reason, Shareholders will not receive any payment for any of their Shares in connection with the Arrangement. In that circumstance, WestJet will remain a reporting issuer and the Shares will continue to be listed on the TSX. See "Risk Factors – Risk Factors Relating to the Arrangement".

RISK FACTORS

Securityholders should carefully consider the following risk factors in evaluating whether to approve the Arrangement. These risk factors should be considered in conjunction with the other information included in this Information Circular.

Risk Factors Relating to the Arrangement

Completion of the Arrangement is subject to receipt of the Key Regulatory Approvals and satisfaction or waiver of several other conditions

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of the Corporation, including Securityholder Approval, the Key Regulatory Approvals, the granting of the Final Order and the satisfaction of other customary closing conditions. There can be no certainty, nor can the Corporation provide any assurance, that these conditions will be satisfied or waived nor can there be any certainty as to the timing of their satisfaction or waiver. In particular, should the Minister fail to provide notice to the Purchaser under Section 53.1 of the CT Act that he is of the opinion that the Arrangement does not raise issues with respect to the public interest as it relates to national transportation within 42 days after the Purchaser has notified the Minister of the Arrangement, then receipt of both the CT Act Approval and the Canadian Status Determination may take significantly longer, and require significantly more resources, than they otherwise would have. It is possible that the Key Regulatory Approvals may not be obtained or can only be obtained on a basis that results in the imposition of conditions on completion of the Arrangement or requires changes to the terms of the Arrangement, in either case on terms and conditions that are not acceptable to the Purchaser. Any such delay, conditions or changes could result in conditions to the Arrangement not being satisfied and the Arrangement not being completed.

If the Corporation is unable to complete the Arrangement or if completion of the Arrangement is delayed, there could be an adverse effect on the Corporation's business, financial condition, operating results and the price of its Shares

A substantial delay in obtaining satisfactory approvals and/or the imposition of unfavourable terms or conditions in the approvals to be obtained could have an adverse effect on the business, financial condition or operating results of the Corporation or could result in the termination of the Arrangement Agreement. If: (a) Securityholders choose not to approve the Arrangement; (b) the Corporation otherwise fails to satisfy, or fails to obtain a waiver of the satisfaction of, the closing conditions to the transaction and the Arrangement is not completed; (c) a Material Adverse Effect has occurred that results in the termination of the Arrangement Agreement; or (d) any legal Proceeding results in enjoining the transactions contemplated by the Arrangement, the Corporation could be subject to various adverse consequences, including that the Corporation would remain liable for significant costs relating to the Arrangement, including, among others, legal, accounting, financial advisory and printing expenses.

If the Arrangement is not completed, the market price of the Shares may decline to the extent that the market price reflects a market assumption that the Arrangement will be completed. If the Arrangement is not completed and the Board of Directors decides to seek another merger or business combination, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the Consideration to be paid pursuant to the Arrangement.

In addition, failure to complete the Arrangement could have an impact on the Corporation's current business relationships (including with current and prospective employees, customers, distributors, suppliers and partners).

The Arrangement Agreement may be terminated by the Parties in certain circumstances

Each of the Purchaser and the Corporation has the right, in certain circumstances, to terminate the Arrangement Agreement, in which case the Arrangement would not be completed. There can be no certainty, nor can the Corporation provide any assurance, that the Arrangement Agreement will not be terminated by either of the Corporation or the Purchaser prior to the completion of the Arrangement. See "The Arrangement Agreement — Termination Fees and Expenses".

The Termination Fee provided under the Arrangement Agreement may discourage other parties from attempting to acquire the Corporation

Under the Arrangement Agreement, the Corporation is required to pay a Termination Fee of \$100 million in the event the Arrangement Agreement is terminated in certain circumstances following the occurrence of a Termination Fee Event. The Corporation may also be required to pay certain reasonable out-of-pocket expenses of the Purchaser (up to a maximum of

\$10 million) in the event the Arrangement Agreement is terminated in certain circumstances. The Termination Fee may discourage other parties from attempting to acquire the Shares, even if those parties would otherwise be willing to offer greater value than that offered under the Arrangement. See "The Arrangement Agreement — Termination Fees and Expenses".

Even if the Arrangement Agreement is terminated without payment of the Termination Fee, the Corporation may, in the future, be required to pay the Termination Fee in certain circumstances

Under the Arrangement Agreement, the Corporation may be required to pay the Termination Fee to the Purchaser at a date subsequent to the termination of the Arrangement Agreement if the Arrangement Agreement is terminated in certain circumstances and: (a) prior to the Meeting, a bona fide Acquisition Proposal is made or publicly announced by any Person; (b) such Acquisition Proposal has not expired or been publicly withdrawn at least five Business Days prior to the Meeting; and (c) within six months following the date of such termination (i) an Acquisition Proposal is consummated or (ii) the Corporation enters into a contract in respect of an Acquisition Proposal and such Acquisition Proposal is later consummated. For purposes of the foregoing, the term "Acquisition Proposal" shall have the meaning assigned to such term in Appendix A to this Information Circular, except that references to "20 per cent or more" shall be deemed to be references to "50 per cent or more". See "The Arrangement Agreement — Termination Fees and Expenses".

WestJet's directors and Executive Officers may have interests in the Arrangement that are different from those of Shareholders

In considering the recommendation of the Special Committee and the Board of Directors to vote in favour of the Arrangement, Securityholders should be aware that certain directors and Executive Officers of the Corporation have agreements or arrangements that provide them with interests in the Arrangement that differ from, or are in addition to, those of Shareholders, generally.

In particular, the Executive Officers are eligible to enter into Rollover Agreements pursuant to which such officer will agree to retain their resulting interest in the Corporation through their interest in Midco, an affiliate of the Purchaser. See "The Arrangement – Interests of Certain Persons in the Arrangement – Rollover by Executive Officers".

The Board established a Special Committee comprised of independent directors to evaluate the Arrangement and advise the full Board on whether the Arrangement is in the best interests of the Corporation and fair to Shareholders. The Special Committee and the Board each recommended in favour of the Arrangement. Nevertheless, Securityholders should consider these interests in connection with their vote on the Arrangement Resolution.

Securityholders will no longer hold an interest in the Corporation following the Arrangement

Following the Arrangement, Securityholders (other than Rollover Securityholders) will no longer hold any of the Shares or other securities in the Corporation or its affiliates and Securityholders will forego any future increase in value that might result from future growth and the potential achievement of the Corporation's long-term plans.

Conduct of the Corporation's business

Under the Arrangement Agreement, the Corporation must generally conduct its business in the Ordinary Course, consistent in nature and scope with past practice of the Corporation, and prior to the completion of the Arrangement or the termination of the Arrangement Agreement, the Corporation is subject to certain covenants prohibiting the Corporation from taking certain actions without the prior consent of the Purchaser, and requiring the Corporation to take other actions, which in either case may delay or prevent the Corporation from pursuing business opportunities that may arise or preclude actions that would otherwise be advisable if the Corporation were to remain a publicly-traded issuer. See "The Arrangement Agreement – Covenants – Conduct of Business of the Corporation".

The pending Arrangement may divert the attention of Management and impact the Corporation's ability to attract or retain key personnel or impact relationships with customers or suppliers

The Arrangement could cause the attention of Management to be diverted from the day-to-day operations of the Corporation. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of the Corporation.

Since the completion of the Arrangement is subject to uncertainty, officers and employees of the Corporation may experience uncertainty about their future roles with the Corporation. This may adversely affect the Corporation's ability to attract or retain key Management and personnel in the period until the Arrangement is completed or terminated.

In addition, customers or suppliers of the Corporation may seek to modify or terminate their business relationships with the Corporation.

The conditions set forth in the Financing Commitments may not be satisfied or events may occur preventing the Financings from being consummated

Although the Arrangement Agreement does not contain a financing condition, there is a risk that the conditions set forth in the Financing Commitments may not be satisfied or that other events may arise which could prevent the Purchaser from consummating the Financings. Since the Purchaser is a special purpose entity with limited assets, if the Purchaser is unable to consummate the Financings, the Corporation expects that the Purchaser will be unable to fund the Consideration required to complete the Arrangement. In the event the Arrangement cannot be completed due to the failure of the Purchaser to fund the Consideration, the Purchaser will be obligated to pay the \$200 million Reverse Termination Fee and the Shareholders will not receive the Consideration.

The Arrangement is generally a taxable transaction

The Arrangement will be a taxable transaction and, as a result, Securityholders will generally be required to pay Taxes on any gains that result from their receipt of Consideration pursuant to the Arrangement. See "Certain Canadian Federal Income Tax Considerations".

Risk Factors Related to the Business of the Corporation

Whether or not the Arrangement is completed, the Corporation will continue to face many of the risks that it currently faces with respect to its business and affairs. A description of the risk factors (incorporated by reference into this Information Circular) applicable to the Corporation is contained under the heading "Risk Factors" in the Corporation's Annual Information Form dated March 20, 2019 and in the Corporation's other filings with Securities Authorities.

ARRANGEMENT MECHANICS

Depository Agreement

Prior to the Effective Date, WestJet, the Purchaser and the Depository will enter into a depository agreement (the **Depository Agreement**).

Pursuant to the Arrangement Agreement, the Purchaser is required to deposit, or arrange to be deposited, prior to the Effective Date for the benefit of Securityholders, cash with the Depository in the aggregate amount equal to the payments payable by the Purchaser pursuant to the Plan of Arrangement.

Procedure for Exchange of Shares for Consideration

Assuming timely receipt of the Key Regulatory Approvals, the Corporation currently anticipates that the Arrangement will be completed in the latter part of 2019 or early 2020. Once the anticipated Effective Date becomes more certain, Registered

Shareholders will be provided with a Letter of Transmittal. At such time, the Letter of Transmittal will be available on WestJet's website at www.westjet.com and will also be available under WestJet's profile on SEDAR at www.sedar.com. Additional copies of the Letter of Transmittal will also be available by contacting the Depository by telephone at 1-800-387-0825 or by email: inquiries@astfinancial.com.

The Letter of Transmittal will contain procedural information relating to the Arrangement and should be reviewed carefully. Beneficial Shareholders holding Shares that are registered in the name of an Intermediary must contact their Intermediary to arrange for the surrender of their Shares.

In order to receive the Consideration on completion of the Arrangement, Registered Shareholders must deposit with the Depository (by delivery to the address specified on the last page of the Letter of Transmittal) a validly completed and duly signed Letter of Transmittal together with certificates representing the Registered Shareholder's Shares and such other documents and instruments as the Depository may reasonably require. Registered Shareholders who do not have their Share certificates should refer to "Arrangement Mechanics – Lost Certificates" below. Registered Shareholders who have validly surrendered their Share certificate(s) shall be entitled to receive the Consideration in exchange therefor, and the Depository shall deliver such Consideration to such holder following the Effective Time, less any applicable withholding Taxes, and any Share certificate so surrendered shall forthwith be cancelled.

Until surrendered as contemplated above, each Share certificate that immediately prior to the Effective Time represented Shares, shall be deemed after the Effective Time to represent only the right to receive upon such surrender the cash which the holder is entitled to receive under the Plan of Arrangement, less any amounts withheld in respect of Taxes pursuant to Section 4.4 of the Plan of Arrangement. Any such certificate formerly representing Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Shares of any kind or nature against or in WestJet or the Purchaser. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to the Purchaser or the Corporation, as applicable, and shall be paid over by the Depository to the Purchaser or as directed by the Purchaser.

Any payment made by way of cheque by the Depository pursuant to the Plan of Arrangement that has not been deposited or has been returned to the Depository or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Shares, Options, DSUs, RSUs and PSUs pursuant to the Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Corporation, as applicable, for no consideration.

No holder of Shares (other than Rollover Shares) is entitled to any consideration other than any cash payment to which such holder is entitled to receive in accordance with the Plan of Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, premium or other payment in connection therewith.

The Purchaser, the Corporation and the Depository, as applicable, shall be entitled to deduct and withhold from any amount otherwise payable or deliverable to any Person under the Plan of Arrangement (including, without limitation, any amounts payable pursuant to Dissent Rights) such amounts as the Purchaser, the Corporation and the Depository, as applicable, are required to deduct and withhold, or reasonably believe to be required to deduct and withhold, from such amount otherwise payable or deliverable under any provision of any Laws in respect of Taxes. Any such amounts will be deducted, withheld and remitted from the amount otherwise payable or deliverable pursuant to the Plan of Arrangement and shall be treated for all purposes under the Plan of Arrangement as having been paid to the Person in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Entity.

Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Shares that were transferred pursuant the Plan Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depository will issue in exchange for such

lost, stolen or destroyed certificate, cash deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (each acting reasonably) in such sum as the Purchaser may direct (acting reasonably), or otherwise indemnify the Purchaser and the Corporation in a manner satisfactory to Purchaser and the Corporation, each acting reasonably, against any claim that may be made against the Purchaser and the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Procedure for Exchange of Other Securities

Optionholders (other than Executive Officers with respect to Rollover Options held by them) and holders of DSUs, RSUs and PSUs need not complete any documentation to receive the consideration owed to them under the Arrangement in respect of such Options, DSUs, RSUs or PSUs.

As soon as reasonably practicable following the Effective Time, the Corporation shall deliver, or cause to be delivered, to each Optionholder (other than in respect of Rollover Options), and each holder of DSUs, RSUs and PSUs, through the Corporation's payroll systems (or such other means as the Corporation may elect or as otherwise directed by the Purchaser with respect to the timing and manner of such delivery), the cash payment which such holder is entitled to receive under the Plan of Arrangement, less applicable withholdings, provided, however, in the case of any cash payments for such Options, DSUs, RSUs and PSUs which constitute non-qualified deferred compensation under Section 409A of the Code, the Depositary shall deliver, on behalf of WestJet, such amounts at the earliest time permitted under the terms of the applicable agreement, plan or arrangement that will not trigger a tax or penalty under Section 409A of the Code.

Optionholders and holders of DSUs, RSUs and PSUs shall not be entitled to receive any consideration with respect to such Options (other than Rollover Options), DSUs, RSUs and PSUs other than any cash payment to which such holder is entitled to receive in accordance with the Plan of Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

THE ARRANGEMENT AGREEMENT

The following description of certain provisions of the Arrangement Agreement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Arrangement Agreement, which is attached as Appendix C to this Information Circular.

Conditions to the Arrangement Becoming Effective

Mutual Conditions Precedent

The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

- (1) **Arrangement Resolution.** The Arrangement Resolution has been approved and adopted at the Meeting in accordance with the Interim Order.
- (2) **Interim Order and Final Order.** The Interim Order and the Final Order have each been obtained on terms consistent with the Arrangement Agreement and have not been set aside or modified in a manner unacceptable to either the Corporation or the Purchaser, each acting reasonably, on appeal or otherwise.
- (3) **Articles of Arrangement.** The Articles of Arrangement to be sent to the Registrar in accordance with the Arrangement Agreement shall be in a form and content satisfactory to the Corporation and the Purchaser, each acting reasonably.
- (4) **Illegality.** No Law is in effect that makes the consummation of the Arrangement illegal or otherwise enjoins or prohibits the Corporation or the Purchaser from consummating the Arrangement.

- (5) **Key Regulatory Approvals.** Each of the Key Regulatory Approvals has been obtained and shall be in force and effect.

Additional Conditions Precedent to the Obligations of the Purchaser

The Purchaser is not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

- (1) **Corporation Representations and Warranties.** The representations and warranties of the Corporation set forth: (a) in the first sentence in each of Paragraphs (1) [*Organization and Qualification*], Paragraph (2) [*Authorization*] and Paragraph (4) [*Execution and Binding Obligation*], Paragraph (17) [*No Material Adverse Effect*], and paragraph (a) of the first sentence of Paragraph (20) [*Authorizations*] of Schedule D of the Arrangement Agreement shall be true and correct in all material respects as of the Effective Time as if made at and as of the Effective Time (except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date); (b) in Paragraph (3) [*Capitalization*] and Paragraph (42)(b) [*Aircraft*] of Schedule D of the Arrangement Agreement shall be true and correct in all respects (other than de minimis inaccuracies) as of the Effective Time as if made at and as of the Effective Time (except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date); and (c) in the Arrangement Agreement (including in Schedule D thereto), other than those to which clause (a) or (b) above applies, shall be true and correct as of the Effective Time as if made at and as of the Effective Time (except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except in the case of this clause (c) to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not result in a Material Adverse Effect (and, for the purpose of this clause (c), any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be disregarded), and the Corporation shall have delivered to the Purchaser a certificate addressed to the Purchaser, dated the Effective Date and executed by two of its senior officers (without personal liability), confirming the same.
- (2) **Performance of Corporation Covenants.** The Corporation shall have fulfilled or complied in all material respects with each of its covenants contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and the Corporation shall have delivered to the Purchaser a certificate addressed to the Purchaser, dated the Effective Date and executed by two of its senior officers (without personal liability), confirming the same.
- (3) **Regulatory Approvals.** Each Regulatory Approval required from an Aviation Authority in order to permit the Corporation and its Subsidiaries to operate their respective businesses in the Ordinary Course following consummation of the transactions contemplated by the Arrangement Agreement shall have been obtained, except for those, the failure to obtain of which, in the aggregate, would not materially impair the operation of the Corporation's business.
- (4) **No Actions.** No Proceeding shall have been commenced by any Governmental Entity (as described in clause (a) of the definition of Governmental Entity) against the Corporation, any of its Subsidiaries or the Purchaser that would:
- (a) prohibit the consummation of the Arrangement;
 - (b) cease trade, enjoin or prohibit the Purchaser's ability to acquire any Shares upon completion of the Arrangement; or
 - (c) prohibit the ownership or operation by the Purchaser of the business of the Corporation or any of its Subsidiaries or any material portion of the business or assets of the Corporation or any of its Subsidiaries' following completion of the Arrangement.
- (5) **Material Adverse Effect.** Since the date of the Arrangement Agreement there shall not have occurred a Material Adverse Effect.

- (6) **Dissent.** Dissent Rights shall not have been validly exercised, and not withdrawn or deemed to have been withdrawn, in respect of more than 10 per cent of the outstanding Shares held by the Shareholders.

Additional Conditions Precedent to the Obligations of the Corporation

The Corporation is not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions are for the exclusive benefit of the Corporation and may only be waived, in whole or in part, by the Corporation in its sole discretion:

- (1) **Purchaser Representations and Warranties.** The representations and warranties of the Purchaser set forth in the Arrangement Agreement (including in Schedule D thereto) are true and correct as of the Effective Time, as if made at and as of the Effective Time (except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not materially impede the completion of the Arrangement, and the Purchaser shall have delivered to the Corporation a certificate addressed to the Corporation, dated the Effective Date and executed by two of its senior officers (without personal liability), confirming same.
- (2) **Performance of Purchaser Covenants.** The Purchaser shall have fulfilled or complied in all material respects with each of its covenants contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and the Purchaser shall have delivered to the Corporation a certificate addressed to the Corporation, dated the Effective Date and executed by two of its senior officers (without personal liability), confirming same.
- (3) **Payment of Consideration.** The Purchaser shall have deposited, or caused to be deposited, with the Depository and the Corporation, as applicable, sufficient funds to satisfy the Purchaser's obligations under Section 2.9 of the Arrangement Agreement and the Depository will have confirmed to the Corporation receipt from or on behalf of the Purchaser of the funds contemplated by Section 2.9 of the Arrangement Agreement.

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties made by each of the Corporation and the Purchaser. The assertions embodied in those representations and warranties are solely for the purposes of the Arrangement Agreement. Certain representations and warranties may not be accurate or complete as of any specified date because they are qualified by certain disclosure provided by the Corporation to the Purchaser or are subject to a standard of materiality or are qualified by a reference to Material Adverse Effect. Therefore, Shareholders should not rely on the representations and warranties as statements of factual information.

The Arrangement Agreement contains customary representations and warranties of the Corporation relating to organization and qualification, authorization, capitalization, execution and binding obligation, governmental authorization, non-contravention, shareholders' and similar agreements, subsidiaries, Securities Law matters, financial statements, disclosure controls and internal control over financing reporting, books and records, minute books, no undisclosed material liabilities, auditors, absence of certain changes or events, no Material Adverse Effect, related party transactions, compliance with Law, authorizations, material contracts, restrictions on conduct of business, no guarantees, real property, other assets, Intellectual Property, Business Systems, company software, litigation, environmental matters, employees, Collective Agreements, employee plans, insurance, taxes, brokers, anti-terrorism Laws, corrupt practices legislation, trade compliance, money laundering, privacy and anti-spam, aircraft, slots, investigations, company airports, major suppliers, no "collateral benefit", certain Board and Special Committee matters and disclosure.

In addition, the Arrangement Agreement also contains customary representations and warranties of the Purchaser including with respect to organization and qualification, authorization, execution and binding obligation, governmental authorization, non-contravention, litigation, funds available, security ownership, Canadian status, Purchaser Related Parties, certain arrangements, limited guarantee and residency.

Covenants

The Arrangement Agreement also contains customary negative and affirmative covenants of the Corporation and the Purchaser.

Conduct of Business of the Corporation

In the Arrangement Agreement, the Corporation has agreed to certain customary negative and affirmative covenants relating to the operation of its business (including the business of its Subsidiaries) between the date of the Arrangement Agreement and the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, including that the business of the Corporation and its Subsidiaries shall be conducted in the Ordinary Course and in accordance with all applicable Laws. Furthermore, the Corporation has agreed to use commercially reasonable efforts to maintain and preserve, in the Ordinary Course, its and its Subsidiaries' respective business organization, operations, assets, properties, Authorizations, Intellectual Property, goodwill and relationships with all Service Providers, Governmental Entities (including Aviation Authorities), landlords, creditors, suppliers, licensors, licensees, unions, employees (as a group), passengers (as a group) and other customers, travel agents (as a group), strategic or alliance partners and other Persons, in each case with whom the Corporation or any of its Subsidiaries have material business relations, and that the Corporation will use commercially reasonable efforts to manage the Corporation's level of net indebtedness in the Ordinary Course. Shareholders should refer to the Arrangement Agreement for details regarding the additional negative and affirmative covenants given by the Corporation in relation to the conduct of its business prior to the Effective Time.

Covenants of the Corporation Relating to the Arrangement

In the Arrangement Agreement, the Corporation has agreed to, and agreed to cause its Subsidiaries to, use commercially reasonable efforts to perform all obligations required to be performed by the Corporation or any of its Subsidiaries under the Arrangement Agreement, cooperate with the Purchaser in connection therewith, and do all such other acts and things as may be necessary or desirable to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by the Arrangement Agreement and, without limiting the generality of the foregoing, the Corporation shall, where appropriate, cause its Subsidiaries to (other than in connection with obtaining the Regulatory Approvals and Key Regulatory Approvals, which approvals shall be governed by the provisions of Section 4.4 of the Arrangement Agreement):

- (a) use its commercially reasonable efforts to satisfy all conditions precedent in the Arrangement Agreement and take all steps set forth in the Interim Order and the Final Order applicable to it and comply promptly with all requirements imposed by Law applicable to it or its Subsidiaries with respect to the Arrangement Agreement or the Arrangement;
- (b) use its commercially reasonable efforts to provide, obtain and maintain all third party or other notices, consents, waivers, permits, exemptions, Orders, approvals, agreements, amendments or confirmations that are reasonably required or reasonably requested by the Purchaser in connection with the transactions contemplated by the Arrangement Agreement (including those reasonably required under any Contract to which the Corporation or any of its Subsidiaries is a party), in each case on terms satisfactory to the Purchaser, acting reasonably, and without paying or providing a commitment to pay any consideration in respect thereof without the prior written consent of the Purchaser (it being expressly agreed by the Purchaser that receipt of such notices, consents, waivers, permits, exemptions, Orders, approvals, agreements, amendments or confirmations shall not be a condition to Closing);
- (c) use its commercially reasonable efforts to: (i) effect all necessary or advisable registrations, filings and submissions of information required by Governmental Entities from the Corporation and its Subsidiaries relating to the Arrangement; and (ii) upon reasonable consultation with the Purchaser, oppose, lift or rescind any injunction, restraining or other Order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement, and defend, or cause to be defended, any Proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement or the Arrangement Agreement or the transactions contemplated thereby, including seeking to have any stay or temporary restraining Order entered by any Governmental Entity vacated or reserved, so as to enable Closing

- to occur as soon as reasonably practicable (provided, that neither the Corporation nor any of its Subsidiaries shall consent to the entry of any judgment or settlement with respect to any such Proceeding without the prior written approval of the Purchaser, not to be unreasonably withheld, conditioned or delayed) (it being expressly agreed by the Purchaser that the sole conditions to closing with respect to the subject matter of this clause (c) are set out in Article 6 of the Arrangement Agreement);
- (d) not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or any commercially reasonable action not to be taken, in each case to the extent inconsistent with the Arrangement Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement; and
 - (e) use commercially reasonable efforts to assist the Purchaser in obtaining at the Effective Time, customary mutual releases (in a form satisfactory to the Purchaser, acting reasonably) and, as applicable, resignations effective as of the Effective Time, of those directors of the Corporation or any its Subsidiaries as may be requested by the Purchaser.

Covenants of the Purchaser Relating to the Arrangement

Subject to the terms and conditions of the Arrangement Agreement, the Purchaser shall use commercially reasonable efforts to perform all obligations required to be performed by it under the Arrangement Agreement, cooperate with the Corporation in connection therewith, and do all such other acts and things as may be necessary or desirable to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by the Arrangement Agreement and, without limiting the generality of the foregoing, the Purchaser shall (other than in connection with obtaining the Regulatory Approvals and Key Regulatory Approvals, which approvals shall be governed by the provisions of Section 4.4 of the Arrangement Agreement):

- (a) use its commercially reasonable efforts to satisfy all conditions precedent in the Arrangement Agreement and take all steps set forth in the Interim Order and the Final Order applicable to it and comply promptly with all requirements imposed by Law on it with respect to the Arrangement Agreement or the Arrangement;
- (b) use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement;
- (c) use its commercially reasonable efforts, upon reasonable consultation with the Corporation, to oppose, lift or rescind any injunction, restraining or other Order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any Proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement Agreement or the transactions contemplated thereby, including seeking to have any stay or temporary restraining Order entered by any court or other Governmental Entity vacated or reserved; provided, that the Purchaser shall not consent to the entry of any judgment or settlement with respect to any such Proceeding without the prior written approval of the Corporation, not to be unreasonably withheld, conditioned or delayed; and
- (d) not take any action or refrain from taking any commercially reasonable action, or permit any action to be taken or any commercially reasonable action not to be taken, in each case to the extent inconsistent with the Arrangement Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement.

The Arrangement Agreement contains customary covenants of the Purchaser with respect to the Debt Financing and Sponsor Financing including covenants that the Purchaser shall use reasonable best efforts to take or cause to be taken all actions and do, or cause to be done, all things necessary, proper or advisable to arrange and consummate the Debt Financing on terms and conditions as described in the Debt Letters and obtain the proceeds of the Debt Financing and the Sponsor Financing prior to the Effective Date.

The Purchaser has acknowledged and agreed that the Purchaser obtaining financing is not a condition to any of its obligations under the Arrangement Agreement, regardless of the reasons why financing is not obtained or whether such reasons are within or beyond the control of the Purchaser.

Regulatory Approvals

The Purchaser and the Corporation have agreed to, and to cause their respective affiliates to, as applicable, as promptly as practicable or advisable (and in the case of the Competition Act Clearance, the CT Act Approval and the Canadian Status Determination, no later than May 31, 2019) prepare, and file with respect to the transactions contemplated by the Arrangement Agreement any filings or notifications to obtain the Key Regulatory Approvals and to provide to each Governmental Entity all non-privileged information, documents, data and other things requested by such Governmental Entity or that are necessary or advisable to permit consummation of the transactions contemplated by the Arrangement Agreement as soon as reasonably practicable.

The Purchaser and the Corporation have agreed to cooperate with one another in connection with the effort to obtain the Key Regulatory Approvals and Regulatory Approvals. Further, the Parties have agreed to use (and to cause their respective affiliates to use) their respective reasonable best efforts to obtain the Key Regulatory Approvals.

Financing Assistance

The Arrangement Agreement contains customary covenants of the Corporation to cooperate, and to cause its Subsidiaries to cooperate, with the Purchaser in connection with the Debt Financing and Sponsor Financing, including a covenant to provide such cooperation to the Purchaser as the Purchaser may reasonably request in connection with the arrangements by the Purchaser relating to the Debt Financing and Sponsor Financing (subject to customary limitations and reasonableness requirements and provided such cooperation does not unreasonably interfere with the ongoing business operations of the Corporation and its Subsidiaries).

Insurance and Indemnification

Prior to the Effective Time, the Corporation shall, in reasonable consultation with the Purchaser, (and, if the Corporation is unable to, the Purchaser shall cause the Corporation as of the Effective Time to) obtain and fully pay a single premium for, customary "tail" policies of directors' and officers' liability insurance from an insurance carrier with the same or better credit rating as the Corporation's current insurance carriers with respect to directors' and officers' liability insurance providing protection for a claims reporting or discovery period beginning at the Effective Time and continuing for not less than six years from and after the Effective Date and with terms, conditions (including retentions and limits of liability) that are no less favourable in the aggregate to the directors and officers of the Corporation than the protection provided by the policies maintained by the Corporation which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date; provided that the cost of such "tail" policies shall not exceed 300 per cent of the annual premiums for the Corporation's directors' and officers' liability insurance and errors and omissions insurance in effect as of the date of the Arrangement Agreement.

Employee Matters

For a period of not less than one year following the Effective Time, the Purchaser shall provide, or cause the Corporation to provide: (a) base salary and any applicable annual cash bonus opportunity (excluding equity-based arrangements) to each Corporation Employee (other than any Corporation Employee subject to a Collective Agreement or who becomes subject to a Collective Agreement during such period) that are substantially comparable in the aggregate to those in effect immediately prior to the Effective Time; (b) severance benefits to each Corporation Employee (other than any Corporation Employee subject to a Collective Agreement or who becomes subject to a Collective Agreement during such period) that are no less favourable than those that would have been provided to such Corporation Employee under the applicable employee plan, individual offer letter or Contract as in effect immediately prior to the Effective Time, and if no such arrangements were then in effect, such notice of termination or payment in lieu of notice of termination in accordance with applicable Law; and (c) employee benefit plans and arrangements (other than base salary, bonus opportunities, severance, long-term incentive compensation and equity-based

compensation (including all Incentive Plans) benefits) to Corporation Employees (other than any Corporation Employee subject to a Collective Agreement or who becomes subject to a Collective Agreement during such period) that are substantially similar in the aggregate to those provided to the Corporation Employees immediately prior to the Effective Time.

Non-Solicitation

- (1) Except as expressly provided in Section 5.1 of the Arrangement Agreement, the Corporation and its Subsidiaries shall not, directly or indirectly, through any Representative or otherwise, and shall not permit any such Person to:
 - (a) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the Corporation or any of its Subsidiaries or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer (whether public or otherwise) that constitutes, or could reasonably be expected to constitute or lead to, an Acquisition Proposal;
 - (b) continue, enter into or otherwise engage or participate in any discussions or negotiations with, furnish any information relating to the Corporation or any of its Subsidiaries or offer or provide access to the business, properties, assets, books or records of the Corporation or any of its Subsidiaries or otherwise cooperate in any way with any Person (other than the Purchaser and the Purchaser Related Parties) regarding any inquiry, proposal, request or offer constituting, or that could reasonably be expected to lead to, an Acquisition Proposal, provided that the Corporation may (i) advise any Person of the restrictions of the Arrangement Agreement, and (ii) provide a written response (with a copy to the Purchaser) to any Person who submits an Acquisition Proposal solely for the purposes of seeking clarification of the express terms of such Acquisition Proposal, and (iii) advise any Person making an Acquisition Proposal that the Board has determined that such Acquisition Proposal does not constitute a Superior Proposal, in each case, if, in so doing, no other information that is prohibited from being communicated under the Arrangement Agreement is communicated to such Person;
 - (c) make a Change in Recommendation;
 - (d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, any Acquisition Proposal; or
 - (e) accept, approve, endorse, recommend or execute or enter into, or publicly propose to accept, approve, endorse, recommend or execute or enter into any agreement, arrangement or understanding (whether or not legally binding) in respect of an Acquisition Proposal (other than a confidentiality and standstill agreement permitted by and in accordance with Section 5.3(1)(c) of the Arrangement Agreement).
- (2) The Corporation shall, and shall cause its Subsidiaries and its and their respective Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiation or other activities commenced prior to the date of the Arrangement Agreement with any Person (other than the Purchaser and the Purchaser Related Parties) with respect to any inquiry, proposal, request or offer that constitutes, or could reasonably be expected to lead to, an Acquisition Proposal, and in connection therewith, the Corporation will:
 - (a) immediately discontinue access to, and disclosure of, all confidential information (including through any data room or through granting access to any books and records or its facilities of the Corporation or any of its Subsidiaries) that such Person may have access to; and
 - (b) within two Business Days of the date of the Arrangement Agreement, request, and exercise all rights it has to require: (i) the return or destruction of all copies of any confidential information regarding the Corporation or any of its Subsidiaries provided to any such Person; or (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Corporation or any of its

Subsidiaries, in each case using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights.

- (3) The Corporation represents, warrants, covenants and agrees that: (a) it shall use commercially reasonable efforts to enforce each confidentiality, standstill or similar agreement, restriction or covenant to which it or any of its Subsidiaries is a party; and (b) neither it nor any of its Subsidiaries or any of their respective Representatives have or will, without the prior written consent of the Purchaser, release any Person from, or waive, amend, suspend or otherwise modify, any Person's obligations respecting the Corporation or any of its Subsidiaries under, any confidentiality, standstill or similar agreement, restriction or covenant to which the Corporation or any of its Subsidiaries is a party (it being acknowledged by the Purchaser that the automatic termination or release of any such agreement, restriction or covenant as a result of entering into the Arrangement Agreement shall not be a violation of Section 5.1(3) of the Arrangement Agreement).

Acquisition Proposals

If the Corporation or any of its Subsidiaries or any of their respective Representatives receives or otherwise becomes aware of any inquiry, proposal, request or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Corporation or any of its Subsidiaries outside of the Ordinary Course and not reasonably believed to relate in any way to an Acquisition Proposal, including information, access or disclosure relating to the assets, properties, facilities, books or records of the Corporation or any of its Subsidiaries, the Corporation shall promptly (and in any event within 24 hours of the receipt thereof) notify the Purchaser, at first orally, and then in writing, of such inquiry, proposal, request or offer, including a description of its material terms and conditions, and the identity of all Persons making the inquiry, proposal, request or offer, and shall provide the Purchaser with copies of all written agreements, documents in respect of such inquiry, proposal, request or offer Acquisition Proposal, as well as all substantive or material correspondence or other material received from or behalf of, or sent to any such Person and such other details of such Acquisition Proposal, inquiry, proposal, offer or request as the Purchaser may reasonably request. The Corporation shall keep the Purchaser fully informed on a reasonably current basis of the status of developments and, to the extent permitted by Section 5.3 of the Arrangement Agreement, discussions and negotiations with respect to any such inquiry, proposal, request or offer, including any material changes, modifications or other amendments to any such inquiry, proposal, request or offer.

- (1) If at any time prior to obtaining the Securityholder Approval, the Corporation receives a *bona fide* unsolicited written Acquisition Proposal that the Board determines in good faith, after consultation with outside legal counsel and financial advisors, constitutes or could reasonably be expected to constitute or lead to a Superior Proposal, the Corporation and its Representatives may engage in discussions and negotiation with such Person regarding such Acquisition Proposal, and may provide such Person with access to, or disclosure of, information, properties, facilities, books or records of the Corporation and its Subsidiaries, only if:
- (a) such Acquisition Proposal did not result from a breach by the Corporation of its obligations under Section 5.3 of the Arrangement Agreement;
 - (b) such Person was not restricted from making such Acquisition Proposal pursuant to an existing standstill or similar restriction; and
 - (c) prior to providing any such access or disclosure, (i) the Corporation enters into a confidentiality and standstill agreement with such Person on terms no less favourable to the Corporation and no more favourable to such Person than the Confidentiality Agreement, and (ii) any such access or disclosure provided to such Person shall have already been, or shall substantially concurrently be, provided to the Purchaser or its Representatives.
- (2) Nothing contained in the Arrangement Agreement shall prohibit the Board or the Corporation from making any disclosure to the Securityholders (a) if the Board, acting in good faith and upon the advice of outside legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Board, or (b) as required by applicable Law, including in response to an Acquisition Proposal (including by

responding to an Acquisition Proposal in a directors' circular); provided that, notwithstanding that the Board or the Corporation shall be permitted to make such disclosure, neither the Board (nor any committee thereof) shall be permitted to make a Change in Recommendation in response to an Acquisition Proposal other than as permitted by Section 5.4(1) of the Arrangement Agreement. Nothing contained in the Arrangement Agreement shall prohibit the Corporation or the Board from calling and/or holding a shareholder meeting requisitioned by Shareholders in accordance with the ABCA or complying with any Order of a Governmental Entity that was not solicited, supported or encouraged by the Corporation or any of its Representatives.

Right to Match

- (1) If, prior to obtaining the Securityholder Approval, the Corporation receives a Superior Proposal, the Board may, subject to compliance with Article 7 and Section 8.1(1) of the Arrangement Agreement, authorize the Corporation to enter into a definitive agreement with respect to such Superior Proposal or may make a Change in Recommendation, if and only if:
 - (a) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing standstill or similar restriction;
 - (b) the Corporation has complied with all of its obligations in Section 5.4 of the Arrangement Agreement;
 - (c) the Corporation has delivered to the Purchaser a Superior Proposal Notice;
 - (d) the Corporation has provided the Purchaser with a copy of the proposed definitive agreement for the Superior Proposal (if any) and all ancillary documents and materials (including financing documents, subject to customary confidentiality provisions with respect to fee letters or similar information) provided to the Corporation in connection therewith, including the cash value that the Board has, after consultation with outside financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal;
 - (e) at least five Business Days have elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth in Section 5.4(1)(d) of the Arrangement Agreement (the **Matching Period**);
 - (f) after the Matching Period, the Board has determined in good faith, after consultation with outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement Agreement and the Arrangement as proposed to be amended by the Purchaser under Section 5.4(2) of the Arrangement Agreement); and
 - (g) prior to or concurrently with entering into such definitive agreement, the Corporation terminates the Arrangement Agreement pursuant to Section 7.2(1)(iii)(b) of the Arrangement Agreement and pays the Termination Fee pursuant to Section 8.2(3) of the Arrangement Agreement.
- (2) During the Matching Period, or such longer period as the Corporation may approve in writing for such purpose: (a) the Corporation shall, and shall cause its Representatives to, negotiate in good faith with the Purchaser to make amendments to the terms of the Arrangement Agreement and the Arrangement as would result in the Acquisition Proposal previously determined to constitute a Superior Proposal ceasing to be a Superior Proposal; (b) without limiting the generality of clause (a), the Purchaser shall have the opportunity (but not the obligation), to offer to amend the Arrangement Agreement and the Arrangement; (c) the Board shall, in good faith and in consultation with outside legal counsel and financial advisors, review any offer made by the Purchaser to amend the terms of the Arrangement Agreement and the Arrangement to determine whether the Arrangement Agreement and the Arrangement, as they are proposed to be amended, would, upon acceptance, result in the Acquisition Proposal previously determined to constitute a Superior Proposal ceasing to be a Superior Proposal; and (d) if the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the Corporation shall promptly so advise the Purchaser and the

Corporation and the Purchaser shall amend the Arrangement Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

- (3) Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Securityholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of Section 5.4 of the Arrangement Agreement and, without limiting the generality of the foregoing, the Purchaser shall be afforded a new Matching Period from the later of the date on which the Purchaser receives a Superior Proposal Notice with respect to such new Superior Proposal and the date on which the Purchaser receives all of the materials set forth in Section 5.4(1)(d) of the Arrangement Agreement with respect to the new Superior Proposal.
- (4) The Board shall promptly reaffirm the Board Recommendation by press release after any publicly-announced Acquisition Proposal is determined not to be a Superior Proposal, or if the Board determines that a proposed amendment to the terms of the Arrangement Agreement and the Arrangement as contemplated under Section 5.4(2) of the Arrangement Agreement would result in an Acquisition Proposal previously determined to be a Superior Proposal no longer being a Superior Proposal. The Corporation shall provide the Purchaser and its legal counsel with a reasonable opportunity to review the form and content of any such press release and shall make all reasonable amendments to such press release requested by the Purchaser and its legal counsel.
- (5) If the Corporation provides a Superior Proposal Notice to the Purchaser on a date that is less than ten Business Days before the date of the Meeting, the Corporation may, or the Purchaser shall be entitled to require the Corporation to, adjourn or postpone the Meeting to a date that is not more than ten Business Days after the previously scheduled date of the Meeting; provided, however, that the Meeting shall not be adjourned or postponed to a date later than 30 Business Days prior to the Outside Date.

Termination of the Arrangement Agreement

- (1) The Arrangement Agreement may be terminated and the Arrangement abandoned at any time prior to the Effective Time (notwithstanding receipt of the Securityholder Approval or the Final Order) by:
 - (a) the mutual written agreement of the Parties; or
 - (b) either the Corporation or the Purchaser if:
 - (i) the Arrangement Resolution is not approved by the Shareholders at the Meeting in accordance with the Interim Order;
 - (ii) after the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes consummation of the Arrangement illegal or otherwise permanently enjoins or prohibits the Corporation or the Purchaser from consummating the Arrangement, and such Law has become final and non-appealable; provided that the Party seeking to terminate the Arrangement Agreement pursuant to Section 7.2(1)(ii)(b) of the Arrangement Agreement shall have used commercially reasonable efforts to prevent, appeal or overturn such Law (provided such Law is an Order, injunction, judgment, decree or ruling) or otherwise have it lifted or rendered non-applicable in respect of the Arrangement, and provided further that the enactment, making, enforcement or amendment of such Law was not primarily due to a breach by such Party of any of its representations or warranties, or the failure of such Party to perform any of its covenants or agreements, under the Arrangement Agreement; or
 - (iii) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate the Arrangement Agreement pursuant to Section 7.2(1)(ii)(c) of the Arrangement Agreement if the failure of the Effective Time to so occur has been caused by, or is a result of, a

breach by such Party of any of its representations or warranties, or the failure of such Party to perform any of its covenants or agreements, under the Arrangement Agreement; or

(c) the Corporation if:

- (i) subject to Section 7.3 of the Arrangement Agreement, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser under the Arrangement Agreement occurs that would cause any condition in Section 6.3(1) [*Purchaser Representations and Warranties*] or Section 6.3(2) [*Performance of Purchaser Covenants*] of the Arrangement Agreement not to be satisfied; provided that the Corporation is not then in breach of the Arrangement Agreement so as to cause any condition in Section 6.2(1) [*Company Representations and Warranties*] or Section 6.2(2) [*Performance of Company Covenants*] of the Arrangement Agreement not to be satisfied;
- (ii) prior to obtaining the Securityholder Approval, the Board authorizes the Corporation, in accordance with and subject to the terms and conditions of the Arrangement Agreement to enter into a definitive written agreement (other than a confidentiality agreement permitted by and in accordance with Section 5.3 of the Arrangement Agreement) with respect to a Superior Proposal, provided the Corporation is then in compliance with Section 5.4 of the Arrangement Agreement and that prior to or concurrent with such termination the Corporation pays the Termination Fee in accordance with Section 8.1(1) of the Arrangement Agreement; or
- (iii) after the Marketing Period has ended, (A) all conditions in Section 6.1 [*Mutual Conditions Precedent*] and Section 6.2 [*Additional Conditions Precedent to the Obligations of the Purchaser*] of the Arrangement Agreement have been satisfied or waived (excluding conditions that, by their terms, are to be satisfied at the Effective Time, but that are reasonably capable of being satisfied by the Effective Date), (B) the Corporation has irrevocably given written notice to the Purchaser that it is ready, willing, and able to complete the Arrangement, (C) at least five Business Days prior to such termination, the Corporation has given the Purchaser written notice stating its intention to terminate the Arrangement Agreement pursuant to Section 7.2(1)(iii)(c) of the Arrangement Agreement, and (D) the Purchaser does not provide, or cause to be provided, the funds required to be provided to the Depositary in accordance with Section 2.9 of the Arrangement Agreement within five Business Days following receipt such notice; or

(d) the Purchaser if:

- (i) subject to Section 7.3 of the Arrangement Agreement, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Corporation under the Arrangement Agreement occurs that would cause any condition in Section 6.2(1) [*Company Representations and Warranties*] or Section 6.2(2) [*Performance of Company Covenants*] of the Arrangement Agreement not to be satisfied; provided that the Purchaser is not then in breach of the Arrangement Agreement so as to cause any condition in Section 6.3(1) [*Purchaser Representations and Warranties*] or Section 6.3(2) [*Performance of Purchaser Covenants*] of the Arrangement Agreement not to be satisfied; or
- (ii) prior to the Securityholder Approval being obtained (A) the Board (or any committee thereof) fails to unanimously recommend, or publicly withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, in a manner adverse to the Purchaser, the Board Recommendation (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five Business Days after the public announcement thereof (or beyond the Business Day prior to the date of the Meeting, if sooner) will not be considered to be a Change in Recommendation, provided the Board has rejected such Acquisition Proposal and

affirmed the Board Recommendation before the end of such period), (B) the Board (or any committee thereof) accepts, approves, endorses, or recommends, or publicly proposes to accept, approve, endorse or recommend, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five Business Days after the public announcement thereof (or beyond the Business Day prior to the date of the Meeting, if sooner) will not be considered to be a Change in Recommendation, provided the Board and Special Committee has rejected such Acquisition Proposal and affirmed the Board Recommendation before the end of such period), or (C) the Board (or any committee thereof) accepts, approves, endorses, recommends or authorizes the Corporation or any of its Subsidiaries to execute or enter into, or publicly proposes to accept, approve, endorse, recommend or authorize the Corporation or any of its Subsidiaries to execute or enter into, any agreement, arrangement or understanding in respect of an Acquisition Proposal (other than a confidentiality and standstill agreement to the extent permitted by and in accordance with Section 5.3 of the Arrangement Agreement), or (D) the Board or the Special Committee fails to publicly reaffirm the Board Recommendation by press release within five Business Days (or in the event that the Meeting is scheduled to occur within such five Business Day period, prior to the Business Day prior to the date of the Meeting) after having been requested to do so by the Purchaser, acting reasonably (any action set forth in clauses (A), (B), (C) or (D), a **Change in Recommendation**).

Definition of Outside Date

The Outside Date under the Arrangement Agreement is: (a) if the Minister shall have given notice under Section 53.1(4) of the CT Act, December 31, 2019; or (b) if the Minister shall not have given notice under Section 53.1(4) of the CT Act, 366 days from the date hereof, provided that in either case the Outside Date may be extended if the Key Regulatory Approvals have not been denied by a non-appealable decision of a Governmental Entity (i) by the Purchaser in the Purchaser's sole discretion if the Effective Date has not occurred on or prior to the Outside Date in clause (a) or clause (b), as applicable, for up to 90 days, by giving written notice to the Corporation to such effect no later than 5:00 p.m. (MDT) on the date that is not less than five days prior to the Outside Date specified under clause (a) or clause (b), as applicable, but only if the Purchaser shall have amended the Debt Commitment Letter (and provided a copy of such amendment to the Corporation) to extend the term thereof to and including the new Outside Date designated by the Purchaser in such notice, or (ii) by written agreement of the Parties.

Termination Fees and Expenses

Except as otherwise expressly provided in the Arrangement Agreement, all fees, costs and expenses incurred in connection with the Arrangement Agreement or the transactions contemplated by the Arrangement Agreement shall be paid by the Party incurring such fees, costs or expenses, whether or not the Arrangement is consummated; provided that the Parties shall each pay half of any filing fees or similar fee and applicable Taxes payable to a Governmental Entity in connection with a Regulatory Approval and the Purchaser shall pay all filing fees or similar fees and applicable Taxes payable to a Governmental Entity in connection with a Key Regulatory Approval.

If a Termination Fee Event occurs, the Corporation shall pay or cause to be paid to the Termination Fee Recipients the Termination Fee in accordance with Section 8.2(4) of the Arrangement Agreement, as liquidated damages.

For the purposes of the Arrangement Agreement, **Termination Fee** means \$100,000,000, and **Termination Fee Event** means the termination of the Arrangement Agreement:

- (a) by the Purchaser, pursuant to Section 7.2(1)(iv)(b) [*Change in Recommendation*] of the Arrangement Agreement;
- (b) by the Corporation, pursuant to Section 7.2(1)(iii)(b) [*Superior Proposal*] of the Arrangement Agreement;

- (c) by the Corporation or the Purchaser pursuant to Section 7.2(1)(ii)(a) [*Arrangement Resolution not Approved*] or Section 7.2(1)(ii)(c) [*Effective Time not Prior to Outside Date*] of the Arrangement Agreement, if:
- (i) following the date of the Arrangement Agreement (but prior to the Meeting, in the case of a termination pursuant to Section 7.2(1)(ii)(a) [*Arrangement Resolution not Approved*] of the Arrangement Agreement), a bona fide Acquisition Proposal involving the Corporation is made to the Corporation or the Shareholders or is publicly announced or otherwise publicly disclosed by any Person; and
 - (ii) within 6 months following the date of such termination, any Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (b) above) is consummated or effected, or the Corporation and/or any of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a definitive agreement (other than a confidentiality and standstill agreement permitted by Section 5.3(1)(c) of the Arrangement Agreement) in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (b) above) and such Acquisition Proposal is later consummated or effected (whether or not within 6 months following such termination);

provided that, for purposes of Section 8.2(3)(iii) of the Arrangement Agreement, references in the definition of "Acquisition Proposal" to "20 per cent" shall be deemed to be "50 per cent".

If a Reverse Termination Fee Event occurs, the Purchaser shall pay or cause to be paid to the Corporation the Reverse Termination Fee in accordance with Section 8.2(9) of the Arrangement Agreement as liquidated damages.

For the purposes of the Arrangement Agreement, **Reverse Termination Fee** means \$200,000,000, and **Reverse Termination Fee Event** means the termination of the Arrangement Agreement by the Corporation pursuant to Section 7.2(1)(iii)(c) [*Failure to Fund*], or Section 7.2(1)(iii)(a) [*Purchaser Breach*] of the Arrangement Agreement as a result of a Willful Breach.

If a Reverse Termination Fee Event occurs, the Purchaser shall pay as promptly as practicable (and in any event within two Business Days following such Reverse Termination Fee Event) the Reverse Termination Fee. Any Reverse Termination Fee shall be paid, or caused to be paid, by the Purchaser to the Corporation by wire transfer in immediately available funds to an account designated by the Corporation.

Specific Performance

Notwithstanding anything to the contrary in the Arrangement Agreement (including Section 4.3 and Section 8.6(1) of the Arrangement Agreement), it is acknowledged and agreed that the Purchaser's obligation to enforce the Sponsor Commitment Letter and to consummate the Arrangement and the other transactions contemplated by the Arrangement Agreement, and the Corporation's right to specifically enforce such obligations as set out in Section 8.6(1) of the Arrangement Agreement, shall be subject to the requirements that: (a) all conditions in Section 6.1 [*Mutual Conditions Precedent*] and Section 6.2 [*Additional Conditions Precedent to the Obligations of the Purchaser*] of the Arrangement Agreement have been satisfied or waived by the applicable Party or Parties for whose benefit such conditions exist (excluding conditions that, by their terms, are to be satisfied at the Effective Time, but that are reasonably capable of being satisfied by the Effective Date); (b) the Purchaser fails to consummate the Arrangement on the date on which the Effective Date should have occurred pursuant to Section 2.8(2) of the Arrangement Agreement; (c) the Debt Financing provided for by the Debt Letters (or any alternative financing to the Debt Financing contemplated by Section 4.6 of the Arrangement Agreement) has been funded or will be funded in accordance with the terms thereof on the Effective Date if the Sponsor Financing is funded on the Effective Date; and (d) the Corporation has irrevocably confirmed that, if specific performance is granted and the Sponsor Financing and Debt Financing (or any alternative financings thereto contemplated by Section 4.6 of the Arrangement Agreement) are funded, it is ready, willing and able to consummate the Arrangement. Under no circumstances will the Corporation be entitled to enforce or seek to enforce specifically the Purchaser's obligation to enforce the Sponsor Commitment Letter and to consummate the Arrangement and the other transactions contemplated by the Arrangement Agreement if the Debt Financing would not be funded in full at the Effective

Time substantially concurrently with the funding of the Sponsor Financing (and, for certainty, for the purpose of determining whether the Debt Financing would be funded in full, assuming that the Sponsor Financing would be funded in full at the Effective Time).

Limitation of Liability

Notwithstanding anything to the contrary in the Arrangement Agreement or any other Transaction Document, without limiting the Corporation's right to obtain specific performance if and to the extent available in accordance with Section 8.6(1) and Section 8.6(2) of the Arrangement Agreement, the maximum aggregate liability, whether in equity or at Law, in Contract, in tort or otherwise, of the Purchaser Related Parties collectively (including the Reverse Termination Fee and monetary damages for fraud or breach, whether willful, material, intentional, unintentional or otherwise, or monetary damages in lieu of specific performance): (a) under the Arrangement Agreement or any other Transaction Document; (b) in connection with the failure of the transactions contemplated hereby (including the Financing) or under any other Transaction Document to be consummated; (c) resulting from the termination of the Arrangement Agreement; (d) any liabilities or obligations arising under the Arrangement Agreement (including any amounts owing to the Corporation pursuant to Section 4.6(3) and Section 4.9(4) of the Arrangement Agreement); or (e) in respect of any representation or warranty made or alleged to have been made in connection with the Arrangement Agreement or any other Transaction Document, will not under any circumstances exceed, in the aggregate, an amount equal to (i) \$200,000,000, plus (ii) only if applicable, all costs, expenses or interest owing pursuant to Section 8.2(9) of the Arrangement Agreement, and in no event will the Corporation or any of its Subsidiaries seek, directly or indirectly, to recover against the Purchaser Related Parties, or compel payment by the Purchaser Related Parties of, any damages or other payments whatsoever, whether at Law or in equity, in contract, tort or otherwise, in excess of such aggregate amount. For the avoidance of doubt, under no circumstances shall the Corporation be entitled to seek or obtain any recovery or judgment against the Debt Financing Sources, including for any type of damage relating to the Arrangement Agreement or the transactions contemplated hereby, whether at Law or in equity, in Contract, in tort or otherwise. No Debt Financing Source shall be subject to any special, consequential, punitive or indirect damages or damages of a tortious nature.

INFORMATION CONCERNING THE CORPORATION

General

WestJet is a Canadian airline based in Calgary, Alberta, with expanding global operations. WestJet provides scheduled and charter commercial air travel, vacation packages and cargo services across North America, Central America, the Caribbean and Europe with its fleet of Boeing 737 Next Generation aircraft, Boeing 737 MAX aircraft, Bombardier Q400 aircraft, wide-body Boeing 767-300 ERW aircraft and Boeing 787-9 Dreamliner aircraft.

WestJet was incorporated under the provisions of the ABCA on June 27, 1994 as 616373 Alberta Ltd. The Corporation's name was changed to WestJet by articles of amendment dated May 30, 1995. On June 21, 1995, the Corporation's Articles were further amended to alter its share capital, to delete the private company provisions and to effect certain other amendments to facilitate its offering of common shares for sale to the public. On August 30, 2005, the Corporation further amended its Articles to alter its share capital to create the Common Voting Shares to be owned and controlled by Canadians and the Variable Voting Shares to be owned or controlled by non-Canadians. On May 4, 2011, the Corporation amended its Articles to increase the maximum number of directors from 13 to 14. On May 8, 2019, the Corporation amended its Articles to simplify the structure of the Corporation's Preferred Shares. The Corporation has determined as permitted by the special resolution approved at the 2019 Meeting not to further amend its Articles or By-Law No. 2005-1 of the Corporation prior to the completion of the Arrangement.

The Corporation's principal business address is 22 Aerial Place N.E., Calgary, Alberta T2E 3J1 and its registered office is Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1. The Corporation's website is www.westjet.com.

Description of Share Capital

The Corporation's capital structure consists of an unlimited number of Common Voting Shares; an unlimited number of Variable Voting Shares; an unlimited number of non-voting shares, issuable in series (the **Non-Voting Shares**); and up to 56,750,000 Preferred Shares, issuable in series.

As of the Record Date, the Corporation had a total of 115,346,091 issued and outstanding Common Voting Shares and Variable Voting Shares. Each Share confers the right to one vote, subject to voting restrictions and adjustments attached to the Variable Voting Shares, as discussed above under "Information Concerning the Meeting – Restrictions on voting". No Non-Voting Shares or Preferred Shares have been issued as of the Record Date.

Trading in Shares

The Common Voting Shares and the Variable Voting Shares trade on the TSX under the trading symbol "WJA".

The following table lists the high and low market prices and trading volume of the Common Voting Shares and Variable Voting Shares for the periods indicated, with such information being presented on a combined basis under "Common Voting Shares":

	Common Voting Shares TSX: WJA		
	High (\$)	Low (\$)	Volume
June 2018	\$20.29	\$16.82	8,667,523
July 2018	\$20.33	\$17.50	9,143,337
August 2018	\$19.80	\$17.12	10,398,643

	Common Voting Shares TSX: WJA		
	High (\$)	Low (\$)	Volume
September 2018	\$20.86	\$18.59	7,756,394
October 2018	\$20.96	\$17.03	10,287,677
November 2018	\$20.68	\$17.70	10,617,548
December 2018	\$20.87	\$16.71	9,127,079
January 2019	\$20.26	\$17.48	6,976,860
February 2019	\$21.85	\$19.99	7,787,345
March 2019	\$21.20	\$18.55	9,867,510
April 2019	\$20.09	\$18.79	6,009,601
May 2019	\$30.25	\$18.23	27,402,923
June 2019 (through June 18, 2019)	\$30.20	\$30.00	6,885,718

The closing price of the Common Voting Shares and the Variable Voting Shares on the TSX on May 10, 2019, the last trading day preceding the announcement of the Arrangement with the Purchaser, was \$18.52, and the closing price on June 18, 2019, the last trading day prior to the printing of this Information Circular was \$30.17.

Previous Purchases and Sales

No Shares or other securities of the Corporation have been purchased by the Corporation during the 12-month period preceding the Arrangement Agreement other than the purchase of Shares by the Corporation, as authorized by the TSX for up to 5,856,671 Shares, pursuant to a normal course issuer bid that commenced on August 3, 2017 and expired on August 2, 2018. Under such bid, during the 12-month period prior to the date of the Arrangement Agreement, the Corporation purchased 124,554 Shares through the facilities of the TSX or alternative trading systems at the weighted average price of \$19.15 per Share.

Except as described under the heading "Information Concerning the Corporation – Previous Distributions", no Shares or other securities of the Corporation have been sold by the Corporation during the 12-month period preceding the Arrangement Agreement.

Previous Distributions

The following table sets forth the Shares distributed by the Corporation on an annual basis during the five-year period preceding the Arrangement Agreement upon the exercise of Options, which were granted under the Stock Option Plan. The settlement of: (a) RSUs, which were granted under the KEP Plan or the ESU Plan; and (b) PSUs, which were granted under the ESU Plan, have all been settled with Shares acquired through open market purchases:

Year of Distribution	Number of Shares Issued on Exercise	Average Price per Issued Share (\$)	Aggregate Value (\$)
2019 (through May 12)	5,757	\$15.17	\$87,334
2018	20,288	\$21.69	\$440,047
2017	376,047	\$21.57	\$8,111,334
2016	68,911	\$16.32	\$1,124,628
2015	115,299	\$19.04	\$2,195,293
2014	500,598	\$18.82	\$9,421,254

In addition, during the 12-month period preceding the date of the Arrangement Agreement, the Corporation completed the following distributions of securities convertible into Shares: (a) the Corporation granted 2,885,236 Options; (b) the Corporation granted 527,463 RSUs; and (c) the Corporation granted 260,445 PSUs.

Material Changes in the Affairs of the Corporation

To the knowledge of the directors and Executive Officers of the Corporation and except as publicly disclosed or otherwise described in this Information Circular, there are no plans or proposals for material changes in the affairs of the Corporation.

Dividend Policy

The Corporation's dividend is reviewed on a quarterly basis in light of its financial position, financing policies, cash flow requirements and other factors deemed relevant. The declaration, amount and payment of future dividends will be subject to the discretion of its Board, and to restrictions under applicable Law.

For the two-year period preceding the date of this Information Circular, the Corporation has paid quarterly dividends in the amount of \$0.14 per Share. Under the terms of the Arrangement Agreement, the Corporation is permitted to continue paying a regular quarterly cash dividend, not in excess of \$0.14 per Share, consistent with the current practice of the Corporation (including with respect to timing of declarations, record and payment dates), pending completion of the Arrangement. For greater certainty, no *pro rata* dividend will be declared or paid in respect of any period between the last regularly scheduled record date for such quarterly dividend and the Effective Date.

INFORMATION CONCERNING THE PURCHASER, ONEX AND THE ONEX FUNDS

The Purchaser

The Purchaser, a corporation incorporated under the Laws of Alberta, is an affiliate of Onex Corporation and was formed on May 8, 2019, solely for the purpose of engaging in the transactions contemplated by the Arrangement Agreement. The Purchaser has not engaged in any business activities other than in connection with the transactions contemplated by the Arrangement Agreement and obtaining the Financings contemplated by the Sponsor Commitment Letter and Debt Commitment Letter. The

Purchaser's registered office is located at 1000 Livingston Place, 250 – 2nd Street SW, Calgary, Alberta T2P 0C1, and its head office is located at 161 Bay Street, 49th Floor, P.O. Box 700, Toronto, Ontario M5J 2S1.

Upon completion of the Arrangement, the Corporation will be directly owned by the Purchaser.

Onex Corporation

Onex Corporation is a publicly-traded Canadian investor and asset manager founded in 1984 and now has approximately US\$37 billion of assets under management. Onex Corporation's head office is in Toronto with additional offices in London, New York and New Jersey. Onex Corporation manages and invests capital in its private equity and credit platforms on behalf of investors from around the world. Onex Corporation, through its various acquisition vehicles, focuses on creating long-term value by acquiring and building industry-leading businesses in partnership with management teams.

The Onex Funds

Each of the Onex Funds is an investment fund with investors from around the world managed by affiliates of Onex. The Onex Funds have each entered into the Sponsor Commitment Letter, pursuant to which they agreed to invest in the Purchaser, and the Limited Guarantee, pursuant to which each has guaranteed certain obligations of the Purchaser under the Arrangement Agreement on a pro rata basis. For further details see "The Arrangement – Sources of Funds".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the *Income Tax Regulations* (Canada) (collectively, the **Tax Act**) generally applicable to a beneficial owner of Shares who: (a) deals at arm's length with the Corporation and the Purchaser and is not affiliated with the Corporation or the Purchaser, in each case for purposes of the Tax Act; and (b) holds their Shares as capital property for purposes of the Tax Act (a **Holder**).

Generally, the Shares will be capital property to a Holder provided the Holder does not hold the Shares in the course of carrying on a business of buying and selling securities or as part of an adventure or concern in the nature of trade. Certain Holders who are residents of Canada and who might not otherwise be considered to hold their Shares as capital property may, in certain circumstances, be entitled to make the irrevocable election permitted by Section 39(4) of the Tax Act to have the Shares and all other "Canadian securities", as defined in the Tax Act, owned by the Holder in the taxation year in which the election is made and in all subsequent taxation years treated as capital property. Holders who do not hold the Shares as capital property should consult their own tax advisors with respect to their own particular circumstances.

This summary does not address the tax consequences of the Arrangement to the Optionholders, holders of DSUs, RSUs or PSUs (including, without limiting the foregoing, holders under the DSU Plan, KEP Plan, ESU Plan or the TI Plan) or the Rollover Securityholders. **Such holders should consult their own tax advisors in this regard.**

This summary is based on the current provisions of the Tax Act, applicable jurisprudence, the current published administrative policies and assessing practices of the Canada Revenue Agency and all specific proposals to amend the Tax Act which have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (the **Proposed Amendments**). This summary assumes that all Proposed Amendments will be enacted in their present form, but no assurances can be given that the Proposed Amendments will be enacted in the form proposed, or at all. Except for the foregoing, this summary does not take into account or anticipate any changes in Law or administrative policy or assessing practice, whether by legislative, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or consequences, which may differ from the Canadian federal income tax consequences described herein.

This summary is not applicable to a Holder: (a) that is a "financial institution" for purposes of certain rules applicable to "mark-to-market property"; (b) an interest in which is a "tax shelter" or a "tax shelter investment"; (c) that has made a "functional currency" reporting election under Section 261 of the Tax Act to report the Holder's "Canadian tax results" in a currency other than Canadian currency; (d) that is a "specified financial institution"; or (e) that has entered or will enter into a "derivative

forward agreement" in respect of the Shares, each as defined in the Tax Act. Such Holders should consult their own tax advisors with respect to the income tax consequences applicable to the Arrangement.

This summary is of a general nature only, is not exhaustive of all Canadian federal income tax consequences and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. This summary does not take into account other federal or any provincial, territorial or foreign income tax legislation or consequences, which may differ materially from those described in this summary. The tax liability of each Holder will depend on the Holder's particular circumstances. Accordingly, Holders should consult their own tax advisors as to the particular tax consequences to them of the Arrangement.

Holders Resident in Canada

The following is a summary of the principal Canadian federal income tax consequences generally applicable under the Tax Act to a Holder who, at all relevant times for purposes of the Tax Act, is resident or deemed to be resident in Canada (a **Resident Holder**).

Disposition by Resident Holders

Generally, a Resident Holder who disposes of Shares under the Arrangement will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition to the Resident Holder of the Shares exceed (or are less than) the total of the adjusted cost base to the Resident Holder of the Shares immediately before the disposition and any reasonable costs of disposition.

Taxation of Capital Gains and Capital Losses

A Resident Holder will generally be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a **taxable capital gain**) realized by the Resident Holder in that taxation year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an **allowable capital loss**) realized by the Resident Holder in a taxation year from taxable capital gains realized by the Resident Holder in that taxation year. Allowable capital losses in excess of taxable capital gains realized by a Resident Holder in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Resident Holder in any such taxation year, subject to and in accordance with the provisions of the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Share may be reduced by the amount of any dividends received (or deemed to be received) by it on such Share to the extent and under the circumstances described in the Tax Act. Similar rules may apply where the Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Resident Holders should consult their own tax advisors in this regard.

A Resident Holder that is, throughout its taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act), including amounts in respect of taxable capital gains and interest.

Capital gains realized by individuals (other than certain trusts) may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the potential application of alternative minimum tax.

Dissenting Resident Holders

A Resident Holder who has validly exercised its Dissent Right (a **Resident Dissenting Holder**) will be deemed under the Arrangement to have transferred its Shares to the Corporation and will be entitled to be paid the fair value of such Shares. The Resident Dissenting Holder will be deemed to have received a taxable dividend equal to the amount by which the amount

received for the Shares (less an amount in respect of interest, if any, awarded by the Court) exceeds the paid-up capital of such shares (as determined under the Tax Act).

Where a Resident Dissenting Holder is an individual, any deemed dividend will be included in computing such Resident Dissenting Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to dividends received from taxable Canadian corporations. In the case of a Resident Dissenting Holder that is a corporation, any deemed dividend will be included in income and generally will be deductible in computing taxable income. However, in some circumstances, the amount of any such deemed dividend realized by a corporation may be treated as proceeds of disposition and not as a dividend under Section 55(2) of the Tax Act. Resident Dissenting Holders that are corporations should consult their own tax advisors in this regard.

"Private corporations" and "subject corporations" (as defined in the Tax Act) may be liable for additional refundable Part IV tax on any dividends received or deemed to be received on the Shares to the extent such dividends are deductible in computing the Resident Dissenting Holder's taxable income for the taxation year.

A Resident Dissenting Holder will also be considered to have disposed of the Shares for proceeds equal to the amount paid to such Resident Dissenting Holder less an amount in respect of interest, if any, awarded by the Court and the amount of any deemed dividend. Resident Dissenting Holders may realize a capital gain (or capital loss) to the extent that such proceeds exceed (or are less than) the total of the adjusted cost base to the Resident Dissenting Holder of the Shares immediately before the disposition and any reasonable costs of disposition. The taxation of capital gains and capital losses is discussed above under the heading "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses".

Any interest awarded by the Court to a Resident Dissenting Holder will be included in such Resident Dissenting Holder's income in accordance with the Tax Act.

A Resident Dissenting Holder that is, throughout its taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act), including amounts in respect of taxable capital gains and interest.

Holders Not Resident in Canada

The following is a summary of the principal Canadian federal income tax consequences generally applicable under the Tax Act to a Holder who, at all relevant times for purposes of the Tax Act: (a) is not, and is not deemed to be, resident in Canada; and (b) does not use or hold, and is not deemed to use or hold, the Shares in a business carried on, or deemed to be carried on, in Canada (a **Non-Resident Holder**). This summary does not apply to Non-Resident Holders that carry on an insurance business in Canada or elsewhere and any such Non-Resident Holders should consult their own tax advisors.

Disposition by Non-Resident Holders

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of the Shares pursuant to the Arrangement unless the Shares constitute, or are deemed to constitute, "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Holder at the time of the disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention. Such Shares will be considered taxable Canadian property if, at any time during the 60-month period immediately preceding the disposition: (a) 25 per cent or more of the issued Shares of any class of the capital stock of the Corporation were owned by any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm's length, and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships; and (b) the Shares derived (directly or indirectly) more than 50 per cent of their fair market value from one or any combination of real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" or options in respect of, or interests in or rights in respect of, any such property (whether or not such property exists), all for purposes of the Tax Act.

If the Shares are considered taxable Canadian property to the Non-Resident Holder, a disposition or deemed disposition of such Shares generally gives rise to a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition to the Non-Resident Holder of the Shares exceed (or are less than) the total of the adjusted cost base to the Non-Resident Holder of the Shares immediately before the disposition and any reasonable costs of disposition.

An applicable income tax treaty or convention may apply to exempt a Non-Resident Holder from Tax under the Tax Act in respect of a disposition of Shares notwithstanding that such Shares may constitute taxable Canadian property.

Non-Resident Holders whose Shares may be taxable Canadian property should consult their own tax advisors in this regard.

Dissenting Non-Resident Holders

A Non-Resident Holder who has validly exercised its Dissent Right (a **Non-Resident Dissenting Holder**) will be deemed under the Arrangement to have transferred its Shares to the Corporation and will be entitled to be paid the fair value of such Shares. The Non-Resident Dissenting Holder will be deemed to have received a taxable dividend equal to the amount by which the amount received for the Shares (less an amount in respect of interest, if any, awarded by the Court) exceeds the paid-up capital of such Shares (as determined under the Tax Act).

The amount of the dividend will be subject to Canadian withholding tax at the rate of 25 per cent of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax treaty or convention between Canada and the Non-Resident Dissenting Holder's country of residence.

A Non-Resident Dissenting Holder will also be considered to have disposed of the Shares for proceeds equal to the amount paid to such Non-Resident Dissenting Holder less an amount in respect of interest, if any, awarded by the Court and the amount of any deemed dividend. A Non-Resident Dissenting Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of the Shares pursuant to the Arrangement unless the Shares constitute, or are deemed to constitute, taxable Canadian property to the Non-Resident Dissenting Holder at the time of the disposition and the Non-Resident Dissenting Holder is not entitled to relief under an applicable income tax treaty or convention. The taxation of capital gains and capital losses for a Non-Resident Dissenting Holder is discussed above under the heading "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Disposition by Non-Resident Holders".

Any interest awarded by the Court to a Non-Resident Dissenting Holder will not be subject to Canadian withholding tax unless such interest constitutes "participating debt interest" for purposes of the Tax Act. Non-Resident Dissenting Holders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Information Circular, the Corporation is not aware of any director, Executive Officer or any person who, to the knowledge of the directors or Executive Officers of the Corporation, beneficially owns or controls or exercises discretion over Shares carrying more than ten per cent of the votes attached to the Shares, or any associate or affiliate of any of the foregoing, having any material interest, direct or indirect, in any transaction or proposed transaction since January 1, 2018, which has materially affected or would materially affect the Corporation or any of its Subsidiaries.

AUDITORS

The auditors of the Corporation are KPMG LLP, Chartered Professional Accountants, Calgary, Alberta.

OTHER INFORMATION AND MATTERS

There is no information or matter not disclosed in this Information Circular but known to the Corporation that would be reasonably expected to affect the decision of Securityholders to vote for or against the Arrangement.

LEGAL MATTERS

Certain legal matters in connection with the Arrangement will be passed upon for the Corporation by Blake, Cassels & Graydon LLP.

In addition, certain legal matters in connection with the Arrangement will be passed upon for the Special Committee by Norton Rose Fulbright Canada LLP.

Certain legal matters in connection with the Arrangement will be passed upon for the Purchaser by Goodmans LLP.

ADDITIONAL INFORMATION

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

Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited consolidated financial statements for the year ended December 31, 2018 and the related management's discussion and analysis (**MD&A**). Copies of the Corporation's consolidated financial statements, most recent interim financial report and related MD&A are available without charge 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.

DIRECTORS' APPROVAL

The contents of this Information Circular and its sending to Securityholders have been approved by the Board.

By Order of the Board of Directors of WestJet

(Signed) "*Clive J. Beddoe*"

Clive J. Beddoe

Chair of the Board, WestJet
Calgary, Alberta

June 19, 2019

CONSENT OF CIBC

June 19, 2019

To: The Board of Directors (the "**Board**") of WestJet Airlines Ltd. (the "**Corporation**")

We refer to the information circular (the "**Information Circular**") of the Corporation dated June 19, 2019 relating to the special meeting of shareholders of the Corporation to approve an arrangement under the *Business Corporations Act* (Alberta) involving, among others, the Corporation and Kestrel Bidco Inc. We consent to the inclusion in the Information Circular of our fairness opinion to the Board dated May 12, 2019 as Appendix E and references to our firm name and our fairness opinion in the Information Circular under the headings, "The Arrangement – Recommendation of the Special Committee", "The Arrangement – Recommendation of the Board of Directors", "The Arrangement – Financial Advisor Opinions – CIBC Opinion". Our fairness opinion was given as of May 12, 2019 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Board of the Corporation shall be entitled to rely upon our opinion.

(Signed) "*CIBC World Markets Inc.*"

CONSENT OF BofA MERRILL LYNCH

June 19, 2019

To: The Board of Directors (the "**Board**") of WestJet Airlines Ltd. (the "**Corporation**")

We refer to the information circular (the "**Information Circular**") of the Corporation dated June 19, 2019 relating to the special meeting of shareholders of the Corporation to approve an arrangement under the *Business Corporations Act (Alberta)* involving the Corporation. We consent to the inclusion of our opinion letter, dated May 12, 2019, to the Board of the Corporation as Appendix F to, and reference to such opinion letter under the heading "BofA Merrill Lynch Opinion" in, the Information Circular. Our opinion was given on May 12, 2019 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Board of the Corporation shall be entitled to rely upon our opinion.

(Signed) "*BofA Securities, Inc.*"

Appendix A

Glossary of Terms

"**2018 Proposal**" has the meaning given to it under the heading "The Arrangement – Background to the Arrangement – Specific Events Leading to the Arrangement Agreement".

"**2019 Meeting**" means the annual and special meeting of Shareholders that was held on May 7, 2019.

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only the Corporation and/or one or more of its Subsidiaries, any offer, proposal, request or inquiry (written or oral) from any Person or group of Persons "acting jointly or in concert" (within the meaning of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*) other than the Purchaser or one or more of its affiliates, relating to: (a) any direct or indirect sale, disposition, alliance or joint venture (other than the proposed joint venture with Delta Air Lines Inc.) (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale) in a single transaction or a series of related transactions, of (i) 20 per cent or more of the voting or equity securities of the Corporation (including securities convertible into or exercisable or exchangeable for voting or equity securities), or (ii) assets (including shares of Subsidiaries of the Corporation) representing 20 per cent or more of the consolidated assets, or contributing 20 per cent or more of the consolidated revenue, of the Corporation and its Subsidiaries (based on the most recent annual consolidated financial statements of the Corporation filed as part of the Corporation Filings); (b) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction, in a single transaction or a series of related transactions, that, if consummated, would result in such Person or group of Persons beneficially owning, or exercising control or direction over, 20 per cent or more of the voting or equity securities (including securities convertible into or exercisable or exchangeable for voting or equity securities) of the Corporation or of any of its Subsidiaries; (c) any arrangement, merger, amalgamation, consolidation, security exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding up, exclusive license or similar transaction, in a single transaction or a series of related transactions, involving the Corporation or any of its Subsidiaries whose assets or revenues constitute 20 per cent or more of the consolidated revenues or constitute 20 per cent or more of the consolidated assets of the Corporation and its Subsidiaries (based on the most recent annual consolidated financial statements of the Corporation filed as part of the Corporation Filings); or (d) any other similar transaction or series of transactions involving the Corporation or any of its Subsidiaries.

"**adjusted EPS**" has the meaning given to it under the heading "The Arrangement – Financial Advisor Opinions – BofA Merrill Lynch Opinion".

"**Advance Ruling Certificate**" means an advance ruling certificate issued by the Commissioner pursuant to Section 102 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement.

"**affiliate**" has the meaning given to it in National Instrument 45-106 – *Prospectus Exemptions*, provided that in no case shall "affiliate" of the Purchaser include (a) the Sponsors or any of their respective affiliates (other than the Purchaser and any Person that would be an affiliate of the Purchaser if the Sponsors were not affiliates of the Purchaser) or operating or portfolio companies, investment funds, pooled investment vehicles or investee in which a Sponsor or any of its affiliates may directly or indirectly invest, or (b) any third party acting on a Sponsor's or any of its affiliates' behalf in connection with any investment (i) made on its behalf, including third party investment managers with discretionary authority, or (ii) made by investment funds or other pooled investment vehicles in which they have directly or indirectly invested and that are managed by third parties.

"**Arrangement**" means the proposed arrangement of the Corporation under Section 193 of the ABCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

"Arrangement Agreement" means the arrangement agreement dated as of May 12, 2019 between the Purchaser and the Corporation, including all schedules annexed thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, a copy of which is attached as Appendix C to this Information Circular.

"Arrangement Resolution" means the special resolution approving the Plan of Arrangement to be considered at the Meeting by the Shareholders and Optionholders entitled to vote thereon, as set out in Appendix B.

"Articles" means the articles of WestJet, as amended from time to time.

"Articles of Arrangement" means the articles of arrangement of the Corporation in respect of the Arrangement required under Section 193(10)(b) of the ABCA to be sent to the Registrar after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in form and content satisfactory to the Corporation and the Purchaser, each acting reasonably.

"AST" means AST Trust Company (Canada).

"Authorization" means, with respect to any Person, any order, permit, certificate, accreditation, non-objection (including a lapse, without objection, of a prescribed time period under applicable Laws), approval, consent, waiver, registration, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

"Aviation Authorities" means any Governmental Entity in respect of the regulation of commercial aviation, air navigation or the registration, airworthiness or operation of civil aircraft and having jurisdiction over the Corporation and its Subsidiaries including Transport Canada Civil Aviation, the CTA, the FAA in the United States and the United States Department of Transportation.

"Beneficial Shareholder" means a Shareholder of the Corporation who holds Shares through a broker, investment dealer, bank, trust company or other intermediaries.

"Blakes" means Blake, Cassels and Graydon LLP, counsel to WestJet.

"Board of Directors" or **"Board"** means the board of directors of the Corporation, as constituted from time to time.

"Board Recommendation" means a statement that the Board, after receiving the unanimous recommendation of the Special Committee and consulting with outside legal counsel and financial advisors in evaluating the Arrangement, has determined that the Arrangement is in the best interests of the Corporation and unanimously recommends that Shareholders vote in favour of the Arrangement.

"BofA Merrill Lynch" means Merrill Lynch, Pierce, Fenner & Smith Incorporated (together with its assignee, BofA Securities, Inc.).

"BofA Merrill Lynch Opinion" means the opinion of BofA Merrill Lynch, dated May 12, 2019, to the Board to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration to be received by Shareholders (other than, to the extent applicable, the Purchaser, Onex, any Rollover Securityholder or other direct or indirect investor in the Purchaser and their respective affiliates) under the Arrangement was fair, from a financial point of view, to such holders.

"Broadridge" means the Broadridge Financial Solutions Inc.

"Business Day" means any day of the year, other than a Saturday, a Sunday or a day on which major banks are closed for business in Calgary, Alberta or Toronto, Ontario.

"Business Systems" means all computer hardware and operating systems, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, peripheral devices, and all other information technology equipment and

elements, Corporation software, database engines and processed data, technology infrastructure and other computer systems and all associated documentation.

"**Canadian Status Determination**" means a determination by the CTA that each Subsidiary of the Corporation that is a CTA Licensee will continue to be a "Canadian" within the meaning of Section 55(1) of the CT Act upon and following the closing of the transactions contemplated by the Arrangement Agreement.

"**CEO**" means Chief Executive Officer.

"**Certificate**" means the certificate or proof of filing to be issued by the Registrar pursuant to Section 193(11) or 193(12) of the ABCA in respect of the Articles of Arrangement giving effect to the Arrangement.

"**CFO**" means Chief Financial Officer.

"**Change in Recommendation**" has the meaning given to it under the heading "The Arrangement Agreement – Termination of the Arrangement Agreement".

"**Change of Control Agreements**" has the meaning given to it under the heading "The Arrangement – Interests of Certain Persons in the Arrangement – Change of Control Provisions".

"**CIBC**" means CIBC World Markets Inc.

"**CIBC Opinion**" means the opinion of CIBC to the effect that, as of the date of the opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration to be received by Shareholders (other than the Rollover Securityholders) pursuant to the Arrangement Agreement is fair, from a financial point of view, to such Shareholders.

"**Closing**" means the completion of the Arrangement.

"**Code**" means the *Internal Revenue Code of 1986* (United States), as amended.

"**Collective Agreement**" means any collective bargaining agreement, letter of understanding, binding letter of intent or other written Contract with any trade union, association which may qualify as a trade union, council of trade unions, employee association, employee bargaining agent or affiliated bargaining agent, which covers or would cover any Corporation Employee.

"**Commissioner**" means the Commissioner of Competition appointed pursuant to Section 7 of the Competition Act and includes any person designated by the Commissioner to act on his behalf.

"**Common Voting Shares**" means the common voting shares in the capital of the Corporation.

"**Competition Act**" means the *Competition Act* (Canada) and includes the regulations promulgated thereunder.

"**Competition Act Clearance**" means that, in connection with the transactions contemplated by the Arrangement Agreement, either: (a) both (i) the applicable waiting periods under Section 123(1) of the Competition Act shall have expired or have been waived in accordance with Section 123(2) of the Competition Act or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act shall have been waived in accordance with paragraph 113(c) of the Competition Act, and (ii) the Commissioner shall have issued a No Action Letter; or (b) the Commissioner shall have issued an Advance Ruling Certificate under Section 102 of the Competition Act.

"**Compliance Requirements**" means, with respect to the Financing Information, that: (a) such Financing Information does not contain any untrue statement of a material fact regarding the Corporation and its Subsidiaries or omit to state any material fact regarding the Corporation and its Subsidiaries necessary to make such information not materially misleading under the circumstances; (b) the Corporation's auditors have not withdrawn, or advised the Corporation in writing that they intend to

withdraw, any audit opinion on any of the audited financial statements contained in such Financing Information; and (c) the Corporation has not determined to restate any financial statements included in such Financing Information or announced its intention to make any such restatement (it being understood such information will be compliant in respect of this clause (c) if and when such restatement is completed or the Corporation has determined no such restatement is required).

"Confidentiality Agreement" means the amended and restated confidentiality agreement dated March 21, 2019 between the Corporation and Onex Partners Advisor LP, as amended as of May 12, 2019, as may be further amended and/or amended and restated.

"Consideration" means \$31.00 in cash per Share.

"Contract" means any written or oral agreement, commitment, engagement, contract, franchise, licence, lease (including the Corporation Leases), obligation, note, bond, mortgage, indenture, undertaking or joint venture to which the Corporation, any of its Subsidiaries is a party or by which the Corporation, or any of its Subsidiaries is bound or affected or to which any of their respective properties (including the Corporation Leased Properties, as defined in the Arrangement Agreement) or assets is subject.

"Corporation" or **"WestJet"** means WestJet Airlines Ltd., a corporation existing under the Laws of the Province of Alberta.

"Corporation Assets" means all of the assets (tangible and intangible), properties (real or personal), permits, rights, interests, Contracts, registrations, licences, waivers or consents (whether contractual or otherwise) owned, leased or otherwise used or held for use by the Corporation or any of its Subsidiaries, including Corporation Leased Properties, Corporation Aircraft, Aircraft engines, Aircraft parts, machinery, equipment, fixtures, furniture, furnishings, office equipment, Corporation Intellectual Property, Business Systems, computer hardware, Corporation data, Contracts, Authorizations, supplies, materials, vehicles, material handling equipment, implements, parts, tools, jigs, dies, moulds, patterns, tooling and spare parts and other assets, as such capitalized terms are defined in the Arrangement Agreement.

"Corporation Employees" means any current director, officer or employee of the Corporation or any of its Subsidiaries.

"Corporation Filings" means all documents publicly filed by or on behalf of the Corporation on SEDAR since January 1, 2017.

"Corporation Leases" means, collectively, the leases, subleases, licenses, occupancy agreements, or any other agreements pursuant to which the Corporation or its Subsidiaries are vested with rights to use or occupy the Corporation Leased Properties, as amended, modified or renewed prior to May 12, 2019.

"Court" means the Court of Queen's Bench of Alberta, or other court as applicable.

"CT Act" means the *Canada Transportation Act* (Canada), and includes the regulations promulgated thereunder.

"CT Act Amendments" has the meaning given to it under the heading "Information Concerning the Meeting – Restrictions on voting – Why does WestJet have Common Voting Shares and Variable Voting Shares?".

"CT Act Approval" means that, in connection with the transactions contemplated by the Arrangement Agreement, either (a) the Minister shall have given notice under Section 53.1(4) of the CT Act, or (b) the Governor in Council shall have approved such transactions under Section 53.2(7) of the CT Act.

"CT Transaction" has the meaning given to it under the heading "The Arrangement – Approvals – Key Regulatory Approvals – CT Act Approval".

"CTA" means the Canadian Transportation Agency, as continued by the CT Act.

"CTA Licensee" means a "licensee" as defined in Section 55(1) of the CT Act.

"**CTA Transaction**" has the meaning given to it under the heading "The Arrangement – Approvals – Key Regulatory Approvals – Canadian Status Determination".

"**Debt Commitment Letter**" means the commitment letter between the Purchaser and the Debt Financing Sources dated May 12, 2019, including the summaries of terms attached thereto, as amended, supplemented and/or replaced in accordance with the terms of the Arrangement Agreement.

"**Debt Fee Letter**" means the fee letter between the Purchaser and the Debt Financing Sources dated May 12, 2019, as amended, supplemented and/or replaced in accordance with the terms of the Arrangement Agreement.

"**Debt Financing**" means the financing contemplated by the Debt Letters pursuant to which the Debt Financing Sources have agreed to lend, subject to the terms and conditions of the Debt Letters, the amounts set forth in the Debt Commitment Letter, which will be used: (a) by the Purchaser for purposes of financing, directly or indirectly, the applicable portion of the aggregate Consideration for the Shares and (b) by the Purchaser and/or at the Purchaser's option by the Corporation and/or its Subsidiaries for the purposes of financing, directly or indirectly, any other amounts payable to Securityholders in connection with the Arrangement in accordance with the terms of the Arrangement Agreement; and by the Purchaser and/or the Corporation and/or its Subsidiaries for (among other things) the refinancing of Indebtedness of the Corporation and/or its Subsidiaries, and any replacement, amended, modified or alternative debt financing provided by the Debt Financing Sources upon and in accordance with the terms and conditions of the Arrangement Agreement and the Debt Letters.

"**Debt Financing Sources**" means (a) the agents, arrangers, lenders and other Persons that have committed to provide or arrange, or otherwise entered into agreements in connection with all or any part of the Debt Financing or any other financings in connection with the transactions contemplated by the Arrangement Agreement, including the parties to the Debt Commitment Letter (other than the Purchaser, the Sponsors or any of their respective affiliates) and any related joinder agreements, credit agreements or other definitive agreements relating thereto and their respective successors and permitted assigns, upon and in accordance with the terms and conditions of the Arrangement Agreement and the Debt Letters, and (b) any affiliate of the foregoing, and their (and their respective affiliates') respective Representatives and their respective successors and permitted assigns, upon and in accordance with the terms and conditions of the Arrangement Agreement and the Debt Letters.

"**Debt Letters**" means, collectively, the Debt Commitment Letter and the Debt Fee Letter.

"**Depository**" means AST, or such Person as the Corporation may appoint to act as depository for the Shares in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

"**Depository Agreement**" has the meaning given to it in "Arrangement Mechanics – Depository Agreement".

"**Different Consideration**" has the meaning given to it in "The Arrangement – Approvals – Canadian Securities Law Matters".

"**Dissent Notice**" means a written objection provided to the Corporation by a Registered Shareholder who wishes to dissent to the Arrangement Resolution.

"**Dissent Rights**" means the rights of dissent exercisable by Registered Shareholders in respect of the Arrangement as described in the Plan of Arrangement.

"**Dissenting Shareholder**" means a Registered Shareholder who: (a) dissents in respect of the Arrangement Resolution in strict compliance with the Dissent Rights; (b) has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights; and (c) who is ultimately entitled to be paid the fair value for its Shares; but only in respect of the Shares in respect of which Dissent Rights are validly exercised by such holder.

"**DOJ**" means the U.S. Department of Justice.

"**DSU Plan**" means the deferred share unit plan of the Corporation dated as of January 1, 2007.

"**DSUs**" means the outstanding deferred share units of the Corporation granted pursuant to the DSU Plan.

"**EBITDAR**" has the meaning given to it in "The Arrangement – Financial Advisor Opinions – BofA Merrill Lynch Opinion".

"**Effective Date**" means the date upon which the Arrangement becomes effective.

"**Effective Time**" means the time on the Effective Date that the Arrangement becomes effective as set out in the Plan of Arrangement.

"**ESPP**" means the employee stock purchase plan of the Corporation dated as of June 21, 1999 as amended November 6, 2012.

"**ESPP Shares**" means Shares purchased by WestJet employees under the ESPP.

"**ESU Plan**" means the executive share unit plan of the Corporation dated as of February 4, 2008.

"**Executive Officers**" means the members of executive leadership team of the Corporation, which is currently comprised of its President and Chief Executive Officer, Executive Vice President and Chief Strategy Officer, Executive Vice President and Chief Operating Officer, Executive Vice President and Chief Information Officer, Executive Vice President, People and Culture, Executive Vice President, Finance & Chief Financial Officer, Executive Vice President and President, Swoop and Executive Vice President and Chief Commercial Officer.

"**Executive Retention Plan**" has the meaning given to it under the heading "The Arrangement – Interests of Certain Persons in the Arrangement – Employee Retention Plans".

"**FAA**" means the U.S. Federal Aviation Administration.

"**Final Order**" means the final order of the Court pursuant to Section 193 of the ABCA in a form acceptable to the Corporation and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the Corporation and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended (provided that any such amendment is acceptable to the Corporation and the Purchaser, each acting reasonably) on appeal.

"**Financial Advisor Opinions**" means the CIBC Opinion and the BofA Merrill Lynch Opinion.

"**Financing Commitments**" means the Sponsor Commitment Letter and Debt Commitment Letter, collectively.

"**Financing Information**" means (a) the audited consolidated statements of financial position (as at December 31, 2018 and 2017) and the related statements of earnings and cash flows for the Corporation for the fiscal years then ended, (b) unaudited consolidated statements of financial position and related statements of earnings of the Corporation for each fiscal quarter ended after December 31, 2018 and ended at least 45 days prior to the Effective Date, and (c) such other customary financial information regarding the Corporation and its Subsidiaries as may reasonably be requested by, and is necessary for, the Purchaser to fulfill the conditions and obligations applicable to it under the Debt Commitment Letter; provided, that the "Financing Information" shall not include (i) any financial information concerning the Corporation or its Subsidiaries other than the financial information required under the Debt Commitment Letter, (ii) any other information other than such information as the Corporation or its Subsidiaries maintain in the Ordinary Course or that is existing or reasonably available and in the possession or control of the Corporation or its Subsidiaries, (iii) any pro forma financial statements or any information regarding any post-Effective Time or pro forma adjustments desired to be incorporated into any information used in connection with the Financings (including any synergies or cost savings), pro forma ownership or an as-adjusted capitalization table, (iv) projections, (v) any description of all or any component of the Financings, (vi) risk factors relating to all or any component of the Financings; or (vii) any information customarily provided by an investment bank in the preparation of a confidential information memorandum.

"**Financings**" means, collectively, the Debt Financing and the Sponsor Financing and "**Financing**" means either one of them.

"**FTC**" means the U.S. Federal Trade Commission.

"**Goodmans**" means Goodmans LLP, counsel to Onex.

"**Governmental Entity**" means: (a) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public body, authority or department, central bank, court, tribunal, arbitral or adjudicative body, commission, board, bureau, commissioner, ministry, governor-in-council, agency or instrumentality, domestic or foreign, (b) any subdivision or authority of any of the above, (c) any quasi-governmental, administrative or private body, including any tribunal, commission, committee, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange (including the TSX).

"**Holders**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations".

"**HSR Act**" means the *Hart-Scott-Rodino Antitrust Improvements Act of 1976* (United States), as amended, and the regulations promulgated thereunder.

"**HSR Approval**" means the expiration or early termination of any waiting period, and any extension thereof, applicable to the completion of the transactions contemplated by the HSR Act.

"**IFRS**" means generally accepted accounting principles as set out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards.

"**Incentive Plans**" means, collectively, the Stock Option Plan, the DSU Plan, the KEP Plan, the ESU Plan, the ESPP and the TI Plan.

"**Incentive Securities**" means, collectively, the Options, the RSUs, the PSUs and the DSUs.

"**Indebtedness**" means, with respect to any Person, without duplication: (a) all obligations of such Person for borrowed money, or with respect to deposits or advances of any kind to such Person; (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all aircraft operating leases of such Person; (d) all capitalized lease or purchase money obligations of such Person; (e) all guarantees, indemnities or financial assistance of, or in respect of, any Indebtedness of any other Person; (f) all reimbursement obligations with respect to letters of credit and letters of guarantee; and (g) all obligations in respect of bankers' acceptances.

"**Information Circular**" means the Notice of Meeting and this management information circular dated June 19, 2019, together with all appendices hereto, distributed to Securityholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time.

"**Intellectual Property**" means all domestic and foreign: (a) patents, applications for patents and reissues, re-examinations, divisionals, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (b) inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, knowhow, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (c) copyrights, copyright registrations and applications for copyright registration; (d) integrated circuit, topographies, integrated circuit topography registrations and applications, mask works, mask work registrations and applications for mask work registrations; (e) industrial designs, industrial designation registrations and applications, designs, design registrations and design registration applications; (f) trade names, business names, corporate names, domain names, website names, social media accounts, and world wide web addresses, common Law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (g) software; (h) moral rights and rights of publicity; and (i) any other intellectual property and industrial property, but excluding, for greater certainty, any nonexclusive license agreements for "off-the-shelf" software, or software licensed pursuant to "click through" or similar stock agreements, in each case, that is generally commercially available for a license fee.

"Interim Order" means the interim order of the Court pursuant to Section 193 of the ABCA in a form acceptable to the Corporation and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, modified, supplemented or varied by the Court with the consent of the Corporation and the Purchaser, each acting reasonably.

"Intermediary" means an intermediary with which a Beneficial Shareholder may engage, including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed trusts governed by RRSPs, RRIFs, RESTs (collectively as defined in the Tax Act) and similar plans, and their nominees.

"KEP Plan" means the key employee and pilot restricted share unit plan dated as of May 2010.

"Key Regulatory Approvals" means the Competition Act Clearance, the CT Act Approval, Canadian Status Determination and the Other Merger Control Approvals.

"Laurel Hill" means Laurel Hill Advisory Group, the Corporation's proxy solicitation agent.

"Law" means, with respect to any Person, any and all applicable law (statutory, common, civil or otherwise), constitution, treaty, convention, ordinance, by-law, code, rule, regulation, Order, injunction, judgment, award, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

"Letter of Transmittal" means the letter of transmittal sent to Shareholders for use in connection with the Arrangement.

"Limited Guarantee" means the limited guarantee dated May 12, 2019 between the Corporation and the Sponsors pursuant to which each Sponsor has agreed to guarantee, on a several basis and up to its Pro Rata Share of the Purchaser's obligation to pay the Reverse Termination Fee and certain other amounts, on the terms and conditions set forth therein, as amended, replaced or supplemented (including to add additional Sponsors, if applicable) in accordance therewith and in accordance with the terms of the Arrangement Agreement.

"Management" means the management of the Corporation.

"Manager" means Onex Partners Manager LP.

"March 2019 Proposal" has the meaning given to it under the heading "The Arrangement – Background to the Arrangement – Specific Events Leading to the Arrangement Agreement".

"Marketing Period" means the earlier of (a) first period of 18 consecutive Business Days following the date on which all conditions precedent to Closing for the benefit of the Purchaser (excluding conditions that, by their terms, cannot be satisfied until the Effective Time) shall have been satisfied or waived, and (b) the period of 18 Business Days ending on or prior to the third Business Day prior to the date that the Outside Date would occur, but only if all conditions precedent to Closing for the benefit of the Purchaser shall have been satisfied or waived (excluding conditions that, by their terms, cannot be satisfied until the Effective Time and the condition in Section 6.1(5) of the Arrangement Agreement, but each of which conditions are reasonably capable of being satisfied at or prior to the Effective Time), and in either case the Purchaser shall have received the Financing Information (and throughout the Marketing Period the Compliance Requirements have been satisfied; provided that if the Compliance Requirements at any time fail to be satisfied, then the Marketing Period will not be deemed to have commenced and the Marketing Period will only commence when the Compliance Requirements are satisfied); and provided further that (i) the following days shall not be considered Business Days for the purposes of this definition: July 4 and 5 and November 29, 2019 and (ii) if the Marketing Period has not ended on or prior to (A) August 16, 2019 it shall not commence prior to September 3, 2019 or (B) December 20, 2019 it shall not commence prior to January 3, 2020.

"Matching Period" means a period of at least five Business Days having elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received a copy of the proposed

definitive agreement for the Superior Proposal (if any) and all ancillary documents and materials (including financing documents, subject to customary confidentiality provisions with respect to fee letters or similar information) provided to the Corporation in connection therewith, including the cash value that the Board has, after consultation with outside financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal.

"Material Adverse Effect" means any change, event, occurrence, effect, state of facts and/or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, states of facts or circumstances, is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, liabilities or condition (financial or otherwise) of the Corporation and its Subsidiaries, taken as a whole, except for any change, event, occurrence, effect, state of facts or circumstances to the extent resulting from:

- (a) any change, event, occurrence, effect, state of facts or circumstance affecting the airline industry generally, including matters arising from the temporary suspension of service of Boeing 737 MAX aircraft announced prior to May 12, 2019;
- (b) changes, events or occurrences in general economic, political, or financial conditions in any jurisdiction in which the Corporation or its Subsidiaries operate, including changes in currency exchange rates;
- (c) any change in Law, IFRS or regulatory accounting or tax requirements, or in the interpretation, application or non-application of the foregoing by any Governmental Entity;
- (d) increases in the price of fuel (it being understood that the causes underlying such increase may, to the extent not otherwise excluded from the definition of Material Adverse Effect, be taken into account in determining whether a Material Adverse Effect has occurred);
- (e) any action taken (or omitted to be taken) by the Corporation or any of its Subsidiaries to the extent required by the Arrangement Agreement (other than pursuant to Section 4.1(1) of the Arrangement Agreement) or with the prior written consent or at the written direction of the Purchaser;
- (f) any change in the market price or trading volume of the Shares (it being understood that the causes underlying such change in market price or trading volume may, to the extent not otherwise excluded from the definition of Material Adverse Effect, be taken into account in determining whether a Material Adverse Effect has occurred);
- (g) any failure by the Corporation to meet any internal forecasts, projections or earnings guidance or expectations, or any external forecasts, projections or earnings guidance or expectations provided or publicly released by the Corporation or equity analysts, for any period (it being understood that the causes underlying such matters may, to the extent not otherwise excluded from the definition of Material Adverse Effect, be taken into account in determining whether a Material Adverse Effect has occurred);
- (h) any change or announcement of potential change in the credit ratings in respect of the Corporation or any of its Subsidiaries (it being understood that the causes underlying such change in ratings may, to the extent not otherwise excluded from the definition of Material Adverse Effect, be taken into account in determining whether a Material Adverse Effect has occurred);
- (i) any Proceeding or threatened Proceeding relating to the Arrangement Agreement or the Arrangement; or
- (j) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Corporation or any of its Subsidiaries with any Governmental Entity or any of their current or prospective employees, customers, securityholders, financing sources, vendors, distributors, suppliers or partners, in each case only to the extent resulting from the announcement of the Arrangement Agreement or the Arrangement or the implementation of the Arrangement;

but, in the case of clauses (a) through to and including (e) above, only to the extent that any such change, event, occurrence, effect, state of facts or circumstances does not have a disproportionate effect on the Corporation and its Subsidiaries, taken as a whole, relative to other entities operating in the airline industry; and references in certain sections of the Arrangement

Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a Material Adverse Effect has occurred.

"**Meeting**" means the special meeting of Shareholders and Optionholders to be held on July 23, 2019, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**Midco**" means Kestrel Midco Inc., an affiliate of the Purchaser.

"**Midco Option Plan**" means the stock option plan of Midco to be established by the board of directors of Midco on or prior to the Effective Date.

"**Midco Options**" means options to purchase Midco Shares granted pursuant to the Midco Option Plan.

"**Midco Shares**" means non-voting common shares in the capital of Midco.

"**Midco Transfer Agreement**" means the agreement to be entered into between Midco and the Purchaser pursuant to which Midco will transfer to the Purchaser the Rollover Shares acquired by Midco.

"**Minister**" means the Minister referred to in the CT Act.

"**No Action Letter**" means a written confirmation from the Commissioner that he does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement.

"**Non-Resident Dissenting Holder**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders".

"**Non-Resident Holder**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada".

"**Non-Voting Shares**" means non-voting Shares in the capital of the Corporation.

"**Norton Rose**" means Norton Rose Fulbright Canada LLP, independent legal counsel to the Special Committee.

"**Notice of Meeting**" means the notice of the special meeting of Shareholders and Optionholders which accompanies this Information Circular.

"**Notifiable Transaction**" has the meaning given to it in "The Arrangement – Approvals – Key Regulatory Approvals – Competition Act Clearance".

"**Notifications**" has the meaning given to it in "The Arrangement – Approvals – Key Regulatory Approvals – Competition Act Clearance".

"**Onex Funds**" means Onex Partners V GP LP, in its capacity as general partner of and on behalf of each of Onex Partners V LP and Onex Partners V-B LP.

"**Optionholders**" means holders of Options.

"**Options**" means the outstanding options to purchase Shares issued pursuant to the Stock Option Plan.

"**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, award, decision, sanction or ruling entered by or with any Governmental Entity.

"**Ordinary Course**" means, with respect to an action taken by the Corporation or any of its Subsidiaries, that such action is consistent in nature and scope with the past practices of the Corporation and its Subsidiaries and is taken in the ordinary course of the normal day-to-day operations of the business of the Corporation and its Subsidiaries.

"**Other Merger Control Approvals**" means the approvals under the foreign Laws designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization, restraint of trade, or lessening of competition through merger or acquisition, and which are listed on Schedule C of the Arrangement Agreement.

"**Outside Date**" means: (a) if the Minister shall have given notice under Section 53.1(4) of the CT Act, December 31, 2019; or (b) if the Minister shall not have given notice under Section 53.1(4) of the CT Act, 366 days from May 12, 2019, provided that in either case the Outside Date may be extended if the Key Regulatory Approvals have not been denied by a non-appealable decision of a Governmental Entity (i) by the Purchaser in the Purchaser's sole discretion if the Effective Date has not occurred on or prior to the Outside Date in clause (a) or clause (b), as applicable, for up to 90 days, by giving written notice to the Corporation to such effect no later than 5:00 p.m. (MDT) on the date that is not less than five days prior to the Outside Date specified under clause (a) or clause (b), as applicable, but only if the Purchaser shall have amended the Debt Commitment Letter (and provided a copy of such amendment to the Corporation) to extend the term thereof to and including the new Outside Date designated by the Purchaser in such notice, or (ii) by written agreement of the Parties.

"**Parties**" means, collectively, the Corporation and the Purchaser, and "**Party**" means any one of them.

"**Person**" includes any individual, partnership, limited partnership, association, body corporate, organization, joint venture, trust, estate, trustee, executor, administrator, legal representative, Governmental Entity, syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement, substantially in the form set out in Appendix D to this Information Circular, subject to any amendments or variations to such plan made in accordance with the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

"**Preferred Shares**" means the preferred shares in the capital of the Corporation, issuable in series, to a maximum of 56,750,000 such shares.

"**Pro Rata Share**" means, with respect to each Sponsor, the quotient obtained by dividing (a) the portion of the aggregate Sponsor Financing that such Sponsor has committed to provide in the Sponsor Commitment Letter, by (b) the aggregate Sponsor Financing contemplated by the Sponsor Commitment Letter.

"**Proceeding**" means any suit, claim, action, charge, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, examination or known investigation commenced, brought, conducted or heard by or before, any Governmental Entity.

"**Profit Share Plan**" means the employee profit sharing plan of the Corporation.

"**Proposed Amendments**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations".

"**PSUs**" means the outstanding performance share units of the Corporation granted pursuant to the ESU Plan.

"**Purchaser**" means Kestrel Bidco Inc.

"Purchaser Related Parties" means collectively, the Sponsors, the Debt Financing Sources, each affiliate of the Purchaser, the Sponsors and the Debt Financing Sources, and each of the Purchaser's, the Sponsor's and the Debt Financing Sources' respective former, current or future general or limited partners, stockholders, financing sources, managers, members, directors, officers, controlling persons, agents, or employees or other Representatives.

"Record Date" means the close of business on June 12, 2019.

"Registered Shareholder" means a registered holder of Shares as recorded in the central securities register of the Corporation.

"Registrar" means the registrar duly appointed pursuant to Section 263 of the ABCA.

"Regulatory Approvals" means those sanctions, rulings, consents, Orders, exemptions, permits, licenses and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities required in relation to the transactions contemplated by the Arrangement Agreement, including those required in connection with the Interim Order and the Final Order, but excluding the Key Regulatory Approvals.

"Representative" means, in respect of any Person, and as applicable, any officer, director, trustee, partner, employee, consultant, adviser, or agent and, in the case of the Purchaser, includes financing sources (including the Sponsors and the Debt Financing Sources) and their respective advisers.

"Resident Dissenting Holder" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders".

"Resident Holder" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada".

"Reverse Termination Fee" has the meaning given to it under the heading "The Arrangement Agreement – Termination Fees and Expenses".

"Reverse Termination Fee Event" has the meaning given to it under the heading "The Arrangement Agreement – Termination Fees and Expenses".

"Rollover Agreement" means an exchange and subscription agreement between a Rollover Securityholder and Midco, pursuant to which each Rollover Securityholder agrees to: (a) transfer Shares to Midco in consideration for Midco Shares pursuant to the Plan of Arrangement; (b) exchange Options for Midco Options, in a manner that complies with the requirements for an exchange of options under Section 7(1.4) of the Tax Act, pursuant to the Plan of Arrangement; and (c) subscribe for additional Midco Shares for cash on the Effective Date.

"Rollover Options" means Options held by a Rollover Securityholder that are to be exchanged for Midco Options pursuant to a Rollover Agreement in accordance with the Plan of Arrangement;

"Rollover Securityholder" means a holder of Shares or Options that is a party to a Rollover Agreement with Midco at the Effective Time.

"Rollover Shares" means Shares held by a Rollover Securityholder that are to be exchanged for Midco Shares pursuant to a Rollover Agreement in accordance with the Plan of Arrangement.

"RSUs" means the outstanding restricted share units of the Corporation granted pursuant to the KEP Plan, the ESU Plan or the TI Plan.

"Second Request" has the meaning given to it in "The Arrangement – Approvals – Key Regulatory Approvals – HSR Approval".

"**Securities**" means Shares and Options.

"**Securities Authorities**" means the securities commission or securities regulatory authority of each province of Canada and the TSX.

"**Securities Laws**" means the *Securities Act* (Alberta) together with all other applicable securities Laws, rules and regulations and published policies thereunder or under the securities Laws of any other province or territory of Canada as now in effect and as they may be promulgated or amended from time to time, and the rules and policies of the TSX.

"**Securityholder Approval**" means (i) at least 66 2/3 per cent of the votes cast by Shareholders and Optionholders, voting together as a single class, present in person or represented by proxy at the Meeting; and (ii) a majority of votes cast by Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting, excluding those Shareholders whose votes are required to be excluded pursuant to Section 8.1(2) of MI 61-101.

"**Securityholders**" means, collectively, the Shareholders and the Optionholders of the Corporation.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained on behalf of the Securities Authorities.

"**Service Providers**" means Corporation Employees and any current consultants, agents and independent contractors of the Corporation or any of its Subsidiaries.

"**Shareholders**" means the holders of the Shares.

"**Shares**" means, collectively, the Common Voting Shares and the Variable Voting Shares.

"**Special Committee**" means the special committee of the Board of the Corporation formed in connection with the transactions contemplated by the Arrangement Agreement.

"**Sponsor Commitment Letter**" means the commitment letter between the Purchaser and the Sponsors dated May 12, 2019, as amended, supplemented or replaced in accordance with the terms of the Arrangement Agreement and thereof, including any other commitment letter in substantially similar form entered into between the Purchaser and a Sponsor in connection with the assignment and reallocation of the Sponsor Financing in accordance with the terms of Section 4.3(5) of the Arrangement Agreement.

"**Sponsor Financing**" means the agreement of the Sponsors to (directly or indirectly) invest or cause to be invested in the Purchaser, subject to the terms and conditions of the Sponsor Commitment Letter, the amounts set forth in the Sponsor Commitment Letter, which will be used by the Purchaser for purposes of partially financing the transactions contemplated by the Arrangement Agreement.

"**Sponsors**" means the Onex Funds and any other Person (other than the Purchaser) who becomes a party to the Sponsor Commitment Letter in accordance with the terms of the Arrangement Agreement and thereof, and each of their respective successors.

"**STIP**" means the short-term incentive plan of the Corporation.

"**Stock Option Plan**" means the 2009 Stock Option Plan of the Corporation dated as of May 5, 2009.

"**Subsidiary**" has the meaning given to it in National Instrument 45-106 – *Prospectus Exemptions*, and for the purposes of the Arrangement Agreement, "control" shall include the possession, directly or indirectly, of the power to direct or cause the direction of the policies, management and affairs of any Person, whether through ownership of voting securities, by contract or otherwise, including with respect to any general partner of another Person with the power to direct the policies, management and affairs of such Person.

"Superior Proposal" means any unsolicited bona fide written Acquisition Proposal from a Person (other than the Purchaser or any of its affiliates) or group of such Persons acting jointly after the date of the Arrangement Agreement: (a) to acquire all of the outstanding Shares or all or substantially all of the Corporation Assets; (b) that did not result from a breach of Section 5.4 of the Arrangement Agreement; (c) that is not subject to a financing condition and in respect of which it has been demonstrated to the satisfaction of the Board, acting in good faith (after consultation with outside legal counsel and financial advisors), that adequate arrangements have been made in respect of any required financing to complete such Acquisition Proposal at the time and on the basis set out therein; (d) that is not subject to any due diligence and/or access condition; (e) that is reasonably capable of completion in accordance with its terms without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person making such Acquisition Proposal and its affiliates; and (f) in respect of which the Board determines in good faith, after consultation with outside legal counsel and financial advisors, and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person making such Acquisition Proposal and its affiliates that such Acquisition Proposal would, if consummated in accordance with its terms, result in a transaction that is more favourable, from a financial point of view, to Shareholders than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser pursuant to Section 5.4(2) of the Arrangement Agreement).

"Superior Proposal Notice" means a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement with respect to such Superior Proposal or to make a Change in Recommendation.

"Supplementary Information Request" has the meaning given to it in "The Arrangement – Approvals – Key Regulatory Approvals – Competition Act Clearance".

"Tax Act" means the *Income Tax Act* (Canada) and the *Income Tax Regulations* (Canada).

"Taxes" means: (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, Indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, fuel, gasoline, carbon, petroleum, airport usage, air travellers security, airline related matters, greenhouse gas, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, employment insurance, severance, social services, social security, education, utility, surtaxes, customs, unclaimed property, import or export, and all employment insurance, health insurance and government pension plan premiums or contributions; (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (a) above or this clause (b); (c) any liability for the payment of any amounts of the type described in clauses (a) or (b) above as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (d) any liability for the payment of any amounts of the type described in clauses (a) or (b) above as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

"Termination Fee" has the meaning given to it under the heading "The Arrangement Agreement – Termination Fees and Expenses".

"Termination Fee Event" has the meaning given to it under the heading "The Arrangement Agreement – Termination Fees and Expenses".

"Termination Fee Recipients" means any or all of the Sponsors, the Purchaser, the Manager and all such other persons or partnerships designated by the Manager to be Termination Fee Recipients, in such proportions as the Manager may determine.

"TI Plan" means the talent incentive plan dated July 25, 2016.

"Transaction Documents" means, collectively, the Arrangement Agreement, the Plan of Arrangement, the Limited Guarantee, the Financing Commitments, the Rollover Agreements, the Voting Agreements and any agreement or document contemplated to be delivered hereby or thereby.

"TSX" means the Toronto Stock Exchange.

"Variable Voting Shares" means the variable voting shares in the capital of the Corporation.

"Voting Agreements" means the voting support agreements dated May 12, 2019 between the Purchaser and each of the directors and Executive Officers of the Corporation.

"WestJet Forecast" has the meaning given to it in "The Arrangement – Financial Advisor Opinions – BofA Merrill Lynch Opinion".

"Willful Breach" means with respect to any representation, warranty, agreement or covenant in the Arrangement Agreement, a breach of the Arrangement Agreement that is a consequence of an act or omission by the party in breach of any representation or warranty and/or failing to perform any covenant under the Arrangement Agreement with the actual knowledge that the taking of such act or failure to act, as applicable, would, or would be reasonably expected to, cause a breach of the Arrangement Agreement.

Appendix B

Arrangement Resolution

BE IT RESOLVED THAT:

- (1) The arrangement, as may be amended, supplemented or varied (the **Arrangement**) under Section 193 of the *Business Corporations Act* (Alberta) involving WestJet Airlines Ltd. (the **Corporation**), pursuant to the arrangement agreement between the Corporation and Kestrel Bidco Inc. dated May 12, 2019, as it may be modified, supplemented or amended from time to time in accordance with its terms (the **Arrangement Agreement**), the full text of which is set out as Appendix C to the management information circular of the Corporation dated June 19, 2019 (the **Information Circular**), and all transactions contemplated thereby, are hereby authorized, approved and adopted.
- (2) The plan of arrangement, the full text of which is set out as Appendix D to the Information Circular, as it has been or may be modified, supplemented or amended in accordance with the Arrangement Agreement and its terms, involving the Corporation (the **Plan of Arrangement**), is hereby authorized, approved and adopted.
- (3) The Arrangement Agreement and all the transactions contemplated therein, the actions of the directors of the Corporation in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement and any modifications, supplements or amendments thereto are hereby ratified and approved.
- (4) Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the holders of common voting shares and variable voting shares in the capital of the Corporation (the **Shareholders**) and the holders of options (the **Optionholders** and collectively with the Shareholders, the **Securityholders**) or that the Arrangement has been approved by the Court of Queen's Bench of Alberta (the **Court**), the directors of the Corporation are hereby authorized and empowered, at their discretion, without further notice to or approval of the Securityholders: (a) to amend or modify the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms, and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and any related transactions.
- (5) The Corporation is hereby authorized to apply for a final order from the Court to approve the Arrangement in accordance with and subject to the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement.
- (6) Any officer or director of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person's opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such other document or instrument or the doing of any other such act or thing.

Appendix C

Arrangement Agreement

KESTREL BIDCO INC.

and

WESTJET AIRLINES LTD.

ARRANGEMENT AGREEMENT

May 12, 2019

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ARRANGEMENT AGREEMENT

THIS AGREEMENT is made as of May 12, 2019.

BETWEEN:

KESTREL BIDCO INC., a corporation existing under the laws of the Province of Alberta

(“**Purchaser**”)

- and -

WESTJET AIRLINES LTD., a corporation existing under the laws of the Province of Alberta

(the “**Company**”)

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings, and grammatical variations thereof shall have corresponding meanings:

“**ABCA**” means the *Business Corporations Act* (Alberta).

“**Acquisition Proposal**” means, other than the transactions contemplated by this Agreement and other than any transaction involving only the Company and/or one or more of its Subsidiaries, any offer, proposal, request or inquiry (written or oral) from any Person or group of Persons “acting jointly or in concert” (within the meaning of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*) other than the Purchaser or one or more of its Affiliates, relating to: (a) any direct or indirect sale, disposition, alliance or joint venture (other than the Delta JV) (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale) in a single transaction or a series of related transactions, of (i) 20% or more of the voting or equity securities of the Company (including securities convertible into or exercisable or exchangeable for voting or equity securities), or (ii) assets (including shares of Subsidiaries of the Company) representing 20% or more of the consolidated assets, or contributing 20% or more of the consolidated revenue, of the Company and its Subsidiaries (based on the most recent annual consolidated financial statements of the Company filed as part of the Company Filings); (b) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction, in a single transaction or a series of related transactions, that, if consummated, would result in such Person or group of Persons beneficially owning, or exercising control or direction over, 20% or more of the voting or equity securities (including securities convertible into or

exercisable or exchangeable for voting or equity securities) of the Company or of any of its Subsidiaries; (c) any arrangement, merger, amalgamation, consolidation, security exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding up, exclusive license or similar transaction, in a single transaction or a series of related transactions, involving the Company or any of its Subsidiaries whose assets or revenues constitute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of the Company and its Subsidiaries (based on the most recent annual consolidated financial statements of the Company filed as part of the Company Filings); or (d) any other similar transaction or series of transactions involving the Company or any of its Subsidiaries.

“Advance Ruling Certificate” means an advance ruling certificate issued by the Commissioner pursuant to Section 102 of the *Competition Act* in respect of the transactions contemplated by this Agreement.

“Affiliate” has the meaning given to it in National Instrument 45-106 – *Prospectus Exemptions*, provided that in no case shall “Affiliate” of the Purchaser include (a) the Sponsors or any of their respective affiliates (other than the Purchaser and any Person that would be an Affiliate of the Purchaser if the Sponsors were not Affiliates of the Purchaser) or operating or portfolio companies, investment funds, pooled investment vehicles or investee in which a Sponsor or any of its affiliates may directly or indirectly invest, or (b) any third party acting on a Sponsor’s or any of its affiliates’ behalf in connection with any investment (i) made on its behalf, including third-party investment managers with discretionary authority, or (ii) made by investment funds or other pooled investment vehicles in which they have directly or indirectly invested and that are managed by third parties.

“Agreement” means this arrangement agreement, including all schedules annexed hereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“Aircraft” means an airframe and the engines and Aircraft Parts installed thereon and all attachments, accessories, instruments, tools and parts incorporated or contained in or attached or appurtenant to the aircraft which are and shall be deemed to form part of the Aircraft.

“Aircraft Parts” means all appliances, components, parts, instruments, auxiliary power units, navigational and communications equipment, appurtenances, accessories, furnishings and other goods and equipment of whatever nature which may from time to time be incorporated or installed in or attached to an airframe or an engine.

“Arrangement” means the proposed arrangement of the Company under Section 193 of the ABCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of this Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“Arrangement Resolution” means the special resolution approving the Plan of Arrangement to be considered at the Company Meeting by the Shareholders and Company Optionholders entitled to vote thereon, substantially on the terms and in the form set out in Schedule B hereto.

“**Articles of Arrangement**” means the articles of arrangement of the Company in respect of the Arrangement required under subsection 193(10)(b) of the ABCA to be sent to the Registrar after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in form and content satisfactory to the Company and the Purchaser, each acting reasonably.

“**Authorization**” means, with respect to any Person, any order, permit, certificate, accreditation, non-objection (including a lapse, without objection, of a prescribed time period under applicable Laws), approval, consent, waiver, registration, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

“**Aviation Authorities**” means any Governmental Entity in respect of the regulation of commercial aviation, air navigation or the registration, airworthiness or operation of civil aircraft and having jurisdiction over the Company and its Subsidiaries including, Transport Canada Civil Aviation, the CTA, the Federal Aviation Authority in the United States and the United States Department of Transportation.

“**Board**” means the board of directors of the Company, as constituted from time to time.

“**Board Recommendation**” has the meaning given to it in Section 2.4(2).

“**BofA Merrill Lynch**” means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“**BofA Merrill Lynch Opinion**” means the opinion of BofA Merrill Lynch to the Board to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration to be received by the holders of Shares (other than, to the extent applicable, the Purchaser, Onex, any Rollover Securityholder or other direct or indirect investor in the Purchaser and their respective affiliates) under the Arrangement is fair, from a financial point of view, to such holders.

“**Breaching Party**” has the meaning given to it in Section 7.3(3).

“**Business Day**” means any day of the year, other than a Saturday, a Sunday or a day on which major banks are closed for business in Calgary, Alberta or Toronto, Ontario or, for purposes of the definition of Marketing Period and the date on which the Effective Date occurs, New York, New York.

“**Business Systems**” means all computer hardware and operating systems, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, peripheral devices, and all other information technology equipment and elements, Company Software, database engines and processed data, technology infrastructure and other computer systems and all associated documentation.

“**Canadian Status Determination**” means a determination by the CTA that each Subsidiary of the Company that is a CTA Licensee will continue to be a “Canadian” within the meaning of subsection 55(1) of the CT Act upon and following the closing of the transactions contemplated by this Agreement.

“**CASL**” means *An Act to Promote the Efficiency and Adaptability of the Canadian Economy by Regulating Certain Activities that Discourage Reliance on Electronic Means of Carrying out Commercial Activities, and to Amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act* (Canada).

“**Change in Recommendation**” has the meaning given to it in Section 7.2(1)(iv)(b).

“**CIBC Opinion**” means the opinion of CIBC World Markets Inc. to the effect that, as of the date of the opinion, the Consideration to be received by the Shareholders under the Arrangement is fair, from a financial point of view, to the Shareholders.

“**Collective Agreement**” means any collective bargaining agreement, letter of understanding, binding letter of intent or other written Contract with any trade union, association which may qualify as a trade union, council of trade unions, employee association, employee bargaining agent or affiliated bargaining agent, which covers or would cover any Company Employee.

“**Commissioner**” means the Commissioner of Competition appointed pursuant to Section 7 of the *Competition Act* and includes any person designated by the Commissioner to act on his behalf.

“**Commitment Letters**” means, collectively, the Debt Letters and the Sponsor Commitment Letter.

“**Common Voting Shares**” means the common voting shares in the capital of the Company.

“**Company**” has the meaning given to it in the preamble hereto.

“**Company Aircraft**” has the meaning given to it in Paragraph (42)(a) of Schedule D hereto.

“**Company Aircraft Finance Contract**” means a Contract (including mortgages and deferred or conditional sales agreements) pursuant to which the Company and/or any Subsidiary has financed, or has commitments to finance, any Aircraft or Aircraft engines.

“**Company Aircraft Purchase Contract**” means a Contract pursuant to which the Company or any Subsidiary has a binding obligation or option to purchase or lease one or more (a) Aircraft, (b) Aircraft engines, (c) flight simulators and/or (d) Aircraft Parts with a value in excess of \$10,000,000 in the aggregate.

“**Company Airport**” means any airport into or out of which any Operating Subsidiary conducts its operations.

“**Company Assets**” means all of the assets (tangible and intangible), properties (real or personal), permits, rights, interests, Contracts, registrations, licences, waivers or consents (whether contractual or otherwise) owned, leased or otherwise used or held for use by the Company or any of its Subsidiaries, including Company Leased Properties, Company Aircraft, Aircraft engines, Aircraft Parts, machinery, equipment, fixtures, furniture, furnishings, office equipment, Company Intellectual Property, Business Systems, computer hardware, Company

Data, Contracts, Authorizations, supplies, materials, vehicles, material handling equipment, implements, parts, tools, jigs, dies, moulds, patterns, tooling and spare parts and other assets.

“Company Circular” means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to each Shareholder and other Persons as required by the Interim Order and Law in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

“Company Constating Documents” means the articles and by-laws of the Company, as they may be amended from time to time.

“Company Data” means any and all information, including any Personal Information, collected or otherwise controlled by the Company or any of its Subsidiaries about the Company or its Subsidiaries’ passengers, customers, employees, independent contractors, temporary workers or any other person.

“Company Disclosure Letter” means the disclosure letter dated the date of this Agreement and delivered by the Company to the Purchaser with this Agreement.

“Company Employees” means any current director, officer or employee of the Company or any of its Subsidiaries.

“Company Expense Fee” has the meaning given to it in Section 8.2(13).

“Company Filings” means all documents publicly filed by or on behalf of the Company on SEDAR since January 1, 2017.

“Company Intellectual Property” has the meaning given to it in Paragraph (26)(a) of Schedule D hereto.

“Company Leased Properties” means the real or immovable property leased, subleased, licensed or otherwise occupied by the Company or its Subsidiaries.

“Company Leases” means, collectively, the leases, subleases, licenses, occupancy agreements, or any other agreements pursuant to which the Company or its Subsidiaries are vested with rights to use or occupy the Company Leased Properties, as amended, modified or renewed prior to the date hereof.

“Company Meeting” means the special meeting of Shareholders and Company Optionholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

“Company Optionholder” means a holder of Company Options.

“**Company Options**” means the outstanding options to purchase Shares issued pursuant to the Stock Option Plan.

“**Company Privacy Policy**” means all external or internal policies (including website and application policies) relating to the processing of Personal Information (including the collection, use, disclosure, sale, lease or transfer (including cross-border transfer) of Personal Information) by the Company and/or any of its Subsidiaries, including any policy relating to the privacy of Personal Information of Service Providers, passengers, other customers and prospective customers and any user of any website or service operated by or on behalf of the Company and/or any of its Subsidiaries.

“**Company Related Parties**” means, collectively, any Affiliate of the Company and any of the Company’s or its Affiliates’ respective former, current or future general or limited partners, financing sources, managers, members, directors, officers, employees, controlling persons, agents or other Representatives.

“**Company Securityholders**” means, collectively, the Shareholders, the Company Optionholders, the holders of RSUs, the holders of PSUs and the holders of DSUs.

“**Company Slots**” has the meaning given to it in Paragraph (43)(a) of Schedule D hereto.

“**Company Software**” means all material software and databases (including source code, object code, and all related documentation) that is owned by the Company and/or any of its Subsidiaries, and which is licensed, used and/or held for use in the operation of the business of the Company or any of its Subsidiaries (including the provision of products and services to passengers and other customers).

“**Competition Act**” means the *Competition Act* (Canada) and includes the regulations promulgated thereunder.

“**Competition Act Clearance**” means that, in connection with the transactions contemplated by this Agreement, either: (a) both (i) the applicable waiting periods under subsection 123(1) of the Competition Act shall have expired or have been waived in accordance with subsection 123(2) of the Competition Act or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act shall have been waived in accordance with paragraph 113(c) of the Competition Act, and (ii) the Commissioner shall have issued a No Action Letter; or (b) the Commissioner shall have issued an Advance Ruling Certificate under Section 102 of the Competition Act.

“**Compliance Requirements**” means, with respect to the Financing Information, that: (a) such Financing Information does not contain any untrue statement of a material fact regarding the Company and its Subsidiaries or omit to state any material fact regarding the Company and its Subsidiaries necessary to make such information not materially misleading under the circumstances; (b) the Company’s auditors have not withdrawn, or advised the Company in writing that they intend to withdraw, any audit opinion on any of the audited financial statements contained in such Financing Information; and (c) the Company has not determined to restate any financial statements included in such Financing Information or announced its intention to make any such restatement (it being understood such information will be compliant in respect of this

clause (c) if and when such restatement is completed or the Company has determined no such restatement is required).

“**Confidentiality Agreement**” means the amended and restated confidentiality agreement dated March 21, 2019 between the Company and Onex Partners Advisor LP, as amended.

“**Consideration**” means \$31.00 in cash per Share.

“**Consortia**” means those Canadian and United States fuel consortia and de-icing consortia among the Company and/or its Subsidiaries and certain other airlines, as may be in force and effect from time to time.

“**Contract**” means any written or oral agreement, commitment, engagement, contract, franchise, licence, lease (including the Company Leases), obligation, note, bond, mortgage, indenture, undertaking or joint venture to which the Company, any of its Subsidiaries is a party or by which the Company, or any of its Subsidiaries is bound or affected or to which any of their respective properties (including the Company Leased Properties) or assets is subject.

“**Corrupt Practices Legislation**” has the meaning given to it in Paragraph (38) of Schedule D hereto.

“**Court**” means the Court of Queen’s Bench of Alberta, or other court as applicable.

“**CT Act**” means the *Canada Transportation Act* (Canada), and includes the regulations promulgated thereunder.

“**CT Act Approval**” means that, in connection with the transactions contemplated by this Agreement, either (a) the Minister shall have given notice under subsection 53.1(4) of the CT Act, or (b) the Governor in Council shall have approved such transactions under subsection 53.2(7) of the CT Act.

“**CTA**” means the Canadian Transportation Agency, as continued by the CT Act.

“**CTA Licensee**” means a “licensee” as defined in section 55(1) of the CTA.

“**Data Room**” means the data rooms established by the Company to provide documents to the Purchaser and/or the Purchaser’s Representatives in connection with the Arrangement up until immediately prior to the execution of this Agreement, the indexes of documents of which are referenced in the Company Disclosure Letter.

“**Debt Commitment Letter**” means the commitment letter between the Purchaser and the Debt Financing Sources dated the date hereof, including the summaries of terms attached thereto, as amended, supplemented and/or replaced in accordance with the terms hereof.

“**Debt Fee Letter**” means the fee letter between the Purchaser and the Debt Financing Sources dated the date hereof, as amended, supplemented and/or replaced in accordance with the terms hereof.

“Debt Financing” means the financing contemplated by the Debt Letters pursuant to which the Debt Financing Sources have agreed to lend, subject to the terms and conditions of the Debt Letters, the amounts set forth in the Debt Commitment Letter, which will be used: (a) by the Purchaser for purposes of financing, directly or indirectly, the applicable portion of the aggregate Consideration for the Shares and (b) by the Purchaser and/or at the Purchaser’s option by the Company and/or its Subsidiaries for the purposes of financing, directly or indirectly, any other amounts payable to Company Securityholders in connection with the Arrangement in accordance with the terms of this Agreement; and by the Purchaser and/or the Company and/or its Subsidiaries for (among other things) the refinancing of Indebtedness of the Company and/or its Subsidiaries, and any replacement, amended, modified or alternative debt financing provided by the Debt Financing Sources upon and in accordance with the terms and conditions of this Agreement and the Debt Letters.

“Debt Financing Sources” means (a) the agents, arrangers, lenders and other Persons that have committed to provide or arrange, or otherwise entered into agreements in connection with all or any part of the Debt Financing or any other financings in connection with the transactions contemplated by this Agreement, including the parties to the Debt Commitment Letter (other than the Purchaser, the Sponsors or any of their respective Affiliates) and any related joinder agreements, credit agreements or other definitive agreements relating thereto and their respective successors and permitted assigns, upon and in accordance with the terms and conditions of this Agreement and the Debt Letters, and (b) any Affiliate of the foregoing, and their (and their respective Affiliates’) respective Representatives and their respective successors and permitted assigns, upon and in accordance with the terms and conditions of this Agreement and the Debt Letters.

“Debt Letters” means, collectively, the Debt Commitment Letter and the Debt Fee Letter.

“Delta JV” means the joint venture entered into between the Company and Delta Air Lines, Inc. pursuant to the terms of the joint venture agreement dated July 18, 2018 as it exists on the date hereof.

“Depositary” means such Person as the Company may appoint to act as depositary for the Shares in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

“Dissent Rights” means the rights of dissent exercisable by registered Shareholders in respect of the Arrangement as described in the Plan of Arrangement.

“DSU Plan” means the deferred share unit plan of the Company dated as of January 1, 2007.

“DSUs” means the outstanding deferred share units of the Company granted pursuant to the DSU Plan.

“EDC Credit Facility” means the guaranteed loan agreement dated as of March 11, 2013 among WestJet Encore Ltd., as borrower, Export Development Canada, as lender and the Company as guarantor.

“Effective Date” means the date upon which the Arrangement becomes effective.

“**Effective Time**” means the time on the Effective Date that the Arrangement becomes effective as set out in the Plan of Arrangement.

“**Employee Plans**” means all health, welfare, supplemental unemployment benefit, fringe benefit, bonus, profit sharing, savings, insurance, incentive (including the Incentive Plans), incentive compensation, deferred compensation, death benefits, termination, retention, change in control, severance, security purchase, security compensation, disability, pension or supplemental retirement plans and other employee, independent contractor, consultant or director compensation or benefit plans, policies, trusts, funds, agreements or arrangements for the benefit of Company Employees, or any other Person, whether written or unwritten, which are maintained by or binding upon the Company or any of its Subsidiaries or in respect of which the Company or any of its Subsidiaries has any actual or potential liability, but does not include (a) individual offer letters or Contracts with Company Employees (including amendments thereto) or Collective Agreements, and (b) any statutory plans administered by a Governmental Entity, including the Canada Pension Plan, Quebec Pension Plan and plans administered pursuant to applicable federal, state or provincial health, worker’s compensation or employment insurance legislation.

“**Environmental Laws**” means all Laws relating to pollution, contaminants, the protection or quality of the natural environment, the release or threatened release of any Hazardous Substances to the environment, the storage, handling, use, transportation of Hazardous Substances and, for greater clarity, includes all requirements under Canada’s Workplace Hazardous Materials Information System (WHMIS).

“**ESP Plan**” means the employee stock purchase plan of the Company dated as of June 21, 1999 as amended November 6, 2012.

“**ESU Plan**” means the executive share unit plan of the Company dated as of February 4, 2008.

“**Ex-Im Facilities**” means (i) the loan agreement, dated as of July 19, 2007, among HFLP Finance V Limited, as borrower, ING Financial Holdings Corporation, as lender, Export-Import Bank of the United States, as guarantor, and the other parties thereto, (ii) the loan agreement, dated as of July 31, 2007, among HFLP Finance V Limited, as borrower, Société Générale (Canada Branch), as lender, Export-Import Bank of the United States, as guarantor, and the other parties thereto, (iii) the loan agreement, dated as of February 14, 2012, among SKSM Finance LLC, as borrower, the Toronto-Dominion Bank, as lender and facility agent, Export-Import Bank of the United States, as guarantor, and the other parties thereto and (iv) the loan agreement, dated as of August 2, 2013, among SKSM Finance LLC, as borrower, the Toronto-Dominion Bank, as lender and facility agent, Export-Import Bank of the United States, as guarantor, and the other parties thereto.

“**Executive Officers**” means the members of executive leadership team of the Company, which is currently comprised of its President and Chief Executive Officer, Executive Vice President and Chief Strategy Officer, Executive Vice President and Chief Operating Officer, Executive Vice President and Chief Information Officer, Executive Vice President, People and Culture, Executive Vice President, Finance & Chief Financial Officer, Executive Vice President and President, Swoop and Executive Vice President and Chief Commercial Officer.

“Existing Credit Facilities” means (a) the Company’s \$400 million syndicated unsecured credit facility maturing in 2022, (b) the Company’s \$300 million syndicated unsecured non-revolving term credit facility, each as more particularly described in the Company Filings, and (c) the Company’s Aircraft financing facilities identified in the Company Disclosure Letter.

“FAA” means the U.S. Federal Aviation Administration.

“Fairly Disclosed” means that a fact, matter or circumstance has been disclosed in the Company Filings with a sufficient degree of specificity such that, when taken together with any related information in the Company Disclosure Letter (if applicable), the Purchaser could reasonably identify, and make a reasonably informed assessment of the nature and scope of, such fact, matter or circumstance.

“Final Order” means the final order of the Court pursuant to section 193 of the ABCA in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended (provided that any such amendment is acceptable to the Company and the Purchaser, each acting reasonably) on appeal.

“Financing Information” means (a) the audited consolidated statements of financial position (as at December 31, 2018 and 2017) and the related statements of earnings and cash flows for the Company for the fiscal years then ended, (b) unaudited consolidated statements of financial position and related statements of earnings of the Company for each fiscal quarter ended after December 31, 2018 and ended at least 45 days prior to the Effective Date, and (c) such other customary financial information regarding the Company and its Subsidiaries as may reasonably be requested by, and is necessary for, the Purchaser to fulfill the conditions and obligations applicable to it under the Debt Commitment Letter; provided, that the “Financing Information” shall not include (i) any financial information concerning the Company or its Subsidiaries other than the financial information required under the Debt Commitment Letter, (ii) any other information other than such information as the Company or its Subsidiaries maintain in the Ordinary Course or that is existing or reasonably available and in the possession or control of the Company or its Subsidiaries, (iii) any pro forma financial statements or any information regarding any post- Effective Time or pro forma adjustments desired to be incorporated into any information used in connection with the Financings (including any synergies or cost savings), pro forma ownership or an as-adjusted capitalization table, (iv) projections, (v) any description of all or any component of the Financings, (vi) risk factors relating to all or any component of the Financings; or (vii) any information customarily provided by an investment bank in the preparation of a confidential information memorandum.

“Financings” means, collectively, the Debt Financing and the Sponsor Financing and **“Financing”** means either one of them.

“Governmental Entity” means: (a) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public body, authority or department, central bank, court, tribunal, arbitral or adjudicative body,

commission, board, bureau, commissioner, ministry, governor-in-council, agency or instrumentality, domestic or foreign, (b) any subdivision or authority of any of the above, (c) any quasi-governmental, administrative or private body, including any tribunal, commission, committee, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange (including the TSX).

“Hazardous Substances” means any material or substance that is regulated under Environmental Laws, including any material or substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive, corrosive, flammable, leachable, oxidizing, or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and including petroleum and all derivatives thereof or synthetic substitutes therefor (including polychlorinated biphenyls).

“ICA” means the *Investment Canada Act* (Canada).

“IFRS” means generally accepted accounting principles as set out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards.

“Incentive Plans” means, collectively, the Stock Option Plan, the DSU Plan, the KEP Plan, the ESU Plan, the ESP Plan and the TI Plan.

“Incentive Securities” means, collectively, the Company Options, the RSUs, the PSUs and the DSUs.

“Indebtedness” means, with respect to any Person, without duplication: (a) all obligations of such Person for borrowed money, or with respect to deposits or advances of any kind to such Person; (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all Aircraft operating leases of such Person; (d) all capitalized lease or purchase money obligations of such Person; (e) all guarantees, indemnities or financial assistance of, or in respect of, any Indebtedness of any other Person; (f) all reimbursement obligations with respect to letters of credit and letters of guarantee; and (g) all obligations in respect of bankers’ acceptances.

“Indemnified Persons” has the meaning given to it in Section 4.8(3).

“Intellectual Property” means all domestic and foreign: (a) patents, applications for patents and reissues, re-examinations, divisionals, continuations, renewals, extensions and continuations-in-part of patents or patent applications, (b) inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, knowhow, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing, (c) copyrights, copyright registrations and applications for copyright registration, (d) integrated circuit, topographies, integrated circuit topography registrations and applications, mask works, mask work registrations and applications for mask work registrations, (e) industrial designs, industrial designation registrations and applications, designs, design registrations and design registration applications, (f) trade names, business names, corporate names, domain names, website names, social media accounts, and

world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing, (g) software, (h) moral rights and rights of publicity, and (i) any other intellectual property and industrial property, but excluding, for greater certainty, any nonexclusive license agreements for “off-the-shelf” software, or software licensed pursuant to “click through” or similar stock agreements, in each case, that is generally commercially available for a license fee.

“**Interim Order**” means the interim order of the Court pursuant to section 193 of the ABCA in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified, supplemented or varied by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“**KEP Plan**” means the key employee and pilot restricted share unit plan dated as of May, 2010.

“**Key Regulatory Approvals**” means the Competition Act Clearance, the CT Act Approval, Canadian Status Determination and the Other Merger Control Approvals.

“**Law**” means, with respect to any Person, any and all applicable law (statutory, common, civil or otherwise), constitution, treaty, convention, ordinance, by-law, code, rule, regulation, Order, injunction, judgment, award, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

“**Lien**” means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retention arrangements, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event, the rights of lessors under capital or financing leases and any other lease financing.

“**Limited Guarantee**” means the limited guarantee dated the date hereof between the Company and the Sponsors pursuant to which each Sponsor has agreed to guarantee, on a several basis and up to its Pro Rata Share of the Purchaser’s obligation to pay the Reverse Termination Fee, on the terms and conditions set forth therein, as amended, replaced or supplemented (including to add additional Sponsors, if applicable) in accordance therewith and in accordance with the terms hereof.

“**Manager**” means Onex Partners Manager LP.

“**Marketing Period**” means the earlier of (a) first period of 18 consecutive Business Days following the date on which all conditions precedent to closing for the benefit of the Purchaser (excluding conditions that, by their terms, cannot be satisfied until the Effective Time) shall have been satisfied or waived, and (b) the period of 18 Business Days ending on or prior to the third Business Day prior to the date that the Outside Date would occur, but only if all conditions precedent to closing for the benefit of the Purchaser shall have been satisfied or waived

(excluding conditions that, by their terms, cannot be satisfied until the Effective Time and the condition in Section 6.1(5), but each of which conditions are reasonably capable of being satisfied at or prior to the Effective Time), and in either case the Purchaser shall have received the Financing Information (and throughout the Marketing Period the Compliance Requirements have been satisfied; provided that if the Compliance Requirements at any time fail to be satisfied, then the Marketing Period will not be deemed to have commenced and the Marketing Period will only commence when the Compliance Requirements are satisfied); and provided further that (i) the following days shall not be considered Business Days for the purposes of this definition: July 4 and 5 and November 29, 2019 and (ii) if the Marketing Period has not ended on or prior to (a) August 16, 2019 it shall not commence prior to September 3, 2019 or (b) December 20, 2019 it shall not commence prior to January 3, 2020.

“**Matching Period**” has the meaning given to it in Section 5.4(1)(e).

“**Material Adverse Effect**” means any change, event, occurrence, effect, state of facts and/or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, states of facts or circumstances, is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, liabilities or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, except for any change, event, occurrence, effect, state of facts or circumstances to the extent resulting from:

- (a) any change, event, occurrence, effect, state of facts or circumstance affecting the airline industry generally, including matters arising from the temporary suspension of service of Boeing 737 MAX Aircraft announced prior to the date hereof;
- (b) changes, events or occurrences in general economic, political, or financial conditions in any jurisdiction in which the Company or its Subsidiaries operate, including changes in currency exchange rates;
- (c) any change in Law, IFRS or regulatory accounting or tax requirements, or in the interpretation, application or non-application of the foregoing by any Governmental Entity;
- (d) increases in the price of fuel (it being understood that the causes underlying such increase may, to the extent not otherwise excluded from the definition of Material Adverse Effect, be taken into account in determining whether a Material Adverse Effect has occurred);
- (e) any action taken (or omitted to be taken) by the Company or any of its Subsidiaries to the extent required by this Agreement (other than pursuant to Section 4.1(1)) or with the prior written consent or at the written direction of the Purchaser;
- (f) any change in the market price or trading volume of the Shares (it being understood that the causes underlying such change in market price or trading volume may, to the extent not otherwise excluded from the

definition of Material Adverse Effect, be taken into account in determining whether a Material Adverse Effect has occurred);

- (g) any failure by the Company to meet any internal forecasts, projections or earnings guidance or expectations, or any external forecasts, projections or earnings guidance or expectations provided or publicly released by the Company or equity analysts, for any period (it being understood that the causes underlying such matters may, to the extent not otherwise excluded from the definition of Material Adverse Effect, be taken into account in determining whether a Material Adverse Effect has occurred);
- (h) any change or announcement of potential change in the credit ratings in respect of the Company or any of its Subsidiaries (it being understood that the causes underlying such change in ratings may, to the extent not otherwise excluded from the definition of Material Adverse Effect, be taken into account in determining whether a Material Adverse Effect has occurred);
- (i) any Proceeding or threatened Proceeding relating to this Agreement or the Arrangement; or
- (j) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Company or any of its Subsidiaries with any Governmental Entity or any of their current or prospective employees, customers, securityholders, financing sources, vendors, distributors, suppliers or partners, in each case only to the extent resulting from the announcement of this Agreement or the Arrangement or the implementation of the Arrangement;

but, in the case of clauses (a) through to and including (e) above, only to the extent that any such change, event, occurrence, effect, state of facts or circumstances does not have a disproportionate effect on the Company and its Subsidiaries, taken as a whole, relative to other entities operating in the airline industry; and references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a Material Adverse Effect has occurred.

“Material Airport” means the Vancouver International Airport, the Calgary International Airport, the Edmonton International Airport, the Toronto Pearson International Airport, LaGuardia Airport and London Gatwick Airport.

“Material Contract” means a Contract to which the Company and/or any of its Subsidiaries is a party:

- (a) that is a Company Aircraft Finance Contract or Company Aircraft Purchase Contract;
- (b) relating to any joint venture, partnership or alliance;

- (c) that is an interline, code-share, charter, wet lease, capacity purchase, regional carrier, co-brand, frequent flyer or similar Contract that is material to the business and operations of the Company and the Subsidiaries on a consolidated basis or that is outside the Ordinary Course;
- (d) with any airport authority in relation to the operation of air services to, use of airport facilities and equipment at, or the lease or license of premises, in each case, at any Material Airport or that is otherwise material to the business and operations of the Company and its Subsidiaries on a consolidated basis or that is outside the Ordinary Course;
- (e) relating to the provision of ground baggage handling services (including terminal services, customer services, baggage handling services, ramp services, de-icing services and lounge services), agreements respecting the participation in Consortia, fuel purchase and supply, in each case that is material to the business and operations of the Company and the Subsidiaries on a consolidated basis or that is outside the Ordinary Course;
- (f) relating to Aircraft and Aircraft engine maintenance repair and overhaul services that cannot be terminated by the Company or a Subsidiary of the Company, as applicable, without penalty on 30 days' notice;
- (g) relating to the delivery of statutory services such as air navigation and transportation security, in each case that is material to the business and operations of the Company and the Subsidiaries on a consolidated basis or that is outside the Ordinary Course;
- (h) relating to the distribution and sale of tickets and other products and services with global distribution systems and third party vendors and suppliers, in each case that is material to the business and operations of the Company and the Subsidiaries on a consolidated basis or that is outside the Ordinary Course;
- (i) providing for material rights in relation to Company Slots;
- (j) relating to Indebtedness (currently outstanding or which may become outstanding) in excess of a principal outstanding amount of \$10,000,000, excluding guarantees or intercompany liabilities or obligations between two or more Persons each of whom is a Subsidiary of the Company or between the Company and one or more Persons each of whom is a Subsidiary of the Company;
- (k) under which the Company or its Subsidiaries has received payment in excess of \$10,000,000 during the fiscal year ended December 31, 2018 or

expects to receive payment in excess of \$10,000,000 during the fiscal year ending December 31, 2019;

- (l) under which the Company or its Subsidiaries has made payments in excess of \$10,000,000 during the fiscal year ended December 31, 2018 or is obligated to make payments in excess of \$10,000,000 during the fiscal year ending December 31, 2019;
- (m) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value of such property or asset exceeds \$10,000,000;
- (n) that expressly limits or restricts in any material respect, the ability of the Company or any Subsidiary to engage in any line of business or carry on business in any geographic area, creates an exclusive dealing arrangement, or grants a third party a right of first offer or refusal in respect of material assets of the Company or any of its Subsidiaries; or
- (o) providing for any Swap which is transacted outside of the Ordinary Course.

“**MI 61-101**” has the meaning given to it in Paragraph (47) of Schedule D hereto.

“**Midco**” means Kestrel Midco Inc.

“**Midco Option Plan**” means the stock option plan of Midco to be established by the board of directors of Midco on or prior to the Effective Date.

“**Midco Options**” means options to purchase Midco Shares granted pursuant to the Midco Option Plan.

“**Midco Shares**” means non-voting common shares in the capital of Midco.

“**Minister**” means the Minister referred to in the CT Act.

“**Misrepresentation**” has the meaning given to it under Securities Laws.

“**Money Laundering Laws**” has the meaning given to it in Paragraph (40) of Schedule D hereto.

“**No Action Letter**” means a written confirmation from the Commissioner that he does not, at that time, intend to make an application under section 92 of the *Competition Act* in respect of the transactions contemplated by this Agreement.

“**OHSA**” has the meaning given to it in Paragraph (31)(g) of Schedule D hereto.

“**Onex**” means Onex Corporation.

“**Onex Funds**” means Onex Partners V GP LP, in its capacity as general partner of and on behalf of each of Onex Partners V LP and Onex Partners V-B LP.

“**Operating Subsidiary**” means a Subsidiary of the Company that is engaged in the provision of air services and/or operates any Aircraft.

“**Order**” means any order, writ, judgment, injunction, decree, stipulation, determination, award, decision, sanction or ruling entered by or with any Governmental Entity.

“**Ordinary Course**” means, with respect to an action taken by the Company or any of its Subsidiaries, that such action is consistent in nature and scope with the past practices of the Company and its Subsidiaries and is taken in the ordinary course of the normal day-to-day operations of the business of the Company and its Subsidiaries.

“**Other Assets**” means the Company Assets other than Company Leased Properties, Company Aircraft, Aircraft engines, Material Contracts, Authorizations, Company Intellectual Property, Company Software, Third Party Software and the Company Slots.

“**Other Merger Control Approvals**” means the approvals under the foreign Laws designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization restraint of trade, or lessening of competition through merger or acquisition, and which are listed on Schedule C.

“**Outside Date**” means: (a) if the Minister shall have given notice under subsection 53.1(4) of the CT Act, December 31, 2019; or (b) if the Minister shall not have given notice under subsection 53.1(4) of the CT Act, 366 days from the date hereof, provided that in either case the Outside Date may be extended if the Key Regulatory Approvals have not been denied by a non-appealable decision of a Governmental Entity (i) by the Purchaser in the Purchaser’s sole discretion if the Effective Date has not occurred on or prior to the Outside Date in clause (a) or clause (b), as applicable, for up to 90 days, by giving written notice to the Company to such effect no later than 5:00 p.m. (Calgary time) on the date that is not less than five days prior to the Outside Date specified under clause (a) or clause (b), as applicable, but only if the Purchaser shall have amended the Debt Commitment Letter (and provided a copy of such amendment to the Company) to extend the term thereof to and including the new Outside Date designated by the Purchaser in such notice, or (ii) by written agreement of the Parties.

“**Parties**” means, collectively, the Company and the Purchaser, and “**Party**” means any one of them.

“**Permitted Contest**” means action taken by the Company or a Subsidiary thereof in good faith by appropriate proceedings diligently pursued to contest any Taxes, claims or Liens, provided that:

- (a) the Company has established reasonable reserves therefor in accordance with IFRS;
- (b) proceeding with such contest would not reasonably be expected to have a Material Adverse Effect; and

- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property or assets of the Company or such Subsidiary thereof.

“Permitted Dividend” means, in respect of the Shares, a dividend not in excess of \$0.14 per Share per quarter consistent with the current practice of the Company (including with respect to timing of declaration, record and payment dates).

“Permitted Liens” means, in respect of the Company or any of its Subsidiaries or any Company Assets, any one or more of the following:

- (a) Liens or deposits for Taxes which are not due or delinquent or which are the subject of a Permitted Contest;
- (b) to the extent a Lien is created thereby, the right reserved to or vested in any municipality or other Governmental Entity or any other lessor or grantor by the terms of any lease, license, franchise, grant or permit acquired by the Company or a Subsidiary thereof or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (c) to the extent a Lien is created thereby, all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;
- (d) public and statutory Liens and similar liens arising by operation of Law not yet due and delinquent;
- (e) Liens or deposits for the fees or charges of NAV Canada or any city or any other public or private board or other body or organization chartered or otherwise established for the purpose of administering, operating or managing airports or related facilities or air navigation authority arising by operation of law in the Ordinary Course for sums either (i) not delinquent for a period of more than thirty (30) days or (ii) being contested in good faith by a Permitted Contest;
- (f) any Lien securing intercompany Indebtedness owing to the Company or a Subsidiary thereof;
- (g) Liens under all existing security documents (i) in connection with the Company’s or its Subsidiaries’ Indebtedness or Swaps, in the case of Indebtedness, reflected as secured Indebtedness on the Company’s consolidated statement of financial position as at December 31, 2018 included in the Company Filings (as in effect on the date hereof), and (ii) disclosed in the Company Disclosure Letter, provided the same has been complied with in all material respects to the extent such Indebtedness is

not paid or such Swaps are not terminated, as the case may be, on the Effective Date;

- (h) Liens granted by the Company or any of its Subsidiaries in relation to the purchasing and/or leasing of Aircraft or Aircraft engines;
- (i) easements, rights of way, restrictions, restrictive covenants, servitudes and similar rights in the Company Leased Properties granted by the Company or any of its Subsidiaries, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables that, in each case, individually or collectively, do not materially adversely affect the value, marketability or use of the relevant property as it is being used at the date hereof;
- (j) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, warehousemen, carriers and others in respect of the construction, maintenance, repair, operation or storage of Company Assets;
- (k) Liens arising out of judgments or awards with respect to which an appeal or other Proceeding for review is being prosecuted;
- (l) statutory, common law or contractual liens of landlords for amounts that are not yet due and payable or are being contested in good faith by a Permitted Contest;
- (m) Liens granted by the Company or any of its Subsidiaries against furniture, leasehold improvements and equipment securing Indebtedness incurred to finance the acquisition of such furniture, leasehold improvements or equipment;
- (n) pledges, deposits and Liens under worker's compensation laws, employment insurance laws or similar legislation;
- (o) good faith deposits in connection with bids, tenders and contracts; and
- (p) the rights of any lessee and, if applicable, any guarantor under any applicable operating or capital lease of personal property, where the Company or any of its Subsidiaries is lessor under such lease;

provided each of the foregoing shall only constitute a Permitted Lien if such Lien (where and as applicable) has been complied with by the Company or its respective Subsidiary in all material respects, unless the failure of the Company or its Subsidiary to be in compliance with such Lien in all material respects would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect or is the subject of a Permitted Contest.

“**Person**” includes any individual, partnership, limited partnership, association, body corporate, organization, joint venture, trust, estate, trustee, executor, administrator, legal representative, Governmental Entity, syndicate or other entity, whether or not having legal status.

“**Personal Information**” means information defined as “personal information”, “personal data”, “personally identifiable information”, “personal health information”, “individually identifiable health information”, “protected health information” or “employee personal information” under any applicable Privacy Law.

“**Plan of Arrangement**” means the plan of arrangement, substantially in the form set out in Schedule A, subject to any amendments or variations to such plan made in accordance with this Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Pre-Acquisition Reorganization**” has the meaning given to it in Section 4.9(1).

“**Privacy Laws**” means all Laws relating to privacy or data protection, including, the *Personal Information Protection and Electronic Documents Act* (Canada) and CASL.

“**Pro Rata Share**” means, with respect to each Sponsor, the quotient obtained by dividing (a) the portion of the aggregate Sponsor Financing that such Sponsor has committed to provide in the Sponsor Commitment Letter, by (b) the aggregate Sponsor Financing contemplated by the Sponsor Commitment Letter.

“**Proceeding**” means any suit, claim, action, charge, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, examination or known investigation commenced, brought, conducted or heard by or before, any Governmental Entity.

“**PSUs**” means the outstanding performance share units of the Company granted pursuant to the ESU Plan.

“**Purchaser**” has the meaning given to it in the preamble hereto.

“**Purchaser Expense Fee**” has the meaning given to it in Section 8.2(11).

“**Purchaser Related Parties**” means collectively, the Sponsors, the Debt Financing Sources, each Affiliate of the Purchaser, the Sponsors and the Debt Financing Sources, and each of the Purchaser’s, the Sponsor’s and the Debt Financing Sources’ respective former, current or future general or limited partners, stockholders, financing sources, managers, members, directors, officers, controlling persons, agents, or employees or other Representatives.

“**Registrar**” means the registrar duly appointed pursuant to Section 263 of the ABCA.

“**Regulatory Approvals**” means those sanctions, rulings, consents, Orders, exemptions, permits, licenses and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities

required in relation to the transactions contemplated by this Agreement, including those required in connection with the Interim Order and the Final Order, but excluding the Key Regulatory Approvals.

“**Related Parties**” means, with respect to the Company, the Company Related Parties, and with respect to the Purchaser, the Purchaser Related Parties, as the case may be.

“**Representative**” means, in respect of any Person, and as applicable, any officer, director, trustee, partner, employee, consultant, adviser, or agent and, in the case of the Purchaser, includes financing sources (including the Sponsors and the Debt Financing Sources) and their respective advisers.

“**Required Approval**” has meaning given to it in Section 2.2(c).

“**Reverse Termination Fee**” has the meaning given to it in Section 8.2(7).

“**Reverse Termination Fee Event**” has the meaning given to it in Section 8.2(7).

“**Rollover Agreement**” means an exchange and subscription agreement between a Rollover Securityholder and Midco, pursuant to which each Rollover Securityholder agrees to (a) transfer Shares to Midco in consideration for Midco Shares pursuant to the Plan of Arrangement, (b) exchange Company Options for Midco Options, in a manner that complies with the requirements for an exchange of options under subsection 7(1.4) of the Tax Act, pursuant to the Plan of Arrangement, and (c) subscribe for additional Midco Shares for cash on the Effective Date.

“**Rollover Options**” means Company Options held by a Rollover Securityholder that are to be exchanged for Midco Options pursuant to a Rollover Agreement in accordance with the Plan of Arrangement;

“**Rollover Securityholder**” means a holder of Shares or Company Options that is a party to a Rollover Agreement with Midco as of the Effective Time;

“**Rollover Shares**” means Shares held by a Rollover Securityholder that are to be exchanged for Midco Shares pursuant to a Rollover Agreement in accordance with the Plan of Arrangement;

“**RSUs**” means the outstanding restricted share units of the Company granted pursuant to the KEP Plan, the ESU Plan or the TI Plan.

“**Sanctions**” has the meaning given to it in Paragraph (37) of Schedule D hereto.

“**Securities Authorities**” means the securities commission or securities regulatory authority of each province or territory of Canada and the TSX.

“**Securities Laws**” means the *Securities Act* (Alberta) together with all other applicable securities Laws, rules and regulations and published policies thereunder or under the securities laws of any other province or territory of Canada as now in effect and as they may be promulgated or amended from time to time, and the rules and policies of the TSX.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval maintained on behalf of the Securities Authorities.

“**Senior Notes**” means, collectively, the Company’s 3.287% senior unsecured notes due 2019 and 3.78% senior unsecured notes due 2021.

“**Service Providers**” means Company Employees and any current consultants, agents and independent contractors of the Company or any of its Subsidiaries.

“**Shareholders**” means the registered holders of the Shares. and, where the context permits, beneficial owners of Shares.

“**Shares**” means, collectively, the Common Voting Shares and the Variable Voting Shares.

“**Special Committee**” means the special committee of the Board of the Company formed in connection with the transactions contemplated by this Agreement.

“**Sponsor Commitment Letter**” means the commitment letter between the Purchaser and the Sponsors dated the date hereof, as amended, supplemented or replaced in accordance with the terms hereof and thereof, including any other commitment letter in substantially similar form entered into between the Purchaser and a Sponsor in connection with the assignment and reallocation of the Sponsor Financing in accordance with the terms of Section 4.3(5).

“**Sponsor Financing**” means the agreement of the Sponsors to (directly or indirectly) invest or cause to be invested in the Purchaser, subject to the terms and conditions of the Sponsor Commitment Letter, the amounts set forth in the Sponsor Commitment Letter, which will be used by the Purchaser for purposes of partially financing the transactions contemplated by this Agreement.

“**Sponsors**” means the Onex Funds and any other Person (other than the Purchaser) who becomes a party to the Sponsor Commitment Letter in accordance with the terms hereof and thereof, and each of their respective successors.

“**Stock Option Plan**” means the 2009 stock option plan of the Company dated as of May 5, 2009.

“**Subsidiary**” has the meaning given to it in National Instrument 45-106 – *Prospectus Exemptions*, and for the purposes of this Agreement, “control” shall include the possession, directly or indirectly, of the power to direct or cause the direction of the policies, management and affairs of any Person, whether through ownership of voting securities, by contract or otherwise, including with respect to any general partner of another Person with the power to direct the policies, management and affairs of such Person.

“**Superior Proposal**” means any unsolicited *bona fide* written Acquisition Proposal from a Person (other than the Purchaser or any of its Affiliates) or group of such Persons acting jointly after the date of this Agreement: (a) to acquire all of the outstanding Shares or all or substantially all of the Company Assets; (b) that did not result from a breach of Section 5.4; (c) that is not subject to a financing condition and in respect of which it has been demonstrated to the

satisfaction of the Board, acting in good faith (after consultation with outside legal counsel and financial advisors), that adequate arrangements have been made in respect of any required financing to complete such Acquisition Proposal at the time and on the basis set out therein; (d) that is not subject to any due diligence and/or access condition; (e) that is reasonably capable of completion in accordance with its terms without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person making such Acquisition Proposal and its Affiliates; and (f) in respect of which the Board determines in good faith, after consultation with outside legal counsel and financial advisors, and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person making such Acquisition Proposal and its Affiliates that such Acquisition Proposal would, if consummated in accordance with its terms, result in a transaction that is more favourable, from a financial point of view, to Shareholders than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser pursuant to Section 5.4(2)).

“**Superior Proposal Notice**” has the meaning given to it in Section 5.4(1)(c).

“**Swaps**” means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, hedge, commodity option, equity or equity index swap, equity index option, bond option, interest rate option, forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or other similar transaction (including any option with respect to any of these transactions or any combination of these transactions).

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Tax Returns**” means any and all returns (including information returns), reports, declarations, claims for refunds, elections, notices, forms, designations, filings, statements and other similar documents (whether in tangible, electronic or other form and including estimated tax returns and reports, withholding tax returns and reports, information returns and reports, and any schedules, attachments, supplements, appendices and exhibits thereto) filed or required to be filed in respect of Taxes including any amendments thereof.

“**Taxes**” means: (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, Indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, fuel, gasoline, carbon, petroleum, airport usage, air travellers security, airline related matters, greenhouse gas, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, employment insurance, severance, social services, social security, education, utility, surtaxes, customs, unclaimed property, import or export, and all employment insurance, health insurance and government pension plan premiums or contributions; (b) all interest, penalties, fines, additions to tax or other additional

amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (a) above or this clause (b); (c) any liability for the payment of any amounts of the type described in clauses (a) or (b) above as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (d) any liability for the payment of any amounts of the type described in clauses (a) or (b) above as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

“**Terminating Party**” has the meaning given to it in Section 7.3(3).

“**Termination Fee**” has the meaning given to it in Section 8.2(3).

“**Termination Fee Event**” has the meaning given to it in Section 8.2(3).

“**Termination Fee Recipients**” means any or all of the Sponsors, the Purchaser, the Manager and all such other persons or partnerships designated by the Manager to be Termination Fee Recipients, in such proportions as the Manager may determine.

“**Termination Notice**” has the meaning given to it in Section 7.3(3).

“**Third Party Software**” has the meaning given to it in Section (28)(b) of Schedule D hereto.

“**TI Plan**” means the talent incentive plan dated July 25, 2016.

“**Trade Legislation**” has the meaning given to it in Section (39) of Schedule D hereto.

“**Transaction Documents**” means, collectively, this Agreement, the Plan of Arrangement, the Limited Guarantee, the Commitment Letters, the Rollover Agreements, the Voting Agreements and any agreement or document contemplated to be delivered hereby or thereby.

“**TSX**” means the Toronto Stock Exchange.

“**Variable Voting Shares**” means the variable voting shares in the capital of the Company.

“**Voting Agreements**” means the voting support agreements dated the date hereof between the Purchaser and each of the directors and Executive Officers of the Company, substantially in the form of Schedule F hereto.

“**Willful Breach**” means with respect to any representation, warranty, agreement or covenant in this Agreement, a breach of this Agreement that is a consequence of an act or omission by the Breaching Party with the actual knowledge that the taking of such act or failure to act, as applicable, would, or would be reasonably expected to, cause a breach of this Agreement.

“**Work Order**” means a work Order, deficiency notice, Order to comply, inspector’s Order, notice of violation or non-compliance, open permit, or similar Order, notice or directive, in each case issued in written or electronic form by or on behalf of a Governmental Entity having jurisdiction with respect to any of the Company Leased Properties.

Section 1.2 Certain Rules of Interpretation

In this Agreement, unless otherwise specified:

- (1) **Headings, etc.** The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, Paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, Paragraph or Schedule, respectively, bearing that designation in this Agreement.
- (2) **Currency.** All references to dollars or to “\$” are references to Canadian dollars, unless specified otherwise. In the event that any amounts are required to be converted from a foreign currency to Canadian dollars or vice versa, such amounts shall be converted using the most recent closing exchange rate of The Bank of Canada available before the relevant calculation date.
- (3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) **Certain Phrases, etc.** The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation,” and (ii) “the aggregate of”, “the total of”, “the sum of” or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”.
- (5) **Capitalized Terms.** All capitalized terms used in any Schedule or in the Company Disclosure Letter have the meanings given to them in this Agreement.
- (6) **Knowledge.** Where any representation or warranty is expressly qualified by reference to the knowledge:
 - (a) of the Company or any of the Subsidiaries, it is deemed to refer to the actual knowledge of the Executive Officers, in each case after due and diligent inquiry (provided that required inquiries of Company Employees shall be limited to direct reports of the Executive Officers and other Company Employees who had knowledge of the transactions contemplated by this Agreement at least three days prior to the execution hereof); or
 - (b) of the Purchaser, it is deemed to refer to the actual knowledge, of each Senior Managing Director, Managing Director and Senior Principal of Onex Partners Advisor LP who has been actively engaged in the transactions contemplated by this Agreement, after due and diligent inquiry.

- (7) **Accounting Terms.** Unless otherwise stated, all accounting terms are to be interpreted in accordance with IFRS and all determinations of an accounting nature in respect of the Company required to be made shall be made in a manner consistent with IFRS.
- (8) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise; provided, that for purposes of any representations and warranties contained in this Agreement that are made as of a specific date or dates, references to any statute or other Law shall be deemed to refer to such statute or other Law, as amended, and to any rules or regulations made thereunder, in each case, as of such date.
- (9) **Business Days.** If the date on which any action is required or permitted to be taken under this Agreement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.
- (10) **Time References.** References to time are to local time in Calgary, Alberta. When computing any time period in this Agreement, the following rules shall apply:
 - (a) the day marking the commencement of the time period shall be excluded but the day of the deadline or expiry of the time period shall be included; and
 - (b) any day that is not a Business Day shall be included in the calculation of the time period; however, if the day of the deadline or expiry of the time period falls on a day which is not a Business Day, the deadline or time period shall be extended to the next following Business Day.
- (11) **Subsidiaries.** To the extent any covenants or agreements relate, directly or indirectly, to a Subsidiary of the Company, each such provision shall be construed as a covenant by the Company to cause (to the fullest extent to which it is legally capable) such Subsidiary to perform the required action.
- (12) **Consent.** If the Purchaser's consent is requested with respect to any matter with respect to this Agreement and such requested consent, together with any other modifications, amendments or express waivers or consents with respect to this Agreement, in the aggregate are materially adverse to the interests of the Debt Financing Sources, and the Debt Financing Sources condition or delay their consent to such matter, it shall not be considered unreasonable for the Purchaser to withhold, delay or condition the Purchaser's consent to such matter.
- (13) **Schedules.** The Schedules attached to this Agreement form an integral part of this Agreement.

ARTICLE 2 THE ARRANGEMENT

Section 2.1 Arrangement

The Company and the Purchaser agree to implement the Arrangement in accordance with and subject to the terms and conditions of this Agreement and the Plan of Arrangement.

Section 2.2 Interim Order

As soon as reasonably practicable after the date of this Agreement so as to permit the Company to hold the Company Meeting within the time set forth in Section 2.3(a), the Company shall apply in a manner acceptable to the Purchaser, acting reasonably, pursuant to Section 193 of the ABCA and, in cooperation with the Purchaser, prepare, file and diligently pursue an application for the Interim Order, which must provide, among other things:

- (a) for the class or classes of Persons (including the Company Securityholders) to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;
- (b) that the securities of the Company for which holders as at the record date established for the Company Meeting shall be entitled to vote on the Arrangement Resolution shall be the Shares and the Company Options;
- (c) that the requisite level of approval for the Arrangement Resolution shall be (i) two-thirds of the votes cast on such resolution by Shareholders and Company Optionholders present in person or represented by proxy at the Company Meeting, voting together as a single class, and (ii) a majority of the votes cast on such resolution by Shareholders present in person or represented by proxy at the Company Meeting, excluding for this purpose votes attached to Shares held by Persons described in items (a) through (d) of Section 8.1(2) of MI 61-101 (collectively, the “**Required Approval**”);
- (d) that, in all other respects, other than as ordered by the Court, the terms, restrictions and conditions of the Company Constating Documents, including quorum requirements and all other matters, shall apply in respect of the Company Meeting;
- (e) for the grant of the Dissent Rights to those Shareholders who are registered Shareholders as contemplated in the Plan of Arrangement;
- (f) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (g) that the Company Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement or

as otherwise agreed to by the Parties without the need for additional approval of the Court;

- (h) confirmation of the record date for the purposes of determining the Shareholders entitled to receive notice of and to vote at the Company Meeting in accordance with the Interim Order;
- (i) that the record date for Shareholders and Company Optionholders entitled to notice of and to vote at the Company Meeting will not change in respect of any adjournment or postponement of the Company Meeting, unless required by Law or the Court; and
- (j) for such other matters as the Purchaser or the Company may reasonably require, subject to obtaining the prior consent of the other, such consent not to be unreasonably withheld or delayed, and subject to approval by the Court.

Section 2.3 The Company Meeting

Subject to the receipt of the Interim Order, the terms and conditions thereof and the terms of this Agreement, the Company shall:

- (a) convene and conduct the Company Meeting in accordance with the Interim Order, the Company Constatting Documents and applicable Law on or before July 26, 2019 and the Company shall not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Company Meeting without the prior written consent of the Purchaser, except:
 - (i) as required or permitted under Section 5.4(5) or Section 7.3(3);
 - (ii) as required for quorum purposes (in which case the Company Meeting shall be adjourned or postponed and not cancelled);
 - (iii) as required by Law or by a Governmental Entity; or
 - (iv) as Ordered by the Court, but only if such Order was not solicited, supported or encouraged by the Company, its Subsidiaries or any of their respective Representatives.
- (b) except as otherwise expressly contemplated or permitted by this Agreement, the Company shall not propose or submit for consideration at the Company Meeting any business other than the Arrangement without the Purchaser's prior written consent;
- (c) notwithstanding the receipt by the Company of a Superior Proposal, unless this Agreement is terminated in accordance with its terms, the Company shall continue to take all steps reasonably necessary to hold the

Company Meeting and to cause the Arrangement Resolution to be voted on at such Company Meeting, and shall not propose to adjourn or postpone such meeting other than as contemplated by Section 2.3(a);

- (d) unless the Board has made a Change in Recommendation in accordance with the Section 5.4(1), use its commercially reasonable efforts to solicit proxies in favour of the approval of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, if so requested by the Purchaser, using proxy solicitation services firms and cooperating with any Persons engaged by the Purchaser to solicit proxies in favour of the approval of the Arrangement Resolution;
- (e) permit the Purchaser to, at the Purchaser's expense, directly or through a proxy solicitation services firm, actively solicit proxies in favour of the Arrangement on behalf of management of the Company in compliance with applicable Law, and disclose in the Company Circular that the Purchaser may make such solicitations;
- (f) provide the Purchaser with copies of or access to information regarding the Company Meeting generated by the Company's transfer agent or any proxy solicitation services firm retained by the Company, as requested from time to time by the Purchaser;
- (g) consult with the Purchaser in fixing the date of the Company Meeting and the record date for the Company Meeting, and give notice to the Purchaser of the Company Meeting and allow the Purchaser's Representatives and legal counsel to attend the Company Meeting;
- (h) promptly advise the Purchaser, at such times as the Purchaser may reasonably request and at least on a daily basis on each of the last 10 Business Days prior to the date of the Company Meeting, as to the aggregate tally of the proxies received by the Company in respect of the Arrangement Resolution;
- (i) promptly advise the Purchaser of any communication (written or oral) received from, or claims brought by (or, to the knowledge of the Company, threatened to be brought by), any Person in opposition to the Arrangement (other than non-substantive communications) and/or any purported exercise or withdrawal of Dissent Rights by Shareholders and, subject to Law, provide the Purchaser with an opportunity to review and comment upon any written communications sent by or on behalf of the Company to any such Person and to participate in any discussions, negotiations or Proceedings with or including any such Persons;

- (j) not settle, compromise or make any payment with respect to, or agree to settle, compromise or make any payment with respect to, any exercise or purported exercise of Dissent Rights without the prior written consent of the Purchaser; and
- (k) not, without the Purchaser's prior written consent, change the record date for the Shareholders and Company Optionholders entitled to receive notice of and to vote at the Company Meeting (including in connection with any adjournment or postponement of the Company Meeting) unless required by Law.

Section 2.4 The Company Circular

- (1) Subject to compliance by the Purchaser with Section 2.4(4), the Company shall as promptly as reasonably practicable prepare and complete, in consultation with the Purchaser, the Company Circular, together with any other documents required by Law in connection with the Company Meeting and the Arrangement, and the Company shall, promptly after obtaining the Interim Order, cause the Company Circular and such other documents to be filed with the applicable Securities Authorities and sent to each Shareholder and other Persons as required by the Interim Order and applicable Law (including all holders of Incentive Securities), in each case using all commercially reasonable efforts so as to permit the Company Meeting to be held by the date specified in Section 2.3(a).
- (2) On the mailing date of the Company Circular, the Company shall ensure that the Company Circular complies, in all material respects with the Interim Order and applicable Law, does not contain any Misrepresentation (other than with respect to any information relating to the Purchaser, the Purchaser Related Parties and the Financings to the extent furnished or approved by or on behalf of the Purchaser or its Representatives for inclusion in the Company Circular) and provides the Shareholders with sufficient information to permit them to form a reasoned judgement concerning the matters to be placed before the Company Meeting. Without limiting the generality of the foregoing, the Company Circular shall include: (a) a statement that the Special Committee unanimously recommended that the Board approve the Arrangement; (b) a statement that the Board, after receiving the unanimous recommendation of the Special Committee and consulting with outside legal counsel and financial advisors in evaluating the Arrangement, has determined that the Arrangement is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of the Arrangement Resolution (the "**Board Recommendation**"); (c) a copy of the Interim Order; (d) copies of the CIBC Opinion and the BofA Merrill Lynch Opinion; and (e) a statement that each director and Executive Officer of the Company has agreed to vote all of such individual's Shares in favour of the Arrangement Resolution in accordance with the Voting Agreements.
- (3) The Company shall allow the Purchaser and its legal counsel a reasonable opportunity to review and comment on drafts of the Company Circular and other related documents, and shall give reasonable consideration to any comments made by the Purchaser and its legal counsel, provided that all information relating solely to the Purchaser, the Sponsors and

the Financings included in the Company Circular shall be in a form and substance satisfactory to the Purchaser.

- (4) The Purchaser shall provide to the Company, in writing, all information concerning the Purchaser, the Purchaser Related Parties and the Financings, that is required by Law to be included in the Company Circular or other related documents, and shall ensure that such information does not contain, any Misrepresentation.
- (5) The Company and the Purchaser shall promptly notify each other if any of them becomes aware that the Company Circular contains a Misrepresentation or otherwise requires an amendment or supplement. The Parties shall cooperate in the preparation of any such amendment or supplement as required or appropriate, and the Company shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to those Persons to whom the Company Circular was sent pursuant to Section 2.4(1) and, if required by the Court or by applicable Law, file the same with the Securities Authorities or any other Governmental Entity as required.

Section 2.5 Final Order

If the Interim Order is obtained and the Required Approval is obtained at the Company Meeting, the Company shall, as soon as reasonably practicable (but in any event within three Business Days) thereafter, take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Section 193 of the ABCA.

Section 2.6 Court Proceedings

In connection with all Proceedings relating to obtaining the Interim Order and the Final Order, subject to the terms of this Agreement, the Company shall diligently pursue, and cooperate with the Purchaser in diligently pursuing, the Interim Order and the Final Order. The Purchaser will cooperate with and assist the Company in pursuing the Interim Order and the Final Order, including by providing the Company on a timely basis with any information required to be supplied by the Purchaser in connection therewith. The Company will provide the Purchaser and its legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement (including by providing, on a timely basis and prior to the service and filing of such material, a description of any information required to be supplied by the Purchaser for inclusion in such material) and the Company will give reasonable consideration to all such comments, provided that all information relating to the Purchaser, the Sponsors and the Financings included in such materials shall be in a form and substance satisfactory to the Purchaser, acting reasonably. The Company will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, the Company will not object to legal counsel of the Purchaser making such submissions on the application for the Interim Order and the application for the Final Order as such counsel considers appropriate, acting reasonably, provided that such submissions are consistent in all material respects with this Agreement and the Plan of Arrangement. The Company will also provide the Purchaser's legal counsel, on a timely basis, with copies of any notice and evidence served on the Company or its legal counsel in respect of the application for the Final Order or

any appeal therefrom, and any notice, written or oral, indicating the intention of any Person to appeal, or oppose the granting of, the Interim Order or Final Order. Subject to applicable Law, the Company will not file any material with, or make any submissions to, the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated by this Section 2.6 or with the Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require the Purchaser to agree or consent to any increase in the Consideration or other modification or amendment that expands or increases the Purchaser's obligations, or diminishes or limits the Purchaser's rights, set forth in any such filed or served materials or under this Agreement or the Arrangement. The Company will use commercially reasonable efforts to oppose any proposal from any Person that the Final Order contain any provision inconsistent with this Agreement, and, if at any time after the issuance of the Final Order and prior to the Effective Date, the Company is required by the terms of the Final Order or by applicable Law to return to Court with respect to the Final Order, it shall do so only after notice to, and in consultation and cooperation with, the Purchaser.

Section 2.7 Incentive Plan Matters

- (1) The Board shall exercise its discretion under each of the Incentive Plans (to the extent permitted thereunder) to accelerate the vesting of all Incentive Securities issued thereunder effective at or prior to the Effective Time. The Company shall take all reasonable steps as may be necessary or desirable to facilitate the exchange, surrender, settlement, termination and/or cancellation of all outstanding Incentive Securities (whether then vested or unvested) in accordance with the terms of the Plan of Arrangement and the applicable Incentive Plan. The Parties acknowledge the Incentive Securities shall be dealt with in the manner set forth in Section 2.3 of the Plan of Arrangement.
- (2) If and to the extent that a Company Optionholder would be entitled to a deduction under paragraph 110(1)(d) of the Tax Act in respect of his or her surrender of Company Options to the Company in accordance with the Plan of Arrangement if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such surrender, the Purchaser shall cause the Company to make and file such election (and such other procedures to be so undertaken in connection therewith). This Section 2.7(2) shall survive the Effective Date and is intended to be for the benefit of, and will be enforceable by, those Company Optionholders to whom this Section 2.7(2) applies and their respective heirs, executors, administrators and personal representatives and will be binding on the Purchaser, the Company and its successors and assigns.

Section 2.8 Articles of Arrangement and Effective Date

- (1) The Articles of Arrangement shall include and implement the Plan of Arrangement.
- (2) The Company shall file the Articles of Arrangement with the Registrar no later than, and the Arrangement shall become effective on, the date upon which the Company and the Purchaser agree in writing as the Effective Date or, in the absence of such agreement, the

fifth Business Day following the satisfaction or, where not prohibited by applicable Law, the waiver by the applicable Party or Parties for whose benefit a condition exists, of the conditions set out in Article 6 (excluding conditions that, by their terms, cannot be satisfied until the Effective Time, but subject to the satisfaction or, where not prohibited by applicable Law, waiver by the applicable Party or Parties for whose benefit such conditions exist, of those conditions as of the Effective Time); provided that if the Marketing Period has not ended on the date of the satisfaction or waiver of the conditions set out in Article 6 (excluding conditions that, by their terms, cannot be satisfied until the Effective Time, but subject to the satisfaction or, where not prohibited, waiver by the applicable Party or Parties for whose benefit such conditions exist, of those conditions as of the Effective Time), then the Effective Date will take place instead on the earliest of (a) any Business Day during the Marketing Period as may be specified by the Purchaser on not less than three Business Days' prior written notice to the Company, (b) the next Business Day after the final day of the Marketing Period, and (c) such other date as the Purchaser and the Company may agree in writing, but subject in each case to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties for whose benefit a condition exists, of all of the conditions set out in Article 6.

- (3) The Arrangement shall be effective at the Effective Time on the Effective Date and will have all of the effects provided by applicable Law.
- (4) The closing of the Arrangement will take place at the offices of Blake, Cassels & Graydon LLP in Calgary, Alberta or at such other location as may be agreed upon by the Parties.

Section 2.9 Payment of Consideration

The Purchaser shall, following receipt of the Final Order but prior to the Effective Time, provide, or cause to be provided to the Depository (i) sufficient funds to be held in escrow (the terms and conditions of such escrow to be satisfactory to the Company and the Purchaser, each acting reasonably) to satisfy the aggregate Consideration payable to the Shareholders, and (ii) to the extent requested by the Purchaser or to the extent the Company and its Subsidiaries do not have sufficient cash on hand to pay such amount, sufficient funds (the terms and conditions of such escrow to be satisfactory to the Company and the Purchaser, each acting reasonably) to satisfy the aggregate amount payable in cash to holders of Company Options (other than Rollover Options), DSUs, RSUs and PSUs in consideration for the cancellation of such outstanding Company Options (other than Rollover Options), DSUs, RSUs and PSUs as provided for in the Plan of Arrangement, such amounts to be provided in the form of a loan or equity contribution to the Company and/or its Subsidiaries by the Purchaser and/or an advance to the Company and/or its Subsidiaries by the Debt Financing Sources under the Debt Financing, as the Purchaser may in its discretion determine, and the Company and/or its Subsidiaries shall use such funds to make such payments in accordance with the Plan of Arrangement.

Section 2.10 Withholdings

The Company, the Purchaser, the Depository and any other Person shall be entitled to deduct or withhold from any amount payable to any Person under the Plan of Arrangement or any amount

contemplated herein (including any amounts payable pursuant to Section 3.1 thereof), such amounts as the Company, the Purchaser, the Depositary or such other Person, as applicable, determines, acting reasonably, are required to be deducted or withheld with respect to such payment under the Tax Act or any provision of any other Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes under this Agreement as having been paid to the Person in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity.

Section 2.11 Voting Agreements

The Company has, concurrently with the signing of this Agreement, delivered to the Purchaser Voting Agreements which have been executed and delivered by each of the directors and Executive Officers of the Company.

Section 2.12 List of Company Securityholders

At the reasonable request of the Purchaser from time to time, the Company shall, as soon as reasonably practicable, provide the Purchaser with a list (in both written and electronic form) of (a) the registered Shareholders and other Company Securityholders, together with their addresses and respective holdings of Shares or other securities, (b) the names and addresses and holdings of all Persons having rights issued by the Company to acquire Shares (including Company Optionholders), and (c) a list of the non-objecting beneficial owners of Shares, together with their addresses and respective holdings of Shares, all as of a date that is as close as reasonably practicable to the date of delivery of such lists. The Company shall from time to time require that its registrar and transfer agent furnish the Purchaser with such additional information, including updated or additional lists of Shareholders and other Company Securityholders and lists of holdings and other assistance as the Purchaser may reasonably request.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Company

- (1) Except as set forth in the Company Disclosure Letter (it being expressly understood and agreed that the disclosure of any fact or item in any section of the Company Disclosure Letter shall be deemed to be an exception to (or, as applicable, disclosure for the purposes of) any other representation or warranty of the Company in this Agreement to which the relevance of such fact or item is reasonably apparent on its face) or Fairly Disclosed in the Company Filings (other than any disclosures contained under the captions “Risk Factors” or “Forward Looking Information” and any other disclosures contained in such documents that are predictive, cautionary or forward-looking in nature), the Company represents and warrants to the Purchaser as set forth in Schedule D, and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement.
- (2) The Purchaser agrees and acknowledges that, except as expressly set forth in this Agreement, neither the Company nor any other Person has made or makes any other

representation and warranty (written or oral, express or implied, or at Law or in equity) with respect to the Company, its Affiliates, their respective businesses, the past, current or future financial condition or any of their assets, liabilities or operations, their past, current or future profitability or performance, individually or in the aggregate, the accuracy or completeness of any information furnished or made available to the Purchaser (or any officer, director, employee, Representative (including any financial or other advisor) or agent of the Purchaser) or any other Person in connection with the transactions contemplated hereby, and any such other representations or warranties are expressly disclaimed.

- (3) The representations and warranties of the Company contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated at the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

Section 3.2 Representations and Warranties of the Purchaser

- (1) The Purchaser represents and warrants to the Company as set forth in Schedule E and acknowledge and agree that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement.
- (2) The Company agrees and acknowledges that, except as expressly set forth in this Agreement, neither the Purchaser nor any other Person has made or makes any other representation and warranty (written or oral, express or implied, or at Law or in equity) on behalf of the Purchaser.
- (3) The representations and warranties of the Purchaser contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated at the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

ARTICLE 4 COVENANTS

Section 4.1 Conduct of Business of the Company

- (1) The Company covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except (a) with the prior written consent of the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), (b) as required by this Agreement, (c) as required by applicable Law, (d) in order to take commercially reasonable steps to respond to emergency-type occurrences involving life, health, personal safety or the protection of property, or (e) as provided in the Company Disclosure Letter, the Company shall, and shall cause each of its Subsidiaries to (i) conduct their business in the Ordinary Course and in accordance with all applicable Laws, (ii) use commercially reasonable efforts to maintain and preserve, in the Ordinary Course, its and its Subsidiaries' respective business organization, operations, assets, properties, Authorizations, Intellectual Property, goodwill and relationships with all

Service Providers, Governmental Entities (including Aviation Authorities), landlords, creditors, suppliers, licensors, licensees, unions, employees (as a group), passengers (as a group) and other customers, travel agents (as a group), strategic or alliance partners and other Persons, in each case with whom the Company or any of its Subsidiaries have material business relations, and (iii) use commercially reasonable efforts to manage the Company's quarterly level of net indebtedness in the Ordinary Course. Notwithstanding the foregoing provisions of this Section 4.2(1), (A) the Company shall not, and shall not permit its Subsidiaries to, take any action prohibited by Section 4.1(2) in order to satisfy its obligations under this Section 4.2(1), and (B) the Company shall not be deemed to have failed to satisfy its obligations under this Section 4.1(1) to the extent such failure resulted, directly or indirectly, from such party's failure to take any action prohibited by Section 4.1(2).

- (2) Without limiting the Company's obligations under Section 4.1(1), the Company covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except (i) with the prior written consent of the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), (ii) as expressly required by this Agreement, (iii) as required by applicable Law, or (iv) as set forth in Section 4.1(2) of the Company Disclosure Letter, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
- (a) amend, restate, rescind, alter, enact or adopt all or any portion of any of the Company Constating Documents or the articles, notice of articles, articles of incorporation, articles of amalgamation, articles of continuance, by-laws, partnership agreement or other organizational documents of any Subsidiary of the Company;
 - (b) adjust, split, combine or reclassify any of its securities;
 - (c) adopt a plan of complete or partial liquidation, arrangement, dissolution, merger, consolidation, restructuring, recapitalization, winding-up or other reorganization of the Company or any of its Subsidiaries (other than this Agreement and the transactions contemplated by this Agreement), or file a petition in bankruptcy under any applicable Law on behalf of the Company or any of its Subsidiaries, or consent to the filing of any bankruptcy petition against the Company or any of its Subsidiaries under any applicable Law;
 - (d) enter into any new line of business or discontinue any existing line of business;
 - (e) issue, grant, deliver, sell, exchange, amend, modify, accelerate, pledge or otherwise subject to any Lien (other than Permitted Liens) (i) any securities of the Company or any of its Subsidiaries, (ii) options or other rights to acquire, or exercisable or exchangeable for, or convertible into, any securities of the Company or any of its Subsidiaries (including

Incentive Securities), or (iii) any rights that are linked in any way to the price of any shares of, or to the value of or of any part of, or to any dividends or distributions paid on any shares of, the Company or any of its Subsidiaries (including Incentive Securities), in each case other than (A) the issuance of Shares issuable upon the exercise, vesting or redemption, as applicable, of Incentive Securities outstanding on the date hereof in accordance with the terms of the applicable Incentive Plan, or granted after the date hereof in accordance with the terms of this Agreement, (B) grants of Incentive Securities in accordance with Section 4.1(2)(e) of the Company Disclosure Letter, or (C) the issuance of Common Voting Shares or Variable Voting Shares upon the automatic conversion of either class of shares into the other, in accordance with the Company Constating Documents;

- (f) make, declare, set aside or pay any dividend, other than a Permitted Dividend, or any other distribution (in cash, securities or other property) on, or purchase, redeem, repurchase or otherwise acquire, any class of securities of the Company or any of its Subsidiaries other than interest payments made on the Senior Notes in accordance with their terms (and, in the case of the Company's 3.287% senior unsecured notes due 2019, payments of principal thereof upon maturity);
- (g) invest or acquire an interest in (by amalgamation, merger, consolidation, exchange, purchase of securities, contributions to capital or purchase, lease or license of assets or otherwise) any Person, or any property or asset, or make any capital expenditures, in each case other than (i) acquisitions of Aircraft Parts, inventory, equipment raw materials, goods and other supplies in the Ordinary Course (other than Aircraft, Aircraft engines and flight simulators) and that do not exceed \$10,000,000 in the aggregate, (ii) the purchase or lease of Aircraft, Aircraft engines and Aircraft Parts pursuant to firm commitments (as of the date hereof) under Material Contracts listed on Section D(21) of the Company Disclosure Letter, (iii) capital expenditures disclosed in the capital plans for 2019 and 2020 set forth in Section 4.1(2)(g) of the Company Disclosure Letter (provided that the Company shall be permitted to reallocate all or any portion of any capital expenditures set forth in its 2019 capital plan to its 2020 capital plan), (iv) short-term investments of cash in marketable securities in the Ordinary Course, and (v) expenditures reasonably required to respond to emergency-type occurrences involving life, health, personal safety or the protection of property;
- (h) sell, pledge, licence, lease, swap, transfer or voluntarily lose the right to use, in whole or in part, or otherwise dispose of, or subject to any Lien (other than Permitted Liens), any Company Asset (including the right to use any gates or bridges at any Company Airport) or any interest in any Company Asset, or waive, cancel, release or assign to any Person (other than the Company and its Subsidiaries) any material right or claim

(including Indebtedness owed to the Company and its Subsidiaries), except for (i) Company Assets (other than Aircraft and flight simulators) sold, leased or otherwise transferred in the Ordinary Course and that are not, individually or in the aggregate, material to the Company and its Subsidiaries, (ii) obsolete, damaged or destroyed assets in the Ordinary Course, (iii) returns of leased assets, including Aircraft and Aircraft engines, at the end of the lease term, (iv) transfers of assets between one or more of the Company and its wholly-owned Subsidiaries, (v) non-exclusive grants of licenses in Intellectual Property, (vi) as expressly required pursuant to the terms of any Material Contract in effect on the date of this Agreement, and (vii) sales or other dispositions of Company Assets in the Ordinary Course not in excess of \$200,000,000 in the aggregate;

- (i) make any loan or similar advance to any other Person (other than the Company or a Subsidiary and other than accounts payable to trade creditors and accrued liabilities in the Ordinary Course);
- (j) (i) prepay any Indebtedness before its scheduled maturity, other than (A) repayments under the Existing Credit Facilities not otherwise restricted by this Agreement, (B) as required to satisfy the conditions precedent to the Debt Financing, or (C) as required by Section 4.6(5), or (ii) terminate any Swaps (other than on the expiry thereof);
- (k) incur or guarantee any Indebtedness, except for Indebtedness incurred to fund (i) operating costs incurred in the Ordinary Course and not otherwise restricted pursuant to this Section 4.1, (ii) capital expenditures permitted pursuant to Section 4.1(2)(g), or (iii) as expressly required pursuant to the terms of any Material Contract in effect on the date of this Agreement and listed on Section D(21) of the Company Disclosure Letter;
- (l) except as may be required by applicable Law, or the terms of any Employee Plan or Collective Agreement existing on the date hereof or adopted or entered into after the date hereof in accordance with the terms of this Agreement: (i) increase compensation or other benefits payable or to become payable to any Service Provider other than increases in the Ordinary Course that are not material in the aggregate, (ii) grant or increase any severance, change of control, termination or similar compensation or benefits payable to any Service Provider, or establish, adopt, enter into or amend any bonus, profit sharing, thrift, pension, retirement, deferred compensation, termination or severance plan, agreement, trust, fund, policy or other benefit arrangement as to any Service Provider, in an amount that is material in the aggregate, (iii) hire or engage any Company Employee or promote any existing Company Employee, other than (A) Company Employees (other than at the Executive Officer or vice-presidents level) in the Ordinary Course on terms consistent with similarly situated Company Employees, and (B)

Company Employees at the Executive Officer or vice-presidents level, hired or promoted in the Ordinary Course, after reasonable consultation with the Purchaser, (iv) make any changes to the terms and conditions of employment applicable to any group of Company Employees, as reflected in work rules, employee handbooks, policies and procedures, or otherwise, (v) establish, adopt, enter into, amend or terminate any Employee Plan (or any plan, Contract, program, policy, trust, fund or other arrangement that would be an Employee Plan if it were in existence as of the date hereof), or increase or accelerate the timing of any funding obligation, funding contribution or payment of any compensation or benefits under any Employee Plan, other than commercially reasonable amendments to targets under any Incentive Plan in the Ordinary Course, after reasonable consultation with the Purchaser, or (vi) materially reduce the Company's or any of its Subsidiaries' work force;

- (m) knowingly take any action or fail to take any action that would reasonably be expected to result in a breach or violation of the obligations of the Company or any of its Subsidiaries under any Collective Agreement;
- (n) except as contemplated in Section 4.8, amend, modify or terminate, cancel or let lapse, any material insurance (or re-insurance) policy of the Company or any Subsidiary, unless, simultaneously with any termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums (other than increases reflecting changing market rates) are in full force and effect, and provided that no such termination, cancellation or lapse causes the Company or such Subsidiary to be in material default of any Material Contract or material Authorization to which it is a party or by which it is bound;
- (o) other than in the Ordinary Course amend any existing material Authorization of the Company or any of its Subsidiaries, or abandon or fail to diligently pursue any application for any required material Authorization, or take or omit to take any action that would reasonably be expected to lead to the termination of, or imposition of conditions on, any such material Authorization of the Company or any of its Subsidiaries or such required material Authorization;
- (p) settle or compromise any Proceeding or threatened Proceeding, in each case other than settlements or compromises in the Ordinary Course that involve only: (i) the payment of monetary damages (net of any payments or proceeds received through insurance) not in excess of \$4,000,000 individually or \$15,000,000 in the aggregate, or (ii) the payment of immaterial non-monetary compensation, in each case without any admission of wrongdoing by the Company or any of its Subsidiaries, or

the imposition of any material restrictions (including through the granting of equitable relief) on the business and operations of the Company or any of its Subsidiaries;

- (q) enter into, amend, or modify in any material respect, or terminate or cancel, or waive or fail to exercise any material rights under, any Material Contract, or enter into any Contract that would be a Material Contract if in effect on the date hereof, in each case other than: (i) immaterial amendments in the Ordinary Course, (ii) Contracts with suppliers of services or goods (other than Aircraft or Aircraft engines), corporate and trade incentive sales Contracts, in each case entered into in the Ordinary Course, or (iii) a failure to exercise an option to purchase Aircraft, Aircraft engines or Aircraft Parts that the Company is permitted to acquire pursuant to this Section 4.1(2)(g);
- (r) except as permitted by Section 4.1(4), enter into, amend, or modify in any material respect, or terminate or cancel any Collective Agreement, or enter into any Contract that would be a Collective Agreement if in effect on the date hereof;
- (s) enter into any Contract with any Executive Officer, vice president or director of the Company or any of its Subsidiaries or any of their immediate family members (including spouses), other than (i) expense reimbursements and advances in the Ordinary Course, or (ii) employment contracts with Company Employees hired in accordance with Section 4.1(2)(l).
- (t) make any change in the Company's tax accounting or financial accounting policies, practices, principles, methods or procedures, except as required by applicable Law or as required or permitted by IFRS;
- (u) except as required by applicable Law: (i) make, change or rescind any material Tax election, information schedule, return or designation, (ii) settle or compromise any material Tax claim, assessment, reassessment, liability, Proceeding or controversy, (iii) file any materially amended Tax Return, (iv) enter into any material agreement with a Governmental Entity with respect to Taxes, (v) enter into or change any material Tax sharing, Tax advance pricing agreement, Tax allocation or Tax indemnification agreement that is binding on the Company or its Subsidiaries, (vi) surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, (vii) consent to the extension or waiver of the limitation period applicable to any material Tax matter, or (viii) make a request for a material Tax ruling to any Governmental Entity or (ix) materially amend or change any of its methods for reporting income, deductions or accounting for income Tax purposes;

- (v) take any action that would, or would reasonably be expected to, materially delay or impede the consummation of the Arrangement, or the satisfaction of any of the conditions set forth in Article 6; or
 - (w) authorize, agree, offer, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.
- (3) Nothing contained in this Agreement will give the Purchaser, directly or indirectly, the right to direct or control the Company or its Subsidiaries' business and operations prior to the Effective Date. Prior to the Effective Date, the Company will exercise, consistent with the terms of this Agreement, complete control and supervision over its and its Subsidiaries' business and operations. Nothing in this Agreement, including any of the restrictions set forth herein, will be interpreted in such a way as to place any Party in violation of applicable Law.
- (4) Notwithstanding anything to the contrary in this Agreement, the Company and its Subsidiaries shall be permitted to negotiate, enter into, amend, modify, terminate, cancel, finalize and/or implement the terms of any Collective Agreement to the extent required by: (i) collective bargaining commitments already made to any trade union or employee association in connection with any negotiations that are disclosed in Section 4.1(4) of the Company Disclosure Letter; (ii) any requirements or obligations under applicable Law, including, without limitation, the Company's obligations of good faith bargaining under applicable Law; and/or (iii) the Company's obligations under any applicable Order or in respect of any applicable Proceeding; provided that, subject to applicable Law, the Company agrees to reasonably consult with the Purchaser in respect of (a) material actions or decisions to be taken by the Company pursuant to this Section 4.1(4) beyond the mandate approved by the Board prior to the date hereof (all material terms of which are set forth in Section 4.1(4) of the Company Disclosure Letter), or (b) any material amendment to or modification of a Collective Agreement, and will consider in good faith the Purchaser's opinions with respect to all such material actions, decisions, amendments or modifications.
- (5) Without limiting Section 4.1(2), the Company covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, the Company and its Subsidiaries shall, not less than 30 Business Days prior to the expiration of any option to purchase or lease an Aircraft, provide the Purchaser with written notice of such deadline, a copy of any Contract governing such option and copies of all material information that the Company and its Subsidiaries have in their possession or control that is relevant to a decision about whether to exercise such option, and cooperate and consult with the Purchaser regarding the decision about whether to exercise such option.

Section 4.2 Covenants of the Company Relating to the Arrangement

- (1) Subject to the terms and conditions of this Agreement, the Company shall, and shall cause its Subsidiaries to, use commercially reasonable efforts to perform all obligations required to be performed by the Company or any of its Subsidiaries under this

Agreement, cooperate with the Purchaser in connection therewith, and do all such other acts and things as may be necessary or desirable to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, the Company shall and, where appropriate and shall cause its Subsidiaries to (other than in connection with obtaining the Regulatory Approvals and Key Regulatory Approvals, which approvals shall be governed by the provisions of Section 4.4):

- (a) use its commercially reasonable efforts to satisfy all conditions precedent in this Agreement and take all steps set forth in the Interim Order and the Final Order applicable to it and comply promptly with all requirements imposed by Law applicable to it or its Subsidiaries with respect to this Agreement or the Arrangement;
- (b) use its commercially reasonable efforts to provide, obtain and maintain all third party or other notices, consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are reasonably required or reasonably requested by the Purchaser in connection with the transactions contemplated by this Agreement (including those reasonably required under any Contract to which the Company or any of its Subsidiaries is a party), in each case on terms satisfactory to the Purchaser, acting reasonably, and without paying or providing a commitment to pay any consideration in respect thereof without the prior written consent of the Purchaser (it being expressly agreed by the Purchaser that receipt of such notices, consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations shall not be a condition to the closing of the Arrangement);
- (c) use its commercially reasonable efforts to, (i) effect all necessary or advisable registrations, filings and submissions of information required by Governmental Entities from the Company and its Subsidiaries relating to the Arrangement, and (ii) upon reasonable consultation with the Purchaser, oppose, lift or rescind any injunction, restraining or other Order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement, and defend, or cause to be defended, any Proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement or this Agreement or the transactions contemplated thereby, including seeking to have any stay or temporary restraining Order entered by any Governmental Entity vacated or reserved, so as to enable closing to occur as soon as reasonably practicable (provided, that neither the Company nor any of its Subsidiaries shall consent to the entry of any judgment or settlement with respect to any such Proceeding without the prior written approval of the Purchaser, not to be unreasonably withheld, conditioned or delayed) (it being expressly agreed by the Purchaser that the sole conditions to closing with respect to the subject matter of this clause (c) are set out in Article 6);

- (d) not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or any commercially reasonable action not to be taken, in each case to the extent inconsistent with this Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement; and
 - (e) use commercially reasonable efforts to assist the Purchaser in obtaining at the Effective Time, customary mutual releases (in a form satisfactory to the Purchaser, acting reasonably) and, as applicable, resignations effective as of the Effective Time, of those directors of the Company or any its Subsidiaries as may be requested by the Purchaser.
- (2) The Company shall promptly notify the Purchaser in writing, of:
- (a) any Material Adverse Effect that occurs after the date hereof, or any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, states of facts, circumstances, would reasonably be expected to lead to a Material Adverse Effect;
 - (b) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with the transactions contemplated by this Agreement;
 - (c) unless prohibited by Law, any notice or other communication from any Person (other than a Governmental Entity in connection with the Regulatory Approvals and Key Regulatory Approvals, which shall be addressed as contemplated by Section 4.4) in connection with the transactions contemplated by this Agreement (and the Company shall contemporaneously provide a copy of any such written notice or communication to the Purchaser); or
 - (d) any Proceeding commenced or, to the knowledge of the Company, threatened against, relating to or involving or otherwise affecting this Agreement or the Arrangement.
- (3) The Company shall, and shall cause its Subsidiaries to, provide such cooperation and assistance to the Purchaser as the Purchaser may reasonably request in communications with investors and other stakeholders of the Purchaser relating to the transactions contemplated by this Agreement, including assisting with the preparation of investor materials and by making Representatives of the Company and its Subsidiaries available to participate in investor meetings; provided that: (a) such requests are made on reasonable notice; (b) such cooperation and assistance do not unreasonably interfere with the ongoing operations of the Company or its Subsidiaries; or (c) none of the Company nor any of its Affiliates or Representatives shall be required to take any action or do

anything that would: (i) incur any liability (other than the payment of reasonable and documented out-of-pocket costs related to such cooperation which shall be promptly reimbursed by the Purchaser on demand), (ii) contravene its organizational or constating documents or any applicable Law, (iii) contravene any of the Company's, or any of its Affiliates' agreements that relate to borrowed money or any Contract, (iv) cause any condition set forth in Article 6, not to be satisfied at the Effective Time, (v) cause any breach of this Agreement that would provide the Purchaser with the right to terminate this Agreement or seek indemnity, reimbursement of expenses or the payment of the Termination Fee under the terms hereof, (vi) disclose any information that in the reasonable judgment of the Company would result in the disclosure of any trade secrets or similar information or violate any Contractual obligations of the Company or its Subsidiaries with respect to confidentiality, or (vii) waive or amend any terms of this Agreement.

Section 4.3 Covenants of the Purchaser Relating to the Arrangement

- (1) Subject to the terms and conditions of this Agreement, the Purchaser shall use commercially reasonable efforts to perform all obligations required to be performed by it under this Agreement, cooperate with the Company in connection therewith, and do all such other acts and things as may be necessary or desirable to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, the Purchaser shall (other than in connection with obtaining the Regulatory Approvals and Key Regulatory Approvals, which approvals shall be governed by the provisions of Section 4.4):
 - (a) use its commercially reasonable efforts to satisfy all conditions precedent in this Agreement and take all steps set forth in the Interim Order and the Final Order applicable to it and comply promptly with all requirements imposed by Law on it with respect to this Agreement or the Arrangement;
 - (b) use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement;
 - (c) use its commercially reasonable efforts, upon reasonable consultation with the Company, to oppose, lift or rescind any injunction, restraining or other Order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any Proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement or the transactions contemplated hereby, including seeking to have any stay or temporary restraining Order entered by any court or other Governmental Entity vacated or reserved; provided, that the Purchaser shall not consent to the entry of any judgment or settlement with respect to any such Proceeding without the prior written approval of the Company, not to be unreasonably withheld, conditioned or delayed;

- (d) not take any action or refrain from taking any commercially reasonable action, or permit any action to be taken or any commercially reasonable action not to be taken, in each case to the extent inconsistent with this Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement.
- (2) The Purchaser shall promptly notify the Company orally and, if requested, in writing of:
 - (a) any notice or other communication from any Person (other than a Governmental Entity in connection with the Regulatory Approvals and Key Regulatory Approvals, which shall be addressed as contemplated by Section 4.4) alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with the transactions contemplated by this Agreement;
 - (b) unless prohibited by applicable Law, any notice or other communication from any Governmental Entity in connection with this Agreement (and the Purchaser shall contemporaneously provide a copy of any such written notice or communication to the Company); and
 - (c) any Proceedings commenced or, to the knowledge of the Purchaser, threatened against, relating to or involving or otherwise affecting the Purchaser or the Purchaser Related Parties or their respective assets, in each case to the extent that such Proceeding would reasonably be expected to impair, impede, materially delay or prevent the Purchaser from performing their obligations under this Agreement.
- (3) The Purchaser shall use reasonable best efforts to take or caused to take, all actions, and to do, or cause to be done, all things necessary, proper or advisable to arrange and consummate the Debt Financing on the terms and conditions described in the Debt Letters and to obtain the proceeds of the Debt Financing prior to the Effective Date, including using its reasonable best efforts to: (a) maintain in effect the Debt Letters in accordance with its terms (except for amendments, supplements, modifications, replacements or waivers not prohibited by this Agreement); (b) as promptly as practicable after the date hereof, negotiate and enter into definitive agreements with respect to the Debt Financing on the terms and conditions (including after giving effect to any “market flex” provisions applicable thereto) contained in the Debt Letters as in effect on the date hereof, or on other terms not less favorable to Purchaser in any material respect than the terms and conditions (including any “market flex” provisions applicable thereto) contained in the Debt Letters, provided that such other terms and conditions (including after giving effect to any such “market flex” provisions) shall not impose new or additional conditions or contingencies or otherwise expand, amend, replace, supplement, alter, modify or waive any of the conditions or contingencies to the receipt of any portion of the Financings in a manner that would reasonably be expected to (A) prevent, impair, delay or make less likely the availability of the Financings when required pursuant to Section 2.9, or (B) adversely affect the ability of the Purchaser to timely consummate the

transactions contemplated hereby; (c) satisfy on a timely basis all conditions to funding in the Debt Letters (or definitive agreements entered into with respect to the Debt Financing) applicable to the Purchaser by no later than the Effective Time, except to the extent dependent on compliance by the Company with its obligations under this Agreement; (d) consummate the Debt Financing contemplated by the Debt Letters prior to the Effective Time on the terms and conditions set forth in the Debt Letters; and (e) enforce its rights under the Debt Letters. The Purchaser shall refrain from taking, directly or indirectly, any action that could reasonably be expected to result in a failure of any of the conditions contained in the Debt Letters or in any definitive agreement related to the Debt Financing.

- (4) The Purchaser shall use reasonable best efforts to take, or cause to be taken, all actions, and do, or cause to be done, all things necessary, proper or advisable to arrange and obtain the proceeds of the Sponsor Financing prior to the Effective Date, including using its reasonable best efforts to: (a) maintain in effect the Sponsor Commitment Letter in accordance with its terms (except for amendments, supplements, modifications, replacements or waivers not prohibited by this Agreement), (b) satisfy on a timely basis all conditions to funding in the Sponsor Commitment Letter, (c) consummate the Sponsor Financing contemplated by the Sponsor Commitment Letter prior to the Effective Time, (d) in the event that all conditions to the Sponsor Financing have been satisfied or waived, cause the Sponsors to fund their respective commitments in accordance with the Sponsor Financing required to consummate the transactions contemplated by this Agreement on or prior to the Effective Date, and (e) enforce its rights under the Sponsor Commitment Letter in the event of a breach by any party thereto. The Purchaser shall refrain from taking, directly or indirectly, any action that could reasonably be expected to result in a failure of any of the conditions contained in the Sponsor Commitment Letter or in any definitive agreement related to the Sponsor Financing.
- (5) The Purchaser shall not amend, alter, supplement, modify or replace, or agree to amend, alter, supplement or replace, or permit the amendment, alteration, supplementation, modification or replacement of the Commitment Letters or any definitive agreement or documentation referred to in Section 4.3(3) or Section 4.3(4), or waive any of its rights thereunder, in each case in any manner that would: (a) reduce (or have the effect of reducing) the aggregate amount of the Debt Financing (including by changing the amount of fees to be paid or original issue discount) or Sponsor Financing; (b) impose new or additional conditions or contingencies or otherwise expand, amend, replace, alter or modify any of the conditions or contingencies to the receipt of any portion of the Financings in a manner that would (i) reasonably be expected to prevent or materially impair or delay the availability of the Financings when required pursuant to Section 2.9, (ii) make the funding of the Financings (or satisfaction of the conditions to obtaining the Financings) less likely to occur, (iii) adversely impact the ability of the Purchaser to enforce its rights against other parties to the Debt Letters or Sponsor Commitment Letter, or (iv) otherwise adversely affect the ability of the Purchaser to consummate the transactions contemplated hereby within the time contemplated by Section 2.8(2); or (c) result in the withdrawal or replacement of any Sponsor; provided that the foregoing shall not prohibit (i) any amendment to the Debt Letters to reflect the application of any “market flex” terms or to add additional arrangers, bookrunners, underwriters, agents,

lenders or other Debt Financing Sources as party thereto and to provide for the assignment and reallocation of a portion of the Debt Financing commitments if the addition of such additional parties, individually or in the aggregate, would not prevent, delay or impair the availability of the Financing or the consummation of the transactions contemplated by this Agreement, or (ii) any amendment to, or novation or delegation of, the Sponsor Commitment Letter to add or replace Sponsors, and to provide for the assignment, novation, delegation or reallocation of the Sponsor Financing, in whole or in part, in each case so long as such amendment novation, delegation or reallocation does not result in any of the matters described in clause (a) or (b) of this Section 4.3(5) and complies with the terms of the Sponsor Commitment Letter as at the date hereof or is otherwise on terms that are acceptable to the Company, acting reasonably. The Purchaser shall promptly notify the Company in writing of: (A) the expiration, breach, repudiation or termination (or anticipated, attempted, threatened or purported repudiation or termination, whether or not valid and whether or not in writing) of the Commitment Letters for any reason; (B) receipt of written notice of the refusal of any Debt Financing Source or, as applicable, Sponsor to provide, or of any stated intent by the Debt Financing Sources or Sponsors to refuse to provide, the full Financing contemplated by the Commitment Letters, in each case, notwithstanding the efforts of the Purchaser to satisfy its obligations under Section 4.3(3), Section 4.3(4) or Section 4.3(5); (C) any notice or other communication received by the Purchaser with respect to any actual or threatened breach, default, termination or repudiation by any party to any Commitment Letter; or (D) for any reason, all or any portion of the Financings becoming unavailable, or is expected, or would reasonably be expected to, become unavailable, on the terms and conditions contemplated in any Commitment Letter. In such event, the Purchaser shall, in consultation with the Company, use their reasonable best efforts to promptly arrange for the same or alternative financing (or for additional financing from the original Debt Financing Sources or original Sponsor) on terms (taken as a whole) not less favorable to the Purchaser to replace the portion of the Financings contemplated by such expired, repudiated or terminated commitments or arrangements or for which such Debt Financing Source or Sponsor has refused to provide, which alternative financing would not reasonably be expected to prevent or materially delay the consummation of the Arrangement when required pursuant to Section 2.8(2). The Purchaser shall deliver correct and complete copies of any amendment, replacement, supplement or other modification or waiver of any of the Commitment Letters or any provision thereof to the Company as promptly as practicable following the execution thereof (provided that the existence and/or amount of "market flex" provisions, fees, pricing terms and pricing caps and other economic terms set forth in any such agreement may be redacted). In the event that any Commitment Letter is amended, restated, amended and restated, supplemented, modified, or replaced, the term "Debt Commitment Letter", "Debt Fee Letter" or "Sponsor Commitment Letter" (as applicable) as used herein shall be deemed to include the new or amended commitment letters, fee letters or arrangements described in this Section 4.3(5) to the extent then in effect, the term "Debt Financing", "Sponsor Financing" and "Financings" as used herein shall be deemed to include the applicable financing contemplated by any such new or amended commitment letters or arrangements, and the term "Debt Financing Sources" and "Sponsors" as used herein shall be deemed to include the applicable lenders or sources of equity financing

contemplated by any such new or amended commitment letters, fee letters or arrangements.

- (6) The Purchaser acknowledges and agrees that, prior to the Effective Time, except as provided in Section 4.6, none of the Company or any of its Affiliates or Representatives shall have any obligations in respect of any financing that the Purchaser may raise in connection with the transactions contemplated hereby. The Purchaser also acknowledges and agrees that the Purchaser obtaining financing is not a condition to any of their respective obligations hereunder, regardless of the reasons why financing is not obtained or whether such reasons are within or beyond the control of the Purchaser.
- (7) At the Company's request, the Purchaser shall keep the Company informed in reasonable detail on a current basis of all matters reasonably related to the Financings.
- (8) The Purchaser shall use reasonable best efforts to complete the syndication of a substantial minority of the equity financing commitment under the Sponsor Commitment Letter as soon as reasonably practicable.

Section 4.4 Regulatory Approvals and Key Regulatory Approvals

- (1) The Purchaser and the Company shall, and shall cause their respective Affiliates to, as applicable:
 - (a) as promptly as practicable or advisable, but in any event no later than May 31, 2019, prepare and file with respect to the transactions contemplated by this Agreement:
 - (i) with the Commissioner, a request for an Advance Ruling Certificate under section 102 of the *Competition Act* or, in the alternative, a No Action Letter and a waiver under s. 113(c) of the *Competition Act*, and file those same documents with the Minister and the CTA;
 - (ii) with the Minister, a written submission seeking CT Act Approval on a basis consistent with the principles agreed with the Company; and
 - (iii) with the CTA, an application seeking Canadian Status Determination on a basis consistent with the principles agreed with the Company;
 - (b) within 10 Business Days after the date of delivery of the Purchaser's or the Company's instruction to the other Party, and following the filing, submission and application referred to in Section 4.4(1)(a), prepare and file with the Commissioner, with respect to the transactions contemplated by this Agreement, a notification under Part IX of the *Competition Act*, and file those same documents with the Minister and the CTA;

- (c) as promptly as practicable or advisable, prepare and file any filings or notifications that the Purchaser and the Company agree is required or appropriate to obtain the Other Merger Control Approvals;
 - (d) as promptly as practicable or advisable, prepare and file any other filings or notifications under any other applicable federal, provincial, state or foreign Law required to obtain any other Key Regulatory Approvals; and
 - (e) provide to each Governmental Entity all non-privileged information, documents, data and other things requested by such Governmental Entity or that are necessary or advisable to permit consummation of the transactions contemplated by this Agreement as soon as reasonably practicable following any such request, provided that, in respect of information, documents, data and other things that are subject to confidentiality restrictions, each Party will be permitted to seek, and shall use commercially reasonable efforts to obtain, consent from the relevant third-party to share such information, documents, data and other things, and will only be required to provide such documents, data and other things to a Governmental Entity if consent is received.
- (2) The Purchaser shall pay any filing fee payable to any Governmental Entity in connection with the Key Regulatory Approvals.
- (3) The Purchaser and the Company shall and shall cause their respective Affiliates, as applicable, to cooperate with one another and provide such assistance to one another as the other Party may reasonably request in connection with obtaining the Key Regulatory Approvals and Regulatory Approvals as soon as reasonably practicable. In particular:
- (a) no Party shall extend or consent to any extension of any applicable waiting or review period or enter into any agreement with a Governmental Entity to not consummate the transactions contemplated by this Agreement, except upon the prior written consent of the other Party;
 - (b) the Parties shall exchange drafts of all submissions, material correspondence, filings, presentations, applications, plans and other material documents to be made or submitted to or filed with any Governmental Entity in respect of the transactions contemplated by this Agreement, shall consider in good faith any suggestions made by the other Party and its counsel and shall provide the other Party and its counsel with final copies of all such material submissions, correspondence, filings, presentations, applications, plans, and other material documents submitted to or filed with any Governmental Entity in respect of the transactions contemplated by this Agreement; provided, however, that information indicated by either Party to be commercially confidential or competitively sensitive shall be provided on an external counsel-only basis;

- (c) each Party will keep the other Party and their respective counsel apprised of all substantive written (including email) and oral communications and all meetings with any Governmental Entity and their staff in respect of the Regulatory Approvals and Key Regulatory Approvals, and will not participate in such material communications or meetings without giving the other Party and their respective counsel the reasonable opportunity to participate therein; provided, however, where commercially confidential or competitively sensitive information may be discussed or communicated, the other Party's external legal counsel shall be provided with any such communications or information on an external counsel-only basis and shall have the right to participate in any such meetings on an external counsel-only basis; and
 - (d) the Company shall and shall cause its Affiliates to make available its Representatives, on the reasonable request of Purchaser and its counsel, to assist Purchaser in obtaining the Regulatory Approvals and Key Regulatory Approvals, including by (i) making introductions and arranging meetings with key stakeholders and leaders of Governmental Entities and participating in those meetings, (ii) providing strategic input, including on any materials prepared for obtaining the Regulatory Approvals and Key Regulatory Approvals, and (iii) responding promptly to requests for support, documents, information, comments or input where reasonably requested by Purchaser in connection with the Regulatory Approvals and Key Regulatory Approvals.
- (4) The Purchaser covenants and agrees that it shall not, and shall cause its Affiliates and Onex Funds not to, acquire or agree, by merging with or into or consolidating with, or by purchasing a substantial portion of the assets of or equity in, or by any other manner, any Canadian headquartered airline that competes with the Company and its Subsidiaries. The Purchaser shall cause the Onex Funds to not knowingly syndicate the equity financing commitment under the Sponsor Commitment Letter to any additional Sponsor that would reasonably be expected to negatively affect the ability to obtain any Key Regulatory Approval prior to the Outside Date.
- (5) The Parties shall use (and shall cause their respective Affiliates to use) their respective reasonable best efforts to obtain the Key Regulatory Approvals.
- (6) Subject to the other provisions of this Section 4.4, Purchaser shall, acting reasonably, determine and direct all matters, efforts and strategy related to obtaining the Key Regulatory Approvals and the Regulatory Approvals. The Purchaser shall consider the views and input of the Company in good faith.

Section 4.5 Access to Information; Confidentiality

- (1) From the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms, except as prohibited by applicable Law and the terms of any existing Contracts, the Company shall, and shall cause its Subsidiaries and

shall use commercially reasonable efforts to cause its and its Subsidiaries' respective Representatives and Service Providers to afford the Purchaser and its Representatives (including the Sponsors and the Debt Financing Sources) such access as the Purchaser may reasonably request at all reasonable times, including to facilitate post-closing strategic, business and tax planning, the Financings and/or any potential Pre-Acquisition Reorganization, to their senior personnel, offices, properties, assets, books and records, and Contracts, and shall make available to the Purchaser and such Representatives all financial data and other information as the Purchaser may reasonably request (including continuing access to the Data Room); provided that: (a) the Purchaser provides the Company with reasonable notice of any request under this Section 4.5(1), (b) access to any materials contemplated in this Section 4.5(1) (other than the materials in the Data Room) shall be provided during the Company's normal business hours only and in such manner not to interfere unreasonably with the conduct of the business of the Company and its Subsidiaries, and (c) neither the Purchaser or any of its Representatives shall contact Service Providers of the Company or any of its Subsidiaries, other than the Executive Officers, except after prior approval of the Company, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the Company shall not be obligated to provide access to, or to disclose, any information to the Purchaser if the Company reasonably determines that such access or disclosure would violate applicable Law, result in the disclosure of any trade secrets or similar information or violate any obligations of the Company or any other Person with respect to confidentiality (if the Company shall have used commercially reasonable efforts to obtain the consent of such third party to such disclosure), jeopardize any privilege claim by the Company or any of its Subsidiaries, interfere unreasonably with the conduct of the business of the Company or its Subsidiaries.

- (2) The Confidentiality Agreement shall continue to apply until the Effective Time, and any information provided under Section 4.5(1) is confidential and shall be subject to the terms of the Confidentiality Agreement.

Section 4.6 Financing Assistance

- (1) Subject to Section 4.6(2), the Company shall use commercially reasonable efforts to provide and cause its Subsidiaries to provide, and shall use its reasonable best efforts to cause its and their respective Representatives, including legal and accounting, to provide, such customary cooperation (including with respect to timeliness) to the Purchaser as the Purchaser may reasonably request in connection with the arrangements by the Purchaser relating to the Debt Financing and Sponsor Financing, including using commercially reasonable efforts to:
 - (a) cooperate with the diligence efforts of the Purchaser, the Sponsors and any Debt Financing Source for all or any portion of the Debt Financing, in each case, upon reasonable notice and at mutually agreeable dates and times;
 - (b) furnish the Purchaser and any Debt Financing Source, as promptly as reasonably practicable, with the Financing Information and updating and

correcting any Financing Information in order to ensure that such Financing Information satisfies the Compliance Requirements;

- (c) obtain and deliver, in escrow subject to receipt of funds from the Purchaser sufficient to make the applicable repayment, at least 3 Business Days prior to the Effective Date an executed payoff letter with respect to any indebtedness for borrowed money (to the extent requested by the Purchaser) being repaid by the Financings and facilitate the removal of Liens where the obligations secured thereby are being fully repaid by the Financings by arranging for Lien terminations and releases and instruments and acknowledgements of discharge, in each case acceptable to the Purchaser, acting reasonably, and subject to receipt of funds from the Purchaser sufficient to make such repayment; provided that no obligation of the Company or any of its Subsidiaries under any agreement shall be operative until the Effective Date;
- (d) assist in the preparation of a bank confidential information memorandum and rating agency presentations, lender presentations and other marketing materials that are customary in connection with financings similar to the Debt Financing, and causing management of the Company and its Subsidiaries (with appropriate seniority and expertise) to participate in marketing efforts (including a reasonable number of meetings and calls and a reasonable number of presentations, road shows, drafting sessions, due diligence sessions (including accounting due diligence sessions), and sessions with prospective lenders and investors and commitment parties, purchasers and rating agencies), in each case at reasonable times and locations mutually agreed;
- (e) obtain from the Company's independent auditors and accountants, consistent with customary practice, comfort letters and consents customary for financings similar to the Debt Financing, and providing customary information and assistance reasonably necessary to assist the Purchaser and their counsel with obtaining the customary legal opinions required to be delivered in connection with the Debt Financing;
- (f) execute and deliver (or assist in the execution and delivery of), as of the Effective Time, any pledge and security documents, other definitive financing documents or other certificates (including, but not limited to a solvency certificate of the chief financial officer and factual back-up certificates for legal opinions) or documents as may be reasonably requested by the Purchaser, including to facilitate the pledging of collateral;
- (g) prevent the offer, placement or arrangement of any debt securities or syndicated credit facilities by or on behalf of the Company or any of its Subsidiaries (except as permitted by this Agreement);

- (h) taking all actions reasonably necessary to permit the Purchaser to appraise and evaluate the Company's assets;
 - (i) assist the Purchaser in obtaining such consents and waiver as the Purchaser may reasonably require with respect to the EDC Credit Facility as soon as reasonably practicable following the date of this Agreement;
 - (j) assist the Purchaser in connection with the preparation of *pro forma* financial information and *pro forma* financial statements of the Company and its Subsidiaries of the type required by the Debt Financing commitments or necessary or reasonably requested by Debt Financing Sources to be included in any customary marketing materials; provided that none of the Company nor any of its Subsidiaries or Representatives shall be required to actually prepare any such *pro forma* financial information; and
 - (k) providing customary authorization letters to the Debt Financing Sources authorizing the distribution of information to prospective lenders or investors and containing customary 10b-5 representations and representations that the public versions of such documents do not include material, non-public information about the Company or its Subsidiaries or their securities and the accuracy of the information contained in the disclosure and the marketing materials.
- (2) The Company or any of its Subsidiaries and their respective Representatives shall only be required to undertake the actions described in Section 4.6(1) provided that:
- (a) such actions are requested on reasonable notice and do not unreasonably interfere with the ongoing business operations of the Company or its Subsidiaries;
 - (b) the Company shall not be required to provide, or cause any of its Subsidiaries to provide, cooperation that involves any binding commitment or agreement (including the entry into any agreement or the execution of any certificate) by the Company or its Subsidiaries (or commitment or agreement which becomes effective prior to the Effective Time) which is not conditional on the completion of the Arrangement and does not terminate without liability to the Company and its Subsidiaries upon the termination of this Agreement;
 - (c) neither the Company nor any of its Subsidiaries shall be required to take any action pursuant to any Contract, certificate or instrument that is not contingent upon the occurrence of the Effective Time or that would be effective prior to the Effective Time;
 - (d) neither the Board nor any of the Company's Subsidiaries' boards of directors (or equivalent bodies) shall be required to approve or adopt any

Financing or Contracts related thereto (or any alternative financing) prior to the Effective Time;

- (e) no employee, officer or director of the Company or any of its Subsidiaries shall be required to take any action which would result in such Person incurring any personal liability (as opposed to liability in his or her capacity as an officer) with respect to any matters related to the Debt Financing;
 - (f) any participants in the Debt Financing or the Sponsor Financing acknowledge the confidentiality of Confidential Information (as defined in the Confidentiality Agreement) received by them (including through customary “click-through” confidentiality undertakings on IntraLinks, R.R. Donnelley Venue, SyndTrak, Debt Domain and similar electronic data sites); and
 - (g) neither the Company nor any of its Subsidiaries shall be required to: (i) pay any commitment, consent or other similar fee, incur any liability (other than the payment of reasonable and documented out-of-pocket costs related to such cooperation which shall be reimbursed by the Purchaser to the extent contemplated by Section 4.6(3)), or provide or agree to provide any indemnity in connection with any such financing prior to the Effective Time; (ii) contravene any applicable Law or its organizational or constating documents; (iii) contravene any agreements that relate to Indebtedness or Swaps or any other Material Contract; (iv) take any action capable of impairing or preventing the satisfaction of any condition set forth in Article 6; (v) cause any breach of this Agreement that is not irrevocably waived by the Purchaser; (vi) disclose any information that in the reasonable judgement of the Company would result in the disclosure of any trade secrets or similar information or violate any Contractual obligations of the Company or its Subsidiaries with respect to confidentiality; (vii) provide access to or disclose information that the Company reasonably determines could jeopardize any solicitor-client privilege of the Company or any of the Company Related Parties; or (viii) waive or amend any terms of this Agreement.
- (3) If this Agreement is terminated (other than by the Purchaser pursuant to Section 7.2(1)(iv)(a)), the Purchaser shall, promptly upon request by the Company, reimburse the Company and its Subsidiaries for all reasonable and documented out-of-pocket costs (including reasonable and documented out-of-pocket legal fees) incurred by the Company or its Subsidiaries in connection with any of the actions contemplated by Section 4.6(1), Section 4.6(5) or Section 4.6(6), and shall indemnify and hold harmless the Company or its Subsidiaries and their respective Representatives from and against any and all losses, damages, claims, costs or expenses suffered or incurred by any of them in connection with the cooperation of the Company and its Subsidiaries contemplated by this Section 4.6(1), Section 4.6(5) or Section 4.6(6) or in connection with the Financings, except to the extent resulting from the willful misconduct or gross

negligence of any such Person (as determined by a final and non-appealable judgment by a court of competent jurisdiction); provided that the aggregate indemnification and reimbursement obligations of the Purchaser in connection with actions taken pursuant to Section 4.6(6) shall not exceed [Redacted – Amount Related to Confidential Information].

- (4) The Company hereby consents to the use of its and its Subsidiaries' trademarks, trade names and logos in connection with the Debt Financing; provided, (a) that such trademarks, trade names and logos are used solely (i) in a manner that is not intended, or reasonably likely, to harm or disparage the Company or its Subsidiaries or the reputation or goodwill of the Company and its Subsidiaries, and (ii) in connection with a description of the Company, its business and products and the transactions contemplated by this Agreement (including the Debt Financing), and (b) the Debt Financing Sources shall only be entitled to use such trademarks, trade names and logos in connection with the Debt Financing and they shall have no property rights therein.
- (5) The Company shall use reasonable best efforts to obtain an amendment or consent under the Ex-Im Facilities to permit such facilities to be prepaid on the Effective Date, provided that the Purchaser has consented to any amendment or consent fee, acting reasonably. The Company shall (subject to either obtaining the amendment or consent referred to in the previous sentence or the Purchaser making the election referred to in Section 4.6(6) below) provide the Purchaser with executed pay-off letters (or other evidence of repayment reasonably acceptable to the Purchaser) on or prior to the Effective Date with respect to each of the Ex-Im Facilities. In addition, the Company shall furnish the Purchaser and any Debt Financing Source, at least five Business Days prior to the Effective Date, with all documentation and other information related to the Company or any of its Subsidiaries as required by any Debt Financing Source under applicable "know your customer" rules and regulations and anti-money laundering rules and regulations (including the USA PATRIOT Act) and 31 C.F.R. §1010.230, in each case with respect to the Debt Financing and to the extent requested by the Purchaser at least ten Business Days prior to the Effective Date.
- (6) If the amendment or consent referred to in the first sentence of Section 4.6(5) cannot be obtained, the Company shall, upon the written request of the Purchaser and on reasonable notice and as elected by the Purchaser on a date specified by the Purchaser, either (A) cause the borrower thereunder to prepay one or more of the Ex-Im Facilities prior to the Effective Date in accordance with Section 2.4(a) thereof or (B) cause the Company to terminate the conditional sale agreements related to one or more of the aircraft under the Ex-Im Facilities thereby causing the borrower under such Ex-Im Facilities to prepay one or more of the Ex-Im Facilities in accordance with Section 2.4(b) thereof.

Section 4.7 Public Communications

The Parties shall agree on the text of joint press releases by which they will announce (a) the execution of this Agreement, and (b) on the Effective Date, the completion of the Arrangement. The Parties shall co-operate in the preparation of presentations, if any, to Shareholders or other Persons regarding the Arrangement. Except as required by applicable Law, neither Party nor any

Related Party shall issue any press release or make any other public statement or disclosure with respect to this Agreement or the transactions contemplated by this Agreement without the prior consent of the Parties (which consent shall not be unreasonably withheld, conditioned or delayed); provided that, subject to Article 5, any Party that, in the opinion of outside counsel, is required to make disclosure by applicable Law (other than disclosures to Governmental Entities in connection with the Regulatory Approvals and Key Regulatory Approvals, which shall be addressed as contemplated by Section 4.4) or to ensure compliance with fiduciary duties of its board of directors, shall, if permitted by applicable Law, use its commercially reasonable efforts to give the other Party prior oral or written notice and a reasonable opportunity to review or comment on such disclosure (other than with respect to confidential information contained in such disclosure) and if such prior notice is not permitted by applicable Law, shall give such notice immediately following the making of such disclosure. The Party making such disclosure shall give reasonable consideration to any comments made by the other Party or its counsel. For the avoidance of doubt, none of the foregoing shall prevent the Company, the Purchaser or a Purchaser Related Party from making (a) internal announcements to employees and having discussions with shareholders, financial analysts and other stakeholders, or (b) public announcements in the Ordinary Course that do not relate specifically to this Agreement or the Arrangement, in each case so long as such announcements and discussions are consistent in all material respects with the most recent press releases, public disclosures or public statements made by such Person. The Purchaser shall also cause Onex to comply with the provisions of this Section 4.7 with regards to restrictions on public disclosure. The Parties acknowledge that the Company will file this Agreement and a material change report relating thereto on SEDAR.

Section 4.8 Insurance and Indemnification

- (1) Prior to the Effective Time, the Company shall, in reasonable consultation with the Purchaser, (and, if the Company is unable to, the Purchaser shall cause the Company as of the Effective Time to) obtain and fully pay a single premium for, customary “tail” policies of directors’ and officers’ liability insurance from an insurance carrier with the same or better credit rating as the Company’s current insurance carriers with respect to directors’ and officers’ liability insurance providing protection for a claims reporting or discovery period beginning at the Effective Time and continuing for not less than six years from and after the Effective Date and with terms, conditions (including retentions and limits of liability) that are no less favourable in the aggregate to the directors and officers of the Company than the protection provided by the policies maintained by the Company which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date; provided that the cost of such “tail” policies shall not exceed 300% of the annual premiums for the Company’s directors’ and officers’ liability insurance and errors and omissions insurance in effect as of the date of this Agreement.
- (2) From and after the Effective Time, the Purchaser shall honour all rights to indemnification or exculpation existing as of the date hereof in favour of present and former directors and officers of the Company and its Subsidiaries, and acknowledges that such rights shall survive the completion of the Arrangement and shall continue in full force and effect in accordance with their terms.

- (3) From and after the Effective Time, the Purchaser shall, and shall cause the Company to, indemnify and hold harmless, to the fullest extent permitted under applicable Law (and to also advance expenses as incurred to the fullest extent permitted under applicable Law), each present and former director and officer of the Company and its Subsidiaries (each, an “**Indemnified Person**”) against any costs or expenses (including reasonable attorneys’ fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any Proceeding arising out of or related to such Indemnified Person’s service as a director or officer of the Company or any of its Subsidiaries or services performed by such Persons at the request of the Company or any of its Subsidiaries at or prior to or following the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, including the approval or completion of this Agreement and the Arrangement or any of the other transactions contemplated by this Agreement or arising out of or related to this Agreement and the transactions contemplated hereby. None of the Purchaser, the Company or any of their respective Subsidiaries shall settle, compromise or consent to the entry of any judgment in any Proceeding involving or naming an Indemnified Person or arising out of or related to an Indemnified Person’s service as a director or officer of the Company or any of its Subsidiaries or services performed by such Indemnified Person at the request of the Company or any of its Subsidiaries at or prior to or following the Effective Time without the prior written consent (not to be unreasonably withheld or delayed) of that Indemnified Person, unless such settlement, compromise or consent includes an unconditional release of such Indemnified Person from all liability arising out of such Proceeding.
- (4) If any Indemnified Person makes any claim for indemnification or advancement of expenses under this Section 4.8 that is denied by the Company or the Purchaser, and a court of competent jurisdiction determines that the Indemnified Person is entitled to such indemnification, then the Company and the Purchaser shall pay such Indemnified Person’s reasonable out-of-pocket costs and expenses, including reasonable legal fees and expenses, incurred in connection with pursuing such claim against the Company or the Purchaser.
- (5) The rights of the Indemnified Persons under this Section 4.8 shall be in addition to any rights such Indemnified Persons may have under the Company Constating Documents or the constating documents of any of its Subsidiaries that has been disclosed in the Data Room, or under any applicable Law or customary directors and officers indemnification agreement of any Indemnified Person with the Company or any of its Subsidiaries. All rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time and rights to advancement of expenses relating thereto in favour of any Indemnified Person as provided in the constating documents of the Company or any of its Subsidiaries that has been disclosed in the Data Room or any customary directors and officers indemnification agreement between such Indemnified Person and the Company or any of its Subsidiaries shall survive the Effective Time in accordance with their terms and shall not be amended, repealed or otherwise modified in any manner that would adversely affect any right thereunder of any such Indemnified Person without the consent of such Indemnified Person.

- (6) If any of the Company, the Purchaser or any of their successors or assigns shall (a) amalgamate, consolidate with or merge or wind-up into any other person and shall not be the continuing or surviving corporation or entity, or (b) transfer all or substantially all of its properties and assets to any person, then, and in each such case, proper provisions shall be made so that the successors and assigns and transferees of the Company or the Purchaser, as the case may be, shall assume all of the obligations set forth in this Section 4.8.

Section 4.9 Pre-Acquisition Reorganization

- (1) The Company agrees that, upon the reasonable request by the Purchaser, and subject to any approvals of the applicable Governmental Entities, the Company shall use, and shall cause each of its Subsidiaries to use, commercially reasonable efforts to: (a) undertake such transactions and reorganizations involving the Company's and its Subsidiaries' corporate structure, capital structure, business, operations and assets or such other transactions as the Purchaser may reasonably request (each a "**Pre-Acquisition Reorganization**"), and (b) cooperate with the Purchaser and its advisors in order to determine the nature of any Pre-Acquisition Reorganization that might be undertaken and the manner in which any Pre-Acquisition Reorganization might most effectively be undertaken; provided that any Pre-Acquisition Reorganization: (i) is not prejudicial to the Company or the Company Securityholders in any material respect (it being acknowledged that any decrease in or change in the form of or Tax consequences related to the Consideration shall be deemed to materially prejudice the Company Securityholders), (ii) does not require the Company to obtain the approval of any of the Company Securityholders (other than the Required Approval), (iii) does not impair, prevent or materially delay the consummation of the Arrangement or the ability of the Purchaser to obtain or consummate the Financings, (iv) is effected as closely as is reasonably practicable prior to the Effective Time, (v) does not result in any breach by the Company or any of its Subsidiaries of any Contract, Authorization, constating documents (including the Company Constating Documents) or applicable Law, (vi) does not result in Taxes being imposed on, or any adverse Tax or other consequences to, Company Securityholders and (vii) shall not become effective unless the Purchaser has waived or confirmed in writing the satisfaction of all conditions in its favour under this Agreement and shall have confirmed in writing that it is prepared, and able, to promptly and without condition proceed to effect the Arrangement.
- (2) The Purchaser hereby waives any breach of a representation, warranty or covenant by the Company to the extent such breach is a result of an action taken by the Company or a Subsidiary pursuant to a request by the Purchaser pursuant to this Section 4.9.
- (3) The Purchaser shall provide written notice to the Company of any proposed Pre-Acquisition Reorganization at least 15 Business Days prior to the Effective Date. Upon receipt of such notice, the Purchaser and the Company and their respective Representatives shall work cooperatively and use commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do all such other acts and things as are reasonably necessary, including making amendments to this Agreement or the Plan of Arrangement (provided that such amendments do not require the Company

to obtain approval of the Company Securityholders (other than as properly put forward and approved at the Company Meeting)), to give effect to such Pre-Acquisition Reorganization.

- (4) If this Agreement is terminated (other than by the Purchaser pursuant to Section 7.2(1)(iv)(a)), the Purchaser (a) shall forthwith reimburse the Company for all costs and expenses, including legal fees and disbursements, incurred by the Company and its Subsidiaries in connection with any proposed Pre-Acquisition Reorganization, and (b) hereby indemnifies and holds harmless the Company, its Subsidiaries and their respective Representatives from and against any and all liabilities, losses, damages, claims, penalties, expenses, interest, awards, judgements, costs and Taxes suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization, or to reverse or unwind any Pre-Acquisition Reorganization or other steps taken pursuant to this Section 4.9.
- (5) The Purchaser shall arrange for, and the Company and/or its Subsidiaries shall agree to borrow from the Purchaser or from the Debt Financing Sources under the Debt Financing, concurrent with the Effective Time, such amounts (together with any available cash on hand) as are reasonably necessary in order to fund the repayment of debt owing by the Company and/or its Subsidiaries required as a condition to drawdown of the Debt Commitment Letter, to pay financing and other transaction expenses owing by the Company and/or its Subsidiaries, or for general corporate purposes.

Section 4.10 Tax Matters

The Company covenants and agrees that:

- (1) as promptly as possible after the date hereof, the Company shall provide the Purchaser with a list of all material Tax Returns with respect to which the Company or any of its Subsidiaries has requested an extension of time within which to file such Tax Return which Tax Return has not yet been filed; and
- (2) until the Effective Date the Company and its Subsidiaries will (a) duly and timely file with the appropriate Governmental Entity all Tax Returns required to be filed by any of them, which shall be correct and complete in all material respects, (b) reasonably consult with the Purchaser with respect to the discretionary deductions to be claimed in respect of any such Tax Return where claiming such discretionary deductions would otherwise give rise to a non-capital loss for Canadian tax purposes and (c) pay, withhold, collect and remit to the appropriate Governmental Entity in a timely fashion all amounts required to be so paid, withheld, collected or remitted. The Company shall keep the Purchaser reasonably informed of any events, discussions, notices or changes with respect to any Tax or regulatory audit or investigation or any other investigation by a Governmental Entity or Proceeding involving the Company or any of its Subsidiaries (other than ordinary course communications which could not reasonably be expected to be material to the Company, and the Subsidiaries on a consolidated basis).

Section 4.11 Employee Matters

- (1) For a period of not less than one year following the Effective Time, the Purchaser shall provide, or cause the Company to provide (a) base salary and any applicable annual cash bonus opportunity (excluding equity based arrangements) to each Company Employee (other than any Company Employee subject to a Collective Agreement or who becomes subject to a Collective Agreement during such period) that are substantially comparable in the aggregate to those in effect immediately prior to the Effective Time, (b) severance benefits to each Company Employee (other than any Company Employee subject to a Collective Agreement or who becomes subject to a Collective Agreement during such period) that are no less favourable than those that would have been provided to such Company Employee under the applicable Employee Plan, individual offer letter or Contract as in effect immediately prior to the Effective Time, and if no such arrangements were then in effect, such notice of termination or payment in lieu of notice of termination in accordance with applicable Law and (c) employee benefit plans and arrangements (other than base salary, bonus opportunities, severance, long-term incentive compensation and equity based compensation (including all Incentive Plans) benefits) to Company Employees (other than any Company Employee subject to a Collective Agreement or who becomes subject to a Collective Agreement during such period) that are substantially similar in the aggregate to those provided to the Company Employees immediately prior to the Effective Time.
- (2) The Purchaser hereby acknowledges that the consummation of the transactions contemplated by this Agreement constitutes a “change in control” or “change of control” (or a term of similar import) for purposes of any Employee Plan or Incentive Plan that contains a definition of “change in control” or “change of control” (or a term of similar import), as applicable.
- (3) With respect to all employee benefit plans of the Purchaser and their Affiliates in which Company Employees may be permitted or are required to enroll (including any vacation, paid time-off and severance plans), for purposes of determining eligibility to participate, determining vesting periods (other than vesting of future equity awards) and for purposes of determining severance amounts and future vacation and paid time off accruals, each Company Employee’s service with the Company or any of its Subsidiaries (as well as service with any predecessor employer of the Company or any such Subsidiary, to the extent service with the predecessor employer was recognized by the Company or such Subsidiary for similar purposes under the corresponding Employee Plan) shall be treated as service with the Purchaser or its Affiliates; provided, however, that such service need not be recognized to the extent that such recognition would result in any duplication of benefits for the same period of service.
- (4) Without limiting the generality of Section 4.11(1), the Purchaser shall use commercially reasonable efforts to waive, or cause to be waived, any pre-existing condition limitations, exclusions, actively-at-work requirements and waiting periods under any health and welfare benefit plan maintained by the Purchaser or its Affiliates in which Company Employees (and their eligible dependents) will be eligible to participate from and after the Effective Time, except to the extent that such pre-existing condition limitations,

exclusions, actively-at work requirements and waiting periods would not have been satisfied or waived under the comparable Employee Plan immediately prior to the Effective Time. The Purchaser shall, or shall cause the Company to, use commercially reasonable efforts to recognize the dollar amount of all co-payments, deductibles and similar expenses incurred by each Company Employee (and his or her eligible dependents) during the calendar year in which the Effective Time occurs for purposes of satisfying such year's deductible and co-payment limitations under the relevant welfare benefit plans in which they will be eligible to participate from and after the Effective Time.

- (5) The provisions of this Section 4.11 are solely for the benefit of the Parties to this Agreement, and no provision of this Section 4.11 is intended to or shall (a) constitute the establishment or adoption of or an amendment to any employee benefit plan, (b) require the Purchaser or any of its Affiliates (including, following the Effective Time, the Company and its Subsidiaries) to continue any Employee Plan or prevent the amendment, modification or termination thereof after the Effective Time, (c) guarantee employment for any period of time for, or preclude the ability of the Purchaser or its Affiliates to terminate the employment of any Company Employee at any time and for any or no reason and (d) confer on any other Person any rights or remedies of any nature whatsoever under or by reason of this Section 4.11, including any Person claiming to be a third party beneficiary of this Agreement.

Section 4.12 Stock Exchange Delisting

Each of the Company and the Purchaser agrees to cooperate with the other Parties in taking, or causing to be taken, all actions necessary to delist the Shares from the TSX as promptly as practicable following the Effective Time (including, if requested by the Purchaser, such items as may be necessary to delist the Shares on the Effective Date).

Section 4.13 Exemptive Relief

As promptly as practicable following the date hereof, the Company agrees to use commercially reasonable efforts to obtain an Order of each Canadian securities regulatory authority that, for the purposes of obtaining the approval contemplated by Section 2.2(c)(ii), the Common Voting Shares and the Variable Voting Shares shall vote together as a single class of Shares, and the Interim Order shall contain appropriate provisions to allow the Company to rely on any such Order in obtaining the Required Approval.

ARTICLE 5 ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

Section 5.1 Non-Solicitation

- (1) Except as expressly provided in this Section 5.1, the Company and its Subsidiaries shall not, directly or indirectly, through any Representative or otherwise, and shall not permit any such Person to:

- (a) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the Company or any of its Subsidiaries or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer (whether public or otherwise) that constitutes, or could reasonably be expected to constitute or lead to, an Acquisition Proposal;
 - (b) continue, enter into or otherwise engage or participate in any discussions or negotiations with, furnish any information relating to the Company or any of its Subsidiaries or offer or provide access to the business, properties, assets, books or records of the Company or any of its Subsidiaries or otherwise cooperate in any way with any Person (other than the Purchaser and the Purchaser Related Parties) regarding any inquiry, proposal, request or offer constituting, or that could reasonably be expected to lead to, an Acquisition Proposal, provided that the Company may (i) advise any Person of the restrictions of this Agreement, and (ii) provide a written response (with a copy to the Purchaser) to any Person who submits an Acquisition Proposal solely for the purposes of seeking clarification of the express terms of such Acquisition Proposal, and (iii) advise any Person making an Acquisition Proposal that the Board has determined that such Acquisition Proposal does not constitute a Superior Proposal, in each case, if, in so doing, no other information that is prohibited from being communicated under this Agreement is communicated to such Person;
 - (c) make a Change in Recommendation;
 - (d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, any Acquisition Proposal; or
 - (e) accept, approve, endorse, recommend or execute or enter into, or publicly propose to accept, approve, endorse, recommend or execute or enter into any agreement, arrangement or understanding (whether or not legally binding) in respect of an Acquisition Proposal (other than a confidentiality and standstill agreement permitted by and in accordance with Section 5.3(1)(c)).
- (2) The Company shall, and shall cause its Subsidiaries and its and their respective Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiation or other activities commenced prior to the date of this Agreement with any Person (other than the Purchaser and the Purchaser Related Parties) with respect to any inquiry, proposal, request or offer that constitutes, or could reasonably be expected to lead to, an Acquisition Proposal, and in connection therewith, the Company will:

- (a) immediately discontinue access to, and disclosure of, all confidential information (including through any data room or through granting access to any books and records or its facilities of the Company or any of its Subsidiaries) that such Person may have access to; and
 - (b) within two Business Days of the date hereof, request, and exercise all rights it has to require (i) the return or destruction of all copies of any confidential information regarding the Company or any of its Subsidiaries provided to any such Person, or (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Company or any of its Subsidiaries, in each case using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights.
- (3) The Company represents, warrants, covenants and agrees that (a) it shall use commercially reasonable efforts to enforce each confidentiality, standstill or similar agreement, restriction or covenant to which it or any of its Subsidiaries is a party, and (b) neither it nor any of its Subsidiaries or any of their respective Representatives have or will, without the prior written consent of the Purchaser, release any Person from, or waive, amend, suspend or otherwise modify, any Person's obligations respecting the Company or any of its Subsidiaries under, any confidentiality, standstill or similar agreement, restriction or covenant to which the Company or any of its Subsidiaries is a party (it being acknowledged by the Purchaser that the automatic termination or release of any such agreement, restriction or covenant as a result of entering into this Agreement shall not be a violation of this Section 5.1(3)).

Section 5.2 Notification of Acquisition Proposals

If the Company or any of its Subsidiaries or any of their respective Representatives receives or otherwise becomes aware of any inquiry, proposal, request or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Company or any of its Subsidiaries outside of the Ordinary Course and not reasonably believed to relate in any way to an Acquisition Proposal, including information, access or disclosure relating to the assets, properties, facilities, books or records of the Company or any of its Subsidiaries, the Company shall promptly (and in any event within 24 hours of the receipt thereof) notify the Purchaser, at first orally, and then in writing, of such inquiry, proposal, request or offer, including a description of its material terms and conditions, and the identity of all Persons making the inquiry, proposal, request or offer, and shall provide the Purchaser with copies of all written agreements, documents in respect of such inquiry, proposal, request or offer Acquisition Proposal, as well as all substantive or material correspondence or other material received from or behalf of, or sent to any such Person and such other details of such Acquisition Proposal, inquiry, proposal, offer or request as the Purchaser may reasonably request. The Company shall keep the Purchaser fully informed on a reasonably current basis of the status of developments and, to the extent permitted by Section 5.3, discussions and negotiations with respect to any such inquiry,

proposal, request or offer, including any material changes, modifications or other amendments to any such inquiry, proposal, request or offer.

Section 5.3 Responding to an Acquisition Proposal

- (1) If at any time prior to obtaining the Required Approval, the Company receives a *bona fide* unsolicited written Acquisition Proposal that the Board determines in good faith, after consultation with outside legal counsel and financial advisors, constitutes or could reasonably be expected to constitute or lead to a Superior Proposal, the Company and its Representatives may engage in discussions and negotiation with such Person regarding such Acquisition Proposal, and may provide such Person with access to, or disclosure of, information, properties, facilities, books or records of the Company and its Subsidiaries, only if:
 - (a) such Acquisition Proposal did not result from a breach by the Company of its obligations under this Section 4.13;
 - (b) such Person was not restricted from making such Acquisition Proposal pursuant to an existing standstill or similar restriction; and
 - (c) prior to providing any such access or disclosure, (i) the Company enters into a confidentiality and standstill agreement with such Person on terms no less favourable to the Company and no more favourable to such Person than the Confidentiality Agreement, and (ii) any such access or disclosure provided to such Person shall have already been, or shall substantially concurrently be, provided to the Purchaser or its Representatives.
- (2) Nothing contained in this Agreement shall prohibit the Board or the Company from making any disclosure to the Company Securityholders (a) if the Board, acting in good faith and upon the advice of outside legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Board, or (b) as required by applicable Law, including in response to an Acquisition Proposal (including by responding to an Acquisition Proposal in a directors' circular); provided that, notwithstanding that the Board or the Company shall be permitted to make such disclosure, neither the Board (nor any committee thereof) shall be permitted to make a Change in Recommendation in response to an Acquisition Proposal other than as permitted by Section 5.4(1). Nothing contained in this Agreement shall prohibit the Company or the Board from calling and/or holding a shareholder meeting requisitioned by Shareholders in accordance with the ABCA or complying with any Order of a Governmental Entity that was not solicited, supported or encouraged by the Company or any of its Representatives.

Section 5.4 Right to Match

- (1) If, prior to obtaining the Required Approval, the Company receives a Superior Proposal, the Board may, subject to compliance with Article 7 and Section 8.1(1), authorize the

Company to enter into a definitive agreement with respect to such Superior Proposal or may make a Change in Recommendation, if and only if:

- (a) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing standstill or similar restriction;
 - (b) the Company has complied with all of its obligations in this Section 5.4;
 - (c) the Company has delivered to the Purchaser a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement with respect to such Superior Proposal or to make a Change in Recommendation (a “**Superior Proposal Notice**”);
 - (d) the Company has provided the Purchaser with a copy of the proposed definitive agreement for the Superior Proposal (if any) and all ancillary documents and materials (including financing documents, subject to customary confidentiality provisions with respect to fee letters or similar information) provided to the Company in connection therewith, including the cash value that the Board has, after consultation with outside financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal;
 - (e) at least five Business Days have elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth in Section 5.4(1)(d) (the “**Matching Period**”);
 - (f) after the Matching Period, the Board has determined in good faith, after consultation with outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Agreement and the Arrangement as proposed to be amended by the Purchaser under Section 5.4(2)); and
 - (g) prior to or concurrently with entering into such definitive agreement, the Company terminates this Agreement pursuant to Section 7.2(1)(iii)(b) and pays the Termination Fee pursuant to Section 8.2(3).
- (2) During the Matching Period, or such longer period as the Company may approve in writing for such purpose: (a) the Company shall, and shall cause its Representatives to, negotiate in good faith with the Purchaser to make amendments to the terms of this Agreement and the Arrangement as would result in the Acquisition Proposal previously determined to constitute a Superior Proposal ceasing to be a Superior Proposal; (b) without limiting the generality of clause (a), the Purchaser shall have the opportunity (but not the obligation), to offer to amend this Agreement and the Arrangement; (c) the Board shall, in good faith and in consultation with outside legal counsel and financial advisors, review any offer made by the Purchaser to amend the terms of this Agreement

and the Arrangement to determine whether this Agreement and the Arrangement, as they are proposed to be amended, would, upon acceptance, result in the Acquisition Proposal previously determined to constitute a Superior Proposal ceasing to be a Superior Proposal; and (d) if the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise the Purchaser and the Company and the Purchaser shall amend this Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

- (3) Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Securityholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of this Section 5.4 and, without limiting the generality of the foregoing, the Purchaser shall be afforded a new Matching Period from the later of the date on which the Purchaser receives a Superior Proposal Notice with respect to such new Superior Proposal and the date on which the Purchaser receives all of the materials set forth in Section 5.4(1)(d) with respect to the new Superior Proposal.
- (4) The Board shall promptly reaffirm the Board Recommendation by press release after any publicly announced Acquisition Proposal is determined not to be a Superior Proposal, or if the Board determines that a proposed amendment to the terms of this Agreement and the Arrangement as contemplated under Section 5.4(2) would result in an Acquisition Proposal previously determined to be a Superior Proposal no longer being a Superior Proposal. The Company shall provide the Purchaser and its legal counsel with a reasonable opportunity to review the form and content of any such press release and shall make all reasonable amendments to such press release requested by the Purchaser and its legal counsel.
- (5) If the Company provides a Superior Proposal Notice to the Purchaser on a date that is less than ten Business Days before the date of the Company Meeting, the Company may, or the Purchaser shall be entitled to require the Company to, adjourn or postpone the Company Meeting to a date that is not more than ten Business Days after the previously scheduled date of the Company Meeting; provided, however, that the Company Meeting shall not be adjourned or postponed to a date later than the 30 Business Days prior to the Outside Date.
- (6) Any violation of the restrictions set forth in this Section 5.4 by the Company's Subsidiaries or the Company's or its Subsidiaries' respective Representatives shall be deemed to be a breach of this Section 5.4 by the Company. Furthermore, the Company shall be responsible for any breach of this Section 5.4 by its Subsidiaries and its and their respective Representatives.

ARTICLE 6 CONDITIONS

Section 6.1 Mutual Conditions Precedent

The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

- (1) **Arrangement Resolution.** The Arrangement Resolution has been approved and adopted at the Company Meeting in accordance with the Interim Order.
- (2) **Interim Order and Final Order.** The Interim Order and the Final Order have each been obtained on terms consistent with this Agreement and have not been set aside or modified in a manner unacceptable to either the Company or the Purchaser, each acting reasonably, on appeal or otherwise.
- (3) **Articles of Arrangement.** The Articles of Arrangement to be sent to the Registrar in accordance with this Agreement shall be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.
- (4) **Illegality.** No Law is in effect that makes the consummation of the Arrangement illegal or otherwise enjoins or prohibits the Company or the Purchaser from consummating the Arrangement.
- (5) **Key Regulatory Approvals.** Each of the Key Regulatory Approvals have been obtained and shall be in force and effect.

Section 6.2 Additional Conditions Precedent to the Obligations of the Purchaser

The Purchaser is not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

- (1) **Company Representations and Warranties.** The representations and warranties of the Company set forth (a) in the first sentence in Paragraph (1) [*Organization and Qualification*], Paragraph (2) [*Authorization*] and Paragraph (4) [*Execution and Binding Obligation*], Paragraph (17) [*No Material Adverse Effect*], paragraph (a) of the first sentence of Paragraph (20) [*Authorizations*] of Schedule D hereto shall be true and correct in all material respects as of the Effective Time as if made at and as of the Effective Time (except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), (b) in Paragraph (3) [*Capitalization*] and Paragraph (42)(b) [*Aircraft*] of Schedule D hereto shall be true and correct in all respects (other than *de minimis* inaccuracies) as of the Effective Time as if made at and as of the Effective Time (except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), and (c) in this Agreement (including in Schedule D

hereto), other than those to which clause (a) or (b) above applies, shall be true and correct as of the Effective Time as if made at and as of the Effective Time (except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except in the case of this clause (c) to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not result in a Material Adverse Effect (and, for the purpose of this clause (c), any reference to “material”, “Material Adverse Effect” or other concepts of materiality in such representations and warranties shall be disregarded), and the Company shall have delivered to the Purchaser a certificate addressed to the Purchaser, dated the Effective Date and executed by two of its senior officers (without personal liability), confirming the same.

- (2) **Performance of Company Covenants.** The Company shall have fulfilled or complied in all material respects with each of its covenants contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time and the Company shall have delivered to the Purchaser a certificate addressed to the Purchaser, dated the Effective Date and executed by two of its senior officers (without personal liability), confirming the same.
- (3) **Regulatory Approvals.** Each Regulatory Approval required from an Aviation Authority in order to permit the Company and its Subsidiaries to operate their respective businesses in the Ordinary Course following consummation of the transactions contemplated by this Agreement shall have been obtained, except for those, the failure to obtain of which, in the aggregate, would not materially impair the operation of the Company’s business.
- (4) **No Actions.** No Proceeding shall have been commenced by any Governmental Entity (as described in clause (a) of the definition of Governmental Entity) against the Company, any of its Subsidiaries or the Purchaser that would:
 - (a) prohibit the consummation of the Arrangement;
 - (b) cease trade, enjoin or prohibit the Purchaser’s ability to acquire any Shares upon completion of the Arrangement; or
 - (c) prohibit the ownership or operation by the Purchaser of the business of the Company or any of its Subsidiaries or any material portion of the business or assets of the Company or any of its Subsidiaries’ following completion of the Arrangement.
- (5) **Material Adverse Effect.** Since the date of this Agreement there shall not have occurred a Material Adverse Effect.
- (6) **Dissent.** Dissent Rights shall not have been validly exercised, and not withdrawn or deemed to have been withdrawn, in respect of more than 10% of the outstanding Shares held by the Shareholders.

Section 6.3 Additional Conditions Precedent to the Obligations of the Company

The Company is not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions are for the exclusive benefit of the Company and may only be waived, in whole or in part, by the Company in its sole discretion:

- (1) **Purchaser Representations and Warranties.** The representations and warranties of the Purchaser set forth in this Agreement (including in Schedule D) are true and correct as of the Effective Time, as if made at and as of the Effective Time (except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not materially impede the completion of the Arrangement, and the Purchaser shall have delivered to the Company a certificate addressed to the Company, dated the Effective Date and executed by two of its senior officers (without personal liability), confirming same.
- (2) **Performance of Purchaser Covenants.** The Purchaser shall have fulfilled or complied in all material respects with each of its covenants contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and the Purchaser shall have delivered to the Company a certificate addressed to the Company, dated the Effective Date and executed by two of its senior officers (without personal liability), confirming same.
- (3) **Payment of Consideration.** The Purchaser shall have deposited, or caused to be deposited, with the Depositary and the Company, as applicable, sufficient funds to satisfy the Purchaser's obligations under Section 2.9 and the Depositary will have confirmed to the Company receipt from or on behalf of the Purchaser of the funds contemplated by Section 2.9.

Section 6.4 Satisfaction of Conditions

The conditions precedent set out in Section 6.1, Section 6.2 and Section 6.3 will be conclusively deemed to have been satisfied, waived or released at the Effective Time. For greater certainty, and notwithstanding the terms of any escrow arrangement entered into between the Purchaser and the Depositary, all funds held in escrow by the Depositary pursuant to Section 2.9 hereof shall be released from escrow at the Effective Time without any further act or formality required on the part of any Person.

ARTICLE 7 TERM AND TERMINATION

Section 7.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

Section 7.2 Termination

- (1) This Agreement may be terminated and the Arrangement abandoned at any time prior to the Effective Time (notwithstanding receipt of the Required Approval or the Final Order) by:
 - (i) the mutual written agreement of the Parties; or
 - (ii) either the Company or the Purchaser if:
 - (a) the Arrangement Resolution is not approved by the Shareholders at the Company Meeting in accordance with the Interim Order;
 - (b) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes consummation of the Arrangement illegal or otherwise permanently enjoins or prohibits the Company or the Purchaser from consummating the Arrangement, and such Law has become final and non-appealable; provided that the Party seeking to terminate this Agreement pursuant to this Section 7.2(1)(ii)(b) shall have used commercially reasonable efforts to prevent, appeal or overturn such Law (provided such Law is an Order, injunction, judgment, decree or ruling) or otherwise have it lifted or rendered non-applicable in respect of the Arrangement, and provided further that the enactment, making, enforcement or amendment of such Law was not primarily due to a breach by such Party of any of its representations or warranties, or the failure of such Party to perform any of its covenants or agreements, under this Agreement; or
 - (c) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(1)(ii)(c) if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties, or the failure of such Party to perform any of its covenants or agreements, under this Agreement; or
 - (iii) the Company if:
 - (a) subject to Section 7.3, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser under this Agreement occurs that would cause any condition in Section 6.3(1) [*Purchaser Representations and Warranties*] or Section 6.3(2) [*Performance of Purchaser Covenants*] not to be satisfied; provided that the Company is not then in breach of this Agreement so as to cause any condition in Section 6.2(1) [*Company Representations and Warranties*] or Section 6.2(2) [*Performance of Company Covenants*] not to be satisfied;
 - (b) prior to obtaining the Required Approval, the Board authorizes the Company, in accordance with and subject to the terms and conditions of

this Agreement to enter into a definitive written agreement (other than a confidentiality agreement permitted by and in accordance with Section 5.3) with respect to a Superior Proposal, provided the Company is then in compliance with Section 5.4 and that prior to or concurrent with such termination the Company pays the Termination Fee in accordance with Section 8.1(1); or

- (c) after the Marketing Period has ended, (A) all conditions in Section 6.1 [*Mutual Conditions Precedent*] and Section 6.2 [*Additional Conditions Precedent to the Obligations of the Purchaser*] have been satisfied or waived (excluding conditions that, by their terms, are to be satisfied at the Effective Time, but that are reasonably capable of being satisfied by the Effective Date), (B) the Company has irrevocably given written notice to the Purchaser that it is ready, willing, and able to complete the Arrangement, (C) at least five Business Days prior to such termination, the Company has given the Purchaser written notice stating its intention to terminate this Agreement pursuant to this Section 7.2(1)(iii)(c), and (D) the Purchaser does not provide, or cause to be provided, the funds required to be provided to the Depositary in accordance with Section 2.9 within five Business Days following receipt such notice; or
- (iv) the Purchaser if:
 - (a) subject to Section 7.3, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under this Agreement occurs that would cause any condition in Section 6.2(1) [*Company Representations and Warranties*] or Section 6.2(2) [*Performance of Company Covenants*] not to be satisfied; provided that the Purchaser are not then in breach of this Agreement so as to cause any condition in Section 6.3(1) [*Purchaser Representations and Warranties*] or Section 6.3(2) [*Performance of Purchaser Covenants*] not to be satisfied; or
 - (b) prior to the Required Approval being obtained (A) the Board (or any committee thereof) fails to unanimously recommend, or publicly withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, in a manner adverse to the Purchaser, the Board Recommendation (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five Business Days after the public announcement thereof (or beyond the Business Day prior to the date of the Company Meeting, if sooner) will not be considered to be a Change in Recommendation, provided the Board has rejected such Acquisition Proposal and affirmed the Board Recommendation before the end of such period), (B) the Board (or any committee thereof) accepts, approves, endorses, or recommends, or publicly proposes to accept, approve,

endorse or recommend, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five Business Days after the public announcement thereof (or beyond the Business Day prior to the date of the Company Meeting, if sooner) will not be considered to be a Change in Recommendation, provided the Board and Special Committee has rejected such Acquisition Proposal and affirmed the Board Recommendation before the end of such period), or (C) the Board (or any committee thereof) accepts, approves, endorses, recommends or authorizes the Company or any of its Subsidiaries to execute or enter into, or publicly proposes to accept, approve, endorse, recommend or authorize the Company or any of its Subsidiaries to execute or enter into, any agreement, arrangement or understanding in respect of an Acquisition Proposal (other than a confidentiality and standstill agreement to the extent permitted by and in accordance with Section 5.3), or (D) the Board or the Special Committee fails to publicly reaffirm the Board Recommendation by press release within five Business Days (or in the event that the Company Meeting is scheduled to occur within such five Business Day period, prior to the Business Day prior to the date of the Company Meeting) after having been requested to do so by the Purchaser, acting reasonably (any action set forth in clauses (A), (B), (C) or (D), a “**Change in Recommendation**”).

- (2) The Party desiring to terminate this Agreement pursuant to this Section 7.2 (other than pursuant to Section 7.2(1)(i)) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party’s exercise of its termination right.

Section 7.3 Notice and Cure Provisions

- (1) During the period commencing on the date of this Agreement and continuing until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms, each Party shall promptly notify the other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:
 - (a) cause any of the representations or warranties of such Party contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Effective Time; or
 - (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under this Agreement.
- (2) Notification provided under this Section 7.3 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.

- (3) The Company may not elect to exercise its right to terminate this Agreement pursuant to Section 7.2(1)(iii)(a) and the Purchaser may not elect to exercise its right to terminate this Agreement pursuant to Section 7.2(1)(iv)(a), unless the Party seeking to terminate this Agreement (the “**Terminating Party**”) has delivered a written notice (a “**Termination Notice**”) to the other Party (the “**Breaching Party**”) specifying in reasonable detail all breaches of representations and warranties and/or failure to perform covenants which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure all breaches and failures to perform set forth in the Termination Notice and such matters are capable of being cured prior to the Outside Date, the Terminating Party may not exercise such applicable termination right until the earlier of (i) the Outside Date, and (ii) the date that is 30 days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date; provided that, for greater certainty, if such matters are not capable of being cured by the Outside Date or, at any time following receipt of a Termination Notice, the Breaching Party fails to diligently proceed to cure all breaches and failures to perform, the Terminating Party may immediately exercise the applicable termination right; and provided further that a Willful Breach shall be deemed to be incapable of being cured, and the Terminating Party may immediately exercise the applicable termination right in accordance with the terms of Section 7.2(1)(iii)(a) or Section 7.2(1)(iv)(a), as applicable, without first providing a Termination Notice.
- (4) If the Terminating Party delivers a Termination Notice less than twenty Business Days prior to the date of the Company Meeting, unless the Parties agree otherwise, the Company shall adjourn or postpone the Company Meeting to the earlier of (a) seven Business Days prior to the Outside Date, and (b) the date that is twenty Business Days following receipt of such Termination Notice by the Breaching Party.

Section 7.4 Effect of Termination/Survival

If this Agreement is terminated pursuant to Section 7.1 or Section 7.2, this Agreement shall become void and of no further force or effect without liability of any Party (or any Company Related Party or Purchaser Related Party) in connection with this Agreement or any of the transactions contemplated hereby, except that (a) in the event of termination under Section 7.1 as a result of the Effective Time occurring, Section 4.8 shall survive for a period of six years following such termination, (b) in the event of termination under Section 7.2, this Section 7.4 and Section 1.2, Section 4.6(3), Section 4.9(4), and Article 8 (and any related definitions contained in any such Sections or Article) shall survive and continue in full force and effect in accordance with their terms, (c) neither the termination of this Agreement nor anything contained in this Section 7.4, but subject to Section 8.6, shall relieve any Party from any liability for any Willful Breach of this Agreement, and (d) the provisions of the Limited Guarantee shall survive termination of this Agreement until the Sponsors’ obligations thereunder have been fully performed or are otherwise terminated in accordance with its terms.

ARTICLE 8 GENERAL PROVISIONS

Section 8.1 Amendments

- (1) This Agreement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Shareholders, and any such amendment may, subject to the Interim Order and Final Order and applicable Laws, without limitation:
 - (a) change the time for performance of any of the obligations or acts of the Parties;
 - (b) waive any inaccuracies or modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;
 - (c) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; and/or
 - (d) waive compliance with or modify any conditions contained in this Agreement;

provided that no such amendment reduces or materially adversely affects the Consideration to be received by Shareholders without approval by the affected Shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

- (2) The Plan of Arrangement may be amended in accordance with Section 5.1 of the Plan of Arrangement.
- (3) Notwithstanding anything to the contrary contained herein, this Section 8.1, Section 8.6, Section 8.7, Section 8.12, and Section 8.16 may not be amended, supplemented, waived or otherwise modified in a manner that is adverse to the Debt Financing Sources identified in the Debt Commitment Letter without the prior written consent of such Debt Financing Sources.

Section 8.2 Termination Fee and Expenses

- (1) Except as otherwise expressly provided herein, all fees, costs and expenses incurred in connection with this Agreement or the transactions contemplated by this Agreement shall be paid by the Party incurring such fees, costs or expenses, whether or not the Arrangement is consummated; provided that the Parties shall each pay half of any filing fees or similar fee and applicable Taxes payable to a Governmental Entity in connection with a Regulatory Approval.

- (2) If a Termination Fee Event occurs, the Company shall pay or cause to be paid to the Termination Fee Recipients the Termination Fee in accordance with Section 8.2(4), as liquidated damages.
- (3) For the purposes of this Agreement, “**Termination Fee**” means \$100,000,000, and “**Termination Fee Event**” means the termination of this Agreement:
- (i) by the Purchaser, pursuant to Section 7.2(1)(iv)(b) [*Change in Recommendation*];
 - (ii) by the Company, pursuant to Section 7.2(1)(iii)(b) [*Superior Proposal*];
 - (iii) by the Company or the Purchaser pursuant to Section 7.2(1)(ii)(a) [*Arrangement Resolution not Approved*] or Section 7.2(1)(ii)(c) [*Effective Time not Prior to Outside Date*], if:
 - (a) following the date hereof (but prior to the Company Meeting, in the case of a termination pursuant to Section 7.2(1)(ii)(a) [*Arrangement Resolution not Approved*]), a *bona fide* Acquisition Proposal involving the Company is made to the Company or the Shareholders or is publicly announced or otherwise publicly disclosed by any Person; and
 - (b) within 6 months following the date of such termination, any Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (b) above) is consummated or effected, or the Company and/or any of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a definitive agreement (other than a confidentiality and standstill agreement permitted by Section 5.3(1)(c)) in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (b) above) and such Acquisition Proposal is later consummated or effected (whether or not within 6 months following such termination);
- provided that, for purposes of this Section 8.2(3)(iii), references in the definition of “Acquisition Proposal” to “20%” shall be deemed to be “50%”.
- (4) If a Termination Fee Event occurs due to a termination of this Agreement by the Company pursuant to Section 7.2(1)(iii)(b) [*Superior Proposal*], the Termination Fee shall be paid prior to or concurrently with the occurrence of such Termination Fee Event. If a Termination Fee Event occurs due to a termination of this Agreement by the Purchaser pursuant to Section 7.2(1)(iv)(b) [*Change in Recommendation*], the Termination Fee shall be paid within two Business Days following such Termination Fee Event and after such event but prior to payment of such amount, the Company shall be deemed to hold such funds in trust for the Termination Fee Recipients. If a Termination Fee Event occurs in the circumstances set out in Section 8.2(3)(iii) [*Acquisition Proposal following Termination*], the Termination Fee shall be paid prior to or concurrently with the consummation/closing of the Acquisition Proposal referred to therein and after such event but prior to payment of such amount, the Company shall be deemed to hold such funds in trust for the Termination Fee Recipients. Any Termination Fee shall be paid, or

caused to be paid, by the Company to the Termination Fee Recipients by wire transfer in immediately available funds to an account of the Termination Fee Recipients designated by the Termination Fee Recipients. For greater certainty, in no event shall the Company be obligated to pay the Termination Fee on more than one occasion, whether the Termination Fee may be payable pursuant to one or more than one provision of this Agreement at the same or at different times and upon the occurrence of different events.

- (5) Subject to the Purchaser's right to injunctive and other non-monetary equitable relief or specific performance in accordance with Section 8.6 to prevent breaches or threatened breaches of this Agreement and to enforce compliance with the terms of this Agreement, in the event that the Termination Fee is paid to the Termination Fee Recipients in circumstances for which such fee is payable, payment of the Termination Fee shall be the sole and exclusive remedy of any of the Purchaser or the Purchaser Related Parties against the Company or any Company Related Parties for any loss suffered as a result of the failure of the Arrangement or the transactions contemplated hereby to be consummated or for a breach or failure to perform all obligations required to be performed under this Agreement or otherwise relating to or arising out of this Agreement or the Arrangement, and upon payment of such amount none of the Company or any Company Related Parties shall have any further liability or obligation relating to or arising out of this Agreement or the Arrangement, and none of the Purchaser or the Purchaser Related Parties shall seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against any of the Company or any Company Related Party in connection with this Agreement or the transactions contemplated by this Agreement; provided that nothing herein shall relieve the Company from any liability for any Willful Breach of this Agreement.
- (6) Any Termination Fee shall be paid free and clear and without withholding or deduction for Taxes, unless such withholding or deduction is required by Law. If the Company is required by Law to withhold or deduct any amount for or on account of Taxes from the payment of the Termination Fee (or portion thereof, as applicable), the Company shall remit or cause to be remitted the full amount so withheld and deducted to the applicable Governmental Entity. The Company will determine the amount required to be deducted or withheld and the appropriate rate of withholding tax applicable to the Termination Fee under the Tax Act or any provision of any other Law. The Company will (i) pay the Termination Fee without withholding or deduction to the extent that the Company is satisfied in its sole discretion acting reasonably that the recipient (or, where the recipient is a partnership, a direct or indirect partner thereof) is the beneficial recipient of the payment and is not a non-resident of Canada for purposes of the Tax Act, and (ii) consider in good faith any position advanced by the Termination Fee Recipients as to why withholding is not required or is exigible at a reduced rate (including any position that an exemption or reduction of any withholding tax under an applicable income tax treaty is available), provided that the Company shall make any determination in respect of such withholding in its sole discretion. If requested by the Company, the Termination Fee Recipients shall provide any applicable withholding tax forms approved by the Canada Revenue Agency.

- (7) If a Reverse Termination Fee Event occurs, the Purchaser shall pay or cause to be paid to the Company the Reverse Termination Fee in accordance with Section 8.2(9) as liquidated damages.
- (8) For the purposes of this Agreement, “Reverse Termination Fee” means \$200,000,000, and “Reverse Termination Fee Event” means:
 - (i) the termination of this Agreement by the Company pursuant to Section 7.2(1)(iii)(c) [*Failure to Fund*]; or
 - (ii) the termination of this Agreement by the Company pursuant to Section 7.2(1)(iii)(a) [*Purchaser Breach*] as a result of a Willful Breach.
- (9) If a Reverse Termination Fee Event occurs, the Purchaser shall pay as promptly as practicable (and in any event within two Business Days following such Reverse Termination Fee Event) the Reverse Termination Fee. Any Reverse Termination Fee shall be paid, or caused to be paid, by the Purchaser to the Company by wire transfer in immediately available funds to an account designated by the Company.
- (10) Each Party acknowledges that the agreements contained in this Section 8.2 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Parties would not enter into this Agreement, and that the Termination Fee and Reverse Termination Fee set out in this Section 8.2 represents liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, reputational damage and out-of-pocket expenditures which the Purchaser or the Company, as applicable, and their respective Affiliates will suffer or incur as a result of the event giving rise to such damages and resulting termination of this Agreement, and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such amounts are excessive or punitive. If the Company, or the Purchaser, as the case may be, fails to timely pay any amount due pursuant to this Section 8.2, it shall also pay any costs and expenses incurred by the other Party in connection with a legal action to enforce this Agreement that results in a judgment against the breaching Party for the payment of any amount due pursuant to this Section 8.2, together with interest on such amount at the prime rate of The Bank of Canada from the date such amount was required to be paid to (but excluding) the payment date. In no event shall (a) the Company be obligated to pay the Termination Fee on more than one occasion, or (b) the Purchaser be obligated to pay the Reverse Termination Fee (including as a consequence of payment thereof by the Sponsors pursuant to the Limited Guarantee) on more than one occasion, in each case, whether or not the Termination Fee or Reverse Termination Fee, as applicable, may be payable at different times or upon the occurrence of different events.
- (11) In addition to the rights and remedies of the Purchaser hereunder, if this Agreement is terminated in the circumstances described in Section 8.2(12), then the Company shall, within two Business Days of receiving written notice from the Purchaser of all of the reasonable documented out of pocket fees and expenses (including all reasonable fees and expenses of counsel, accountants, financial advisors and investments bankers and the

Purchaser's share of filing fees for the Regulatory Approvals) incurred by the Purchaser and its Affiliates in connection with or related to the preparation, negotiation, execution and performance and all other matters related to the Arrangement and the other transactions contemplated by this Agreement, pay or cause to be paid to the Purchaser all of such reasonable and documented fees and expenses (up to a maximum of \$10,000,000) (the "**Purchaser Expense Fee**") and prior to payment of such amount, the Company shall be deemed to hold such funds in trust for the Purchaser.

- (12) A Purchaser Expense Fee shall be payable if this Agreement is terminated:
- (a) by either the Purchaser or the Company pursuant to Section 7.2(1)(ii)(a) [*Arrangement Resolution not Approved*]; or
 - (b) by the Purchaser pursuant to Section 7.2(1)(iv)(a) [*Company Breach*].
- (13) In addition to the other rights and remedies of the Company hereunder, but subject to Section 8.6(3) if this Agreement is terminated in the circumstances described in Section 8.2(14), then the Purchaser shall, within two Business Days of receiving written notice from the Company of all of the reasonable documented out of pocket fees and expenses (including all reasonable fees and expenses of counsel, accountants, financial advisors and investment bankers and the Company's share of filing fees for the Regulatory Approvals) incurred by the Company and its Affiliates in connection with or related to the preparation, negotiation, execution and performance and all other matters related to the Arrangement and the other transactions contemplated by this Agreement, pay or cause to be paid to the Company all of such reasonable and documented fees and expenses (up to a maximum of \$10,000,000 (the "**Company Expense Fee**")) and prior to payment of such amount, the Purchaser shall be deemed to hold such funds in trust for the Purchaser.
- (14) A Company Expense Fee shall be payable if this Agreement is terminated:
- (a) by either the Company or Purchaser pursuant to Section 7.2(1)(ii)(b) [*Illegality*] if at the time of termination the Law allowing for termination relates to any of the Key Regulatory Approvals;
 - (b) by either the Company or Purchaser pursuant to Section 7.2(1)(ii)(c) [*Effective Time not Prior to Outside Date*] and at the time of such termination, all of the conditions set forth in Section 6.1 and Section 6.2, except Section 6.1(5) and/or Section 6.2(4) have been satisfied or waived by the Purchaser other than those conditions that by their terms are to be satisfied at the Effective Date and there exists a state of facts or circumstances that would cause the conditions set forth in Section 6.1(5) [*Key Regulatory Approvals*], or Section 6.2(4) [*No Actions*] not to be satisfied. For greater certainty, for the purposes of this provision, if this Agreement is terminated pursuant to Section 7.2(1)(ii)(c) [*Effective Time not Prior to Outside Date*] and at the time of termination the Agreement could also have been terminated by either the Purchaser or the Company

pursuant to Section 7.2(1)(ii)(b) [*Illegality*] in the manner described in this section, such termination shall have been deemed to have been made pursuant to Section 7.2(1)(ii)(b) [*Illegality*] and the Company Expense Fee shall be payable as if such termination had been made pursuant to Section 7.2(1)(ii)(b) [*Illegality*]; or

- (c) by the Company pursuant to Section 7.2(1)(iii)(a) [*Purchaser Breach*] other than as a result of a Willful Breach.

Section 8.3 Notices

Any notice, or other communication given regarding the matters contemplated by this Agreement will be sufficient if in writing and (a) hand delivered, (b) sent by certified or registered mail, (c) sent by express courier, or (d) if notice is also contemporaneously sent by one of the other methods of delivery, sent by facsimile or email, addressed as follows:

- (a) to the Purchaser at:

161 Bay Street, 49th Floor
P.O. Box 700
Toronto, Ontario, Canada
M5J 2S1

Attention: Tawfiq Popatia
Email: [Redacted – Personal Information]

with a copy (which shall not constitute notice) to:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, Ontario, Canada
M5H 2S7

Attention: Robert Vaux and Chris Sunstrum
Email: rvaux@goodmans.ca and csunstrum@goodmans.ca

(b) to the Company at:

22 Aerial Place N.E.
Calgary, Alberta, Canada
T2E 3J2

Attention: Edward Sims, President and Chief Executive Officer
Email: [Redacted – Personal Information]

with a copy (which shall not constitute notice) to:

Blake, Cassels & Graydon LLP
3500, 855 - 2 Street S.W.
Calgary, AB T2P 4J8

Attention: Ross Bentley
Email: ross.bentley@blakes.com

and with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP
3700, 400 3rd Avenue SW
Calgary, AB T2P 4H2

Attention: Kevin E. Johnson, Q.C.
Email: kevin.johnson@nortonrosefulbright.com

Any notice or other communication is deemed to be given and received on the day on which it was delivered or, in the case of notices or other communications transmitted by facsimile or email, transmitted (or if such day is not a Business Day or if such notice or communication was delivered or transmitted after 5:00 p.m. (local time in the place of receipt) on the next following Business Day). Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

Section 8.4 Time of the Essence

Time is of the essence in this Agreement.

Section 8.5 Further Assurances

Subject to the provisions of this Agreement, the Parties will, from time to time, do all acts and things and execute and deliver all such further documents and instruments, as the other Party may, either before the Effective Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement and, in the event the

Arrangement becomes effective, to document or evidence any of the transactions or events set out in the Plan of Arrangement.

Section 8.6 Remedies

- (1) Each of the Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties may, upon application to a court of competent jurisdiction, obtain injunctive and other equitable relief to prevent breaches of this Agreement, and to enforce compliance with the terms of this Agreement without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief. None of the Parties shall object to the granting of injunctive or other equitable relief on the basis that there exists an adequate remedy at law.
- (2) Notwithstanding anything to the contrary in this Agreement (including Section 4.3 and Section 8.6(1)), it is acknowledged and agreed that the Purchaser's obligation to enforce the Sponsor Commitment Letter and to consummate the Arrangement and the other transactions contemplated by this Agreement, and the Company's right to specifically enforce such obligations as set out in Section 8.6(1), shall be subject to the requirements that: (a) all conditions in Section 6.1 [*Mutual Conditions Precedent*] and Section 6.2 [*Additional Conditions Precedent to the Obligations of the Purchaser*] have been satisfied or waived by the applicable Party or Parties for whose benefit such conditions exist (excluding conditions that, by their terms, are to be satisfied at the Effective Time, but that are reasonably capable of being satisfied by the Effective Date); (b) the Purchaser fails to consummate the Arrangement on the date on which the Effective Date should have occurred pursuant to Section 2.8(2); (c) the Debt Financing provided for by the Debt Letters (or any alternative financing to the Debt Financing contemplated by Section 4.6) has been funded or will be funded in accordance with the terms thereof on the Effective Date if the Sponsor Financing is funded on the Effective Date, and (d) the Company has irrevocably confirmed that, if specific performance is granted and the Sponsor Financing and Debt Financing (or any alternative financings thereto contemplated by Section 4.6) are funded, it is ready, willing and able to consummate the Arrangement. Under no circumstances will the Company be entitled to enforce or seek to enforce specifically the Purchaser's obligation to enforce the Sponsor Commitment Letter and to consummate the Arrangement and the other transactions contemplated by this Agreement if the Debt Financing would not be funded in full at the Effective Time substantially concurrently with the funding of the Sponsor Financing (and, for certainty, for the purpose of determining whether the Debt Financing would be funded in full, assuming that the Sponsor Financing would be funded in full at the Effective Time).
- (3) Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, without limiting the Company's right to obtain specific performance if and to the extent available in accordance with Section 8.6(1) and Section 8.6(2), the maximum aggregate liability, whether in equity or at Law, in Contract, in tort or otherwise, of the Purchaser Related Parties collectively (including the Reverse Termination Fee and

monetary damages for fraud or breach, whether willful, material, intentional, unintentional or otherwise, or monetary damages in lieu of specific performance): (a) under this Agreement or any other Transaction Document; (b) in connection with the failure of the transactions contemplated hereby (including the Financing) or under any other Transaction Document to be consummated; or (c) resulting from the termination of this Agreement; (d) any liabilities or obligations arising under this Agreement (including any amounts owing to the Company pursuant to Section 4.6(3) and Section 4.9(4)); or (e) in respect of any representation or warranty made or alleged to have been made in connection with this Agreement or any other Transaction Document, will not under any circumstances exceed, in the aggregate, an amount equal to (i) \$200,000,000, plus (ii) only if applicable, all costs, expenses or interest owing pursuant to Section 8.2(9), and in no event will the Company or any Company Related Party seek, directly or indirectly, to recover against the Purchaser Related Parties, or compel payment by the Purchaser Related Parties of, any damages or other payments whatsoever, whether at Law or in equity, in contract, tort or otherwise, in excess of such aggregate amount. For the avoidance of doubt, under no circumstances shall the Company be entitled to seek or obtain any recovery or judgment against the Debt Financing Sources, including for any type of damage relating to this Agreement or the transactions contemplated hereby, whether at law or in equity, in contract, in tort or otherwise. No Debt Financing Source shall be subject to any special, consequential, punitive or indirect damages or damages of a tortious nature.

- (4) Under no circumstances shall the Company, directly or indirectly, be permitted or entitled to receive (a) both (i) a grant of specific performance to enforce the Purchaser's obligation to enforce the Sponsor Commitment Letter and to consummate the Arrangement, in each case, if, and to the extent, permitted by Section 8.6(2), or other equitable relief, on the one hand, and (ii) payment of monetary damages or the Reverse Termination Fee pursuant to Section 8.2(7), on the other hand, or (b) both (i) payment of any monetary damages whatsoever, on the one hand, or (ii) payment of the Reverse Termination Fee, on the other hand.

Section 8.7 Third Party Beneficiaries

- (1) Except as provided in Section 2.7(1), Section 4.6(3) and Section 4.8 which, without limiting their respective terms, are intended as stipulations for the irrevocable benefit of the Company Optionholders, the Representatives of the Company and its Subsidiaries and Indemnified Persons, respectively, the Company and the Purchaser intend that this Agreement will not benefit or create any right or cause of action in favour of any Person other than the Parties, and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any Proceeding or other forum.
- (2) Despite the foregoing, the Parties acknowledge to each of the Company Optionholders their direct rights against the applicable Party under Section 2.7(1), which is intended for the benefit of, and shall be enforceable by, each Company Optionholder, his or her heirs and his, her or its legal representatives, and for such purpose, the Company and the Purchaser, as applicable, confirms that it is acting as trustee on their behalf, and agrees to enforce such provisions on their behalf.

- (3) Despite the foregoing, the Parties acknowledge to each of the Indemnified Persons their direct rights against the applicable Party under Section 4.8, which is intended for the benefit of, and shall be enforceable by, each Indemnified Person, his or her heirs and his, her or its legal representatives, and for such purpose, the Company and the Purchaser, as applicable, confirms that it is acting as trustee on their behalf, and agrees to enforce such provisions on their behalf.
- (4) Despite the foregoing, the Parties acknowledge to each of the Representatives of the Company and its Subsidiaries their direct rights against the applicable Party under Section 4.6(3), which is intended for the benefit of, and shall be enforceable by, each such Representative, its, his or her heirs and its, his, her or its legal representatives, and for such purpose, the Company and the Purchaser, as applicable, confirms that it is acting as trustee on their behalf, and agrees to enforce such provisions on their behalf.
- (5) Despite the foregoing, the Parties acknowledge that each of the Debt Financing Sources shall be express third party beneficiaries of Section 8.1(3), Section 8.6, this Section 8.7(5), Section 8.12(3), Section 8.12(4), Section 8.12(5) and Section 8.16, each of such Sections shall expressly inure to the benefit of the Debt Financing Sources and the Debt Financing Sources shall be entitled to rely on and enforce the provisions of such Sections.
- (6) Other than as contemplated in Section 8.7(5), prior to the Effective Time, the Parties reserve the right to vary or rescind their rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person, including any Indemnified Person.

Section 8.8 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial waiver of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 8.9 Entire Agreement

This Agreement, together with the Confidentiality Agreement and the Limited Guarantee, constitute the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 8.10 Successors and Assigns

- (1) This Agreement becomes effective only when executed by the Company and the Purchaser. After that time, it will be binding upon and inure to the benefit of the Company and the Purchaser and their respective successors and permitted assigns.
- (2) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Party, provided that the Purchaser may assign all or part of their respective rights under this Agreement to, and its obligations under this Agreement may be assumed by, any of its Affiliates if the Purchaser continues to be liable jointly and severally with such Affiliate for all of its obligations hereunder.

Section 8.11 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.12 Governing Law

- (1) This Agreement will be governed by and interpreted and enforced in accordance with the Laws of the Province of Alberta and the federal Laws of Canada applicable therein.
- (2) Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of Alberta in the City of Calgary and waives objection to the venue of any Proceeding in such court or that such court provides an inconvenient forum, provided that any such Proceedings will be conducted in the English language only.
- (3) Notwithstanding anything herein to the contrary, each of the Company and the Purchaser agree that any claim, controversy or dispute of any kind or nature (whether based upon contract, tort or otherwise) against a Debt Financing Source that is in any way related to this Agreement or any of the transactions contemplated hereby, including any dispute arising out of or relating in any way to the Debt Financing, shall be governed by, and construed in accordance with, the Laws of the State of New York without regard to conflict of law principles.
- (4) Notwithstanding anything herein to the contrary, each of the Company and the Purchaser and each Company Related Party agrees (a) that it will not bring or support any action, cause of action, claim, cross-claim or third-party claim of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against the Debt Financing Sources in any way relating to this Agreement or any of the transactions contemplated hereby, including but not limited to any dispute arising out of or relating in

any way to the Debt Financing or the performance thereof or the transactions contemplated thereby, in any forum other than exclusively in the Supreme Court of the State of New York, County of New York, or, if under applicable law exclusive jurisdiction is vested in the federal courts, the United States District Court for the Southern District of New York (and appellate courts thereof), (b) submits for itself and its property with respect to any such action to the exclusive jurisdiction of such courts, (c) agrees that service of process, summons, notice or document by registered mail addressed to it at its address provided in Section 8.2(14) shall be effective service of process against it for any such action brought in any such court, (d) waives and hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of, and the defense of an inconvenient forum to the maintenance of, any such action in any such court, and (e) agrees that a final judgment in any such action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

- (5) NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EACH COMPANY RELATED PARTY AND EACH OTHER PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS OF TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ACQUISITION, THE DEBT FINANCING OR ANY OF THE OTHER TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING IN ANY ACTION, PROCEEDING OR COUNTERCLAIM AGAINST ANY FINANCING SOURCE.

Section 8.13 Rules of Construction

The Parties to this Agreement waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the Party drafting such agreement or other document.

Section 8.14 Language

The Parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. *Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.*

Section 8.15 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or any other form of electronic communication) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

Section 8.16 Non-Recourse

Subject to claims against the Debt Financing Sources and the Sponsors by the Purchaser pursuant to, and subject to the terms and conditions of, any Commitment Letters (and any definitive documents related thereto), notwithstanding anything else herein to the contrary, each party agrees, on behalf of itself and its Related Parties, each Party agrees, on behalf of itself and its Related Parties, that all Proceedings (whether in Contract or in tort, in Law or in equity or otherwise, or granted by statute or otherwise, whether by or through attempted piercing of the corporate, limited partnership or limited liability company veil or any other theory or doctrine, including alter ego or otherwise) that may be based upon, in respect of, arise under, out of or by reason of, be connected with, or relate in any manner to (a) this Agreement, any other Transaction Document, the Arrangement or the transactions contemplated hereunder or thereby, (b) the negotiation, execution or performance of any Transaction Document (including any representation or warranty made in connection with, or as an inducement to any Transaction Document), (c) any breach or violation of this Agreement or any other Transaction Document, and (d) any failure of the Arrangement (including the Financing) or any other transactions contemplated hereunder or thereunder to be consummated, in each case, may be made only against (and are those solely of), in this case of this Agreement, the Persons that are expressly identified as parties to this Agreement, and in the case of the other Transaction Documents, the applicable parties thereto, and in accordance with, and subject to the terms and conditions of such Transaction Documents. Notwithstanding anything in this Agreement or any of the other Transaction Documents to the contrary, except for claims against the Debt Financing Sources and the Sponsors by Purchaser pursuant to, and subject to the terms and conditions of, any Commitment Letters (and any definitive documents related thereto), each party agrees, on behalf of itself and its Related Parties, that no recourse under this Agreement or any of the other Transaction Documents or in connection with the Arrangement (including the Financing) or any other transactions contemplated hereunder or under any other Transaction Document will be sought or had against any Debt Financing Source or any other Person, including in each case any Related Party, and no Debt Financing Source or no other Person, including in each case any Related Party, will have any personal liabilities or obligations (whether in Contract or in tort, in Law or in equity or otherwise, or granted by statute or otherwise, whether by or through attempted piercing of the corporate, limited partnership or limited liability company veil or any other theory or doctrine, including alter ego or otherwise), for any claims, causes of action, obligations or liabilities arising under, out of, in connection with or related in any manner to the items in the immediately preceding clauses (a) through (d), it being expressly agreed and acknowledged that no personal liability or losses whatsoever will attach to, be imposed on or otherwise be incurred by any of the aforementioned, as such, arising under, out of, in connection with or related in any manner to the items in the immediately preceding clauses (a) through (d) except for claims by the Company against the Sponsors under, if, as and when required pursuant to the terms and conditions of the Limited Guarantee.

* * * * *

IN WITNESS WHEREOF the Parties have executed this Agreement on the date first written above.

KESTREL BIDCO INC.

By: “*Dave Copeland*”
Name: Dave Copeland
Title: Director and Chief Financial Officer

WESTJET AIRLINES LTD.

By: “*Edward Sims*”
Name: Edward Sims
Title: President and Chief Executive Officer

By: “*Christopher Burley*”
Name: Christopher Burley
Title: Vice Chair

SCHEDULE A

PLAN OF ARRANGEMENT

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

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

Unless indicated otherwise, any capitalized term used herein but not defined shall have the meaning given to it in the Arrangement Agreement and the following terms shall have the respective meanings set out below (and grammatical variations of such terms shall have corresponding meanings):

“**ABCA**” means the *Business Corporations Act* (Alberta).

“**Arrangement**” means an arrangement of the Company under Section 193 of the ABCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the terms of the Arrangement Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Arrangement Agreement**” means the arrangement agreement made as of May 12, 2019 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

“**Arrangement Resolution**” means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by the Shareholders and Company Optionholders entitled to vote thereon pursuant to the Interim Order.

“**Business Day**” means any day of the year, other than a Saturday, a Sunday or a day on which major banks are closed for business in Calgary, Alberta or Toronto, Ontario or, for purposes of the definition of Marketing Period and the date on which the Effective Date occurs, New York, New York.

“**Certificate of Arrangement**” means the proof of filing to be issued by the Registrar pursuant to subsection 193(12) of the ABCA in respect of the Articles of Arrangement.

“**Company**” means WestJet Airlines Ltd.

“**Company Meeting**” means the special meeting of Shareholders and Company Optionholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

“Company Optionholder” means a holder of Company Options.

“Company Options” means the outstanding options to purchase Shares issued pursuant to the Stock Option Plan.

“Company Securityholders” means, collectively, the Shareholders and the Company Optionholders.

“Consideration” means \$31.00 in cash per Share.

“Court” means the Court of Queen’s Bench of Alberta, or other court as applicable.

“Depositary” means AST Trust Company of Canada or such other Person as the Company and the Purchaser mutually agree on.

“Dissent Rights” has the meaning given to it in Section 3.1.

“Dissenting Holder” means a registered Shareholder as of the record date of the Company Meeting who (a) has validly exercised its Dissent Rights in strict compliance with the Dissent Right provisions of this Plan of Arrangement, (b) has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, and (c) is ultimately entitled to be paid the fair value for his, her or its Shares, but only in respect of Shares in respect of which Dissent Rights are validly exercised by such registered Shareholder.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” means 1:01 a.m., Calgary time, on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“Final Order” means the final order of the Court pursuant to section 193 of the ABCA in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended (provided that any such amendment is acceptable to the Company and the Purchaser, each acting reasonably) on appeal.

“Interim Order” means the interim order of the Court pursuant to section 193 of the ABCA in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified, supplemented or varied by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“Letter of Transmittal” means the letter of transmittal sent to holders of Shares for use in connection with the Arrangement.

“**Lien**” means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retention arrangements, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event, the rights of lessors under capital or financing leases and any other lease financing.

“**Midco**” means Kestrel Midco Inc.

“**Midco Option Plan**” means the stock option plan of Midco to be established by the board of directors of Midco on or prior to the Effective Date.

“**Midco Options**” means options to purchase Midco Shares granted pursuant to the Midco Option Plan.

“**Midco Shares**” means non-voting common shares in the capital of Midco.

“**Midco Transfer Agreement**” means the agreement to be entered into between Midco and the Purchaser pursuant to which Midco will transfer to the Purchaser the Rollover Shares acquired by Midco.

“**Parties**” means, collectively, the Company and the Purchaser, and “**Party**” means any one of them.

“**Person**” includes any individual, partnership, limited partnership, association, body corporate, organization, joint venture, trust, estate, trustee, executor, administrator, legal representative, Governmental Entity, syndicate or other entity, whether or not having legal status.

“**Plan of Arrangement**” means this plan of arrangement, subject to any amendments or variations made in accordance with the Arrangement Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Purchaser**” means Kestrel Bidco Inc., a corporation incorporated under the laws of the Province of Alberta.

“**Rollover Agreement**” means each exchange and subscription agreement between a Rollover Securityholder and Midco, pursuant to which each Rollover Securityholder agrees to (a) transfer Shares to Midco in consideration for Midco Shares pursuant to the Plan of Arrangement, (b) exchange Company Options for Midco Options, in a manner that complies with the requirements for an exchange of options under subsection 7(1.4) of the Tax Act, pursuant to the Plan of Arrangement, and (c) subscribe for additional Midco Shares for cash on the Effective Date.

“**Rollover Options**” means Company Options held by a Rollover Securityholder that are to be exchanged for Midco Options pursuant to a Rollover Agreement in accordance with the Plan of Arrangement.

“**Rollover Securityholder**” means a holder of Shares or Company Options that is a party to a Rollover Agreement with Midco as of the Effective Time.

“**Rollover Shares**” means Shares held by a Rollover Securityholder that are to be exchanged for Midco Shares pursuant to a Rollover Agreement in accordance with the Plan of Arrangement.

“**Shareholders**” means the registered holders of the Shares.

“**Shares**” means, collectively, the Common Voting Shares and the Variable Voting Shares.

“**Stock Option Plan**” means the 2009 stock option plan of the Company dated as of May 5, 2009.

“**Tax Act**” means the *Income Tax Act* (Canada).

Section 1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

- (1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- (2) **Currency.** All references to “dollars” or to “\$” are references to Canadian dollars, unless specified otherwise. In the event that any amounts are required to be converted from a foreign currency to Canadian dollars or vice versa, such amounts shall be converted using the most recent closing exchange rate of The Bank of Canada available before the relevant calculation date.
- (3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) **Certain Phrases, etc.** The words (a) “including”, “includes” and “include” mean “including (or includes or include) without limitation”, (b) “or” is not exclusive, (c) “day” means “calendar day”, (d) “hereof”, “herein”, “hereunder” and words of similar import, shall refer to this Plan of Arrangement as a whole and not to any particular provision of this Plan of Arrangement, (e) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”, (f) “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends and such phrase shall not mean simply “if”, and (g) unless stated otherwise, “Article” or “Section” followed by a number or letter mean and refer to the specified Article or Section of this Plan of Arrangement.
- (5) **Statutes and Rules.** Any reference to a statute or to a rule of a self-regulatory organization, including any stock exchange, refers to such statute or rule and all rules, resolutions and regulations, administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

- (6) **Date for Any Action.** If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day. Any reference to a number of days shall refer to calendar days unless Business Days are specified.
- (7) **Time.** Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in Calgary, Alberta unless otherwise stipulated herein.

ARTICLE 2 THE ARRANGEMENT

Section 2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

Section 2.2 Binding Effect

This Plan of Arrangement and the Arrangement shall become effective at the Effective Time, and shall be binding on the Purchaser, the Company, all Shareholders (including Dissenting Holders), all holders of Incentive Securities, the registrar and transfer agent of the Company, the Depository and all other Persons at and after the Effective Time, without any further act or formality required on the part of any Person.

Section 2.3 Arrangement

Commencing at the Effective Time, each of the following events shall occur sequentially in the order set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time (provided that none of the following shall occur unless all of the following occur):

- (1) notwithstanding the terms of the DSU Plan, the KEP Plan, the ESU Plan or the TI Plan or any applicable award agreements in relation thereto, simultaneously:
 - (a) the DSU Plan shall be terminated and each DSU outstanding immediately prior to the Effective Time shall, without any further action or formality on behalf of the holder thereof and the Company, be deemed to be surrendered to the Company in exchange for, subject to Section 4.4, an amount equal to the Consideration, payable in cash to the holder in accordance with Section 4.1(5), in full satisfaction of the Company's obligations under such surrendered DSU;
 - (b) the KEP and TI Plan shall be terminated and each RSU granted under the KEP Plan or the TI Plan and outstanding immediately prior to the Effective Time (whether then vested or unvested) shall, without any further action or formality on behalf of the holder thereof and the Company, be deemed to be surrendered to the Company in exchange for, subject to Section 4.4, an amount equal to the Consideration, payable in cash to the holder in accordance with Section 4.1(5), in full satisfaction of the Company's obligations under such surrendered RSU;

- (c) the ESU Plan shall be terminated and each RSU or PSU granted under the ESU Plan and outstanding immediately prior to the Effective Time (whether then vested or unvested) shall, without any further action or formality on behalf of the holder thereof and the Company, be deemed to be surrendered to the Company in exchange for, subject to Section 4.4, an amount equal to, (i) in the case of each RSU, the Consideration multiplied by the number of Shares covered by such RSU, and (ii) in the case of each PSU, the Consideration multiplied by the number of Shares covered by such PSU assuming 100% performance vesting, multiplied by a factor, being the ratio of (x) the period of time from the grant date of the PSU to the Effective Date, to (y) the term of the PSU, in each case payable in cash to the holder in accordance with Section 4.1(5), in full satisfaction of the Company's obligations under such surrendered RSU or PSU (as applicable);

whereupon all DSUs, RSUs and PSUs shall be, and shall be deemed to be, cancelled by the Company, all obligations in respect of the DSUs, RSUs and PSUs shall be deemed to be fully satisfied and the holders thereof shall cease to have any rights in respect thereof other than the right to receive the consideration contemplated under this Plan of Arrangement;

- (2) notwithstanding the terms of the Stock Option Plan or any applicable award agreements in relation thereto, the Stock Option Plan shall be cancelled and each Company Option (other than Rollover Options) whether vested or unvested, that has not, prior to the Effective Time, been exercised or surrendered in accordance with its terms shall, without any further action or formality on behalf of the holder thereof and the Company and without any payment by such Company Optionholder, be deemed to be transferred to the Company as follows:
 - (a) in respect of each Company Option outstanding at the Effective Time (other than Rollover Options) whether vested or unvested, that has an exercise price that is less than the Consideration, the applicable Company Option shall be deemed to be surrendered to the Company in exchange for, subject to Section 4.4, an amount equal to the amount by which the Consideration exceeds the exercise price thereof, payable in cash to the Company Optionholder in accordance with Section 4.1(5) in full satisfaction of the Company's obligations under such surrendered Company Option; and
 - (b) in respect of each Company Option outstanding at the Effective Time whether vested or unvested, that has an exercise price that is equal to or greater than the Consideration, the applicable Company Option shall be deemed to be surrendered to the Company in exchange for, subject to Section 4.4, an amount equal to \$0.05, payable in cash to the Company Optionholder in accordance with Section 4.1(5) in full satisfaction of the Company's obligations under such surrendered Company Option;

whereupon all Company Options (other than Rollover Options) shall be, and shall be deemed to be, cancelled by the Company, all obligations in respect of the Company Options (other than Rollover Options) shall be deemed to be fully satisfied, and the

holders thereof shall cease to have any rights in respect thereof other than the right to receive the consideration contemplated under this Plan of Arrangement.

- (3) each Share held by a Dissenting Holder described in Section 3.1 shall be transferred by the holder thereof to the Company in exchange for a debt claim against the Company for the amount determined in accordance with Section 3.1(a);
- (4) each Rollover Share shall be transferred by the holder thereof to Midco in exchange for such number of Midco Shares as set out in the applicable Rollover Agreement on the terms and conditions set out in the applicable Rollover Agreement.
- (5) simultaneous with the transactions set out in Section 2.3(4), each outstanding Share (other than a Share held by a Dissenting Holder described in Section 2.3(1) or a Rollover Share) shall be transferred to the Purchaser in exchange for, subject to Section 4.4, a cash payment to the holder equal to the Consideration;
- (6) each Rollover Option (whether then vested or unvested) shall be exchanged for such number of Midco Options as set out in the applicable Rollover Agreement on the terms and conditions set out in the applicable Rollover Agreement; and
- (7) each Rollover Share shall be transferred by Midco to the Purchaser in exchange for common shares of the Purchaser on the terms and conditions set out in the Midco Transfer Agreement.

ARTICLE 3 RIGHTS OF DISSENT

Section 3.1 Rights of Dissent

Subject to Section 3.1(a), each registered Shareholder as of the record date for the Company Meeting may exercise dissent rights with respect to the Shares held by such holder as of such date (the “**Dissent Rights**”) in connection with the Arrangement pursuant to and in the manner set forth in Section 191 of the ABCA, as modified by the Interim Order and this Article 3; provided that, notwithstanding Section 191 of the ABCA, the written objection to the Arrangement Resolution must be received by the Company not later than 5:00 p.m. (Calgary time) two Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Holders who validly exercise their Dissent Rights shall be deemed to have transferred the Shares held by them and in respect of which Dissent Rights have been validly exercised to the Company, without any further act or formality, as provided in Section 2.3(3), and if they:

- (a) ultimately are entitled to be paid fair value for such Shares, they shall: (i) in respect of such Shares be treated as not having participated in the transactions in Article 2 (other than Section 2.3(3)), (ii) be entitled to be paid, subject to Section 4.4, the fair value of such Shares by the Company, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Company Meeting, and (iii) not be entitled to any other payment or consideration, including any payment that would be payable

under the Arrangement had such holders not exercised their Dissent Rights in respect of such Shares; or

- (b) ultimately are not entitled, for any reason, to be paid fair value for such Shares, they shall in respect of such Shares be treated as having participated in the Arrangement on the same basis as a non-Dissenting Holder of Shares (and shall be entitled to receive the Consideration from the Purchaser in the same manner as such non-Dissenting Holders).

Section 3.2 Recognition of Dissenting Holders

- (1) In no circumstances shall the Purchaser, the Company, the Depositary or any other Person be required to recognize a Person exercising Dissent Rights: (a) unless, as of the deadline for exercising Dissent Rights (as set forth in Section 3.1), such Person is the registered holder of those Shares in respect of which such Dissent Rights are sought to be exercised, (b) if such Person has voted or instructed a proxy holder to vote such Shares in favour of the Arrangement Resolution, or (c) unless such Person has strictly complied with the procedures for exercising Dissent Rights and does not withdraw such dissent prior to the Effective Time.
- (2) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of the Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfers under Section 2.3(3).
- (3) In addition to any other restrictions under Section 191 of the ABCA, none of the following shall be entitled to exercise Dissent Rights: (a) holders of Incentive Securities, (b) Shareholders who vote or have instructed a proxyholder to vote Shares in favour of the Arrangement Resolution, (c) any Person (including any beneficial owner of Shares) who is not a registered Shareholder, and (d) the Purchaser or its Affiliates.

ARTICLE 4 EXCHANGE OF CERTIFICATES AND PAYMENTS

Section 4.1 Payment of Consideration

- (1) Following receipt of the Final Order and prior to the Effective Date, in accordance with Section 2.9 of the Arrangement Agreement, the Purchaser shall deposit, or shall cause to be deposited, for the benefit of the Shareholders, cash with the Depositary in the aggregate amount equal to the payments in respect of the Shares required by this Plan of Arrangement, with the amount per Share in respect of which Dissent Rights have been exercised being deemed to be the Consideration for this purpose.
- (2) The consideration contemplated by Section 4.1(1) shall be held by the Depositary as agent and nominee for such Shareholders in accordance with the provisions of Article 4 hereof. Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Shares that were transferred pursuant to Section 2.3(3) and Section 2.3(5) together with a duly completed

and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive, and the Depository shall deliver (and the Purchaser shall cause the Depository to deliver), to such holder, a cheque (or other form of immediately available funds) representing the cash which such holder has the right to receive pursuant to this Plan of Arrangement in respect of such Shares, without interest and less any amounts withheld pursuant to Section 4.4, and any certificate so surrendered shall forthwith be cancelled.

- (3) After the Effective Time and until surrendered for cancellation as contemplated by this Section 4.1, each certificate, agreement or other instrument (as applicable) which immediately prior to the Effective Time represented Shares shall be deemed at all times to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this Section 4.1.
- (4) Any certificate, agreement or other instrument that immediately prior to the Effective Time represented outstanding Shares not duly surrendered with all other documents required by this Section 4.1 on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder thereof of any kind or nature against or in the Company or the Purchaser. On such date, all consideration to which such former holder was entitled under this Plan of Arrangement shall be deemed to have been surrendered to the Purchaser or the Company, as applicable, together with all entitlements to dividends, distributions and interest thereon held for such former holder.
- (5) As soon as reasonably practicable following the Effective Time, the Company shall deliver, or shall cause to be delivered, to each holder of Incentive Securities (other than Rollover Options), through the Company's payroll systems (or such other means as the Company may elect or as otherwise directed by the Purchaser including with respect to the timing and manner of such delivery), the cash payment, if any, which such holder of Incentive Securities has the right to receive under this Plan of Arrangement for such Incentive Security, less any amounts withheld pursuant to Section 4.4 hereof.
- (6) Any payment made by way of cheque by the Depository or the Company, as applicable, pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depository or the Company, as applicable, or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Shares and Incentive Securities pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.

Section 4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, the Depository shall issue and deliver (and the Purchaser shall cause the Depository

to issue and deliver) to the Person claiming such certificate to be lost, stolen or destroyed, in exchange for such lost, stolen or destroyed certificate, a cheque (or other form of immediately available funds) representing the aggregate consideration in respect thereof which such holder is entitled to receive pursuant to the Arrangement, deliverable in accordance with such holder's Letter of Transmittal. When authorizing such delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be delivered shall, as a condition precedent to the delivery of such consideration, give an affidavit (in form and substance acceptable to the Purchaser, acting reasonably) of the claimed loss, theft or destruction of such certificate and a bond or surety satisfactory to the Purchaser and the Depository (each acting reasonably) in such reasonable and customary sum as the Purchaser may direct, or otherwise indemnify the Purchaser, the Company and the Depository in a manner satisfactory to the Purchaser and the Depository, each acting reasonably, against any claim that may be made against the Purchaser, the Company and/or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4.3 Rounding of Cash

If the aggregate cash amount which a Party is entitled to receive pursuant to this Plan of Arrangement would otherwise include a fraction of \$0.01, then the aggregate cash amount to which such Party shall be entitled to receive shall be rounded up to the nearest whole \$0.01.

Section 4.4 Withholding Rights

The Company, the Purchaser, the Depository and any other Person shall be entitled to deduct or withhold from any amount payable to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 3.1), such amounts as the Company, the Purchaser, the Depository or such other Person, as applicable, determines, acting reasonably, are required to be deducted or withheld with respect to such payment under the Tax Act or any provision of any other Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity.

Section 4.5 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

Section 4.6 Paramourty

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Shares and Incentive Securities issued or outstanding prior to the Effective Time, and (b) the rights and obligations of the Shareholders, the holders of Incentive Securities, the Company and its Subsidiaries, the Purchaser and its Affiliates, the Depository and any transfer agent or other depository therefor in relation to this Plan of Arrangement shall be solely as provided for in this Plan of Arrangement.

ARTICLE 5 AMENDMENTS

Section 5.1 Amendments to Plan of Arrangement

- (1) The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (a) set out in writing, (b) approved by the Parties, each acting reasonably, (c) filed with the Court and, if made following the Company Meeting, approved by the Court, and (d) communicated to the Company Securityholders if and as required by the Court.
- (2) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by either of the Parties at any time prior to the Company Meeting (provided that the other Party has consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (3) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (a) it is consented to in writing by each of the Parties (in each case, acting reasonably), and (b) if required by the Court, it is consented to by some or all of the Shareholders voting in the manner directed by the Court. Any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order without filing such amendment, modification or supplement with the Court or seeking Court approval, provided that (i) it concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the interest of any Company Securityholder or (ii) is an amendment contemplated in Section 5.1(4).
- (4) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, without communication to the Company Securityholders, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former Company Securityholder.
- (5) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 6 FURTHER ASSURANCES

Section 6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further

act or formality, following the Effective Time, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required or advisable by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

SCHEDULE B
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

- (1) The arrangement (as may be amended, supplemented or varied, the “**Arrangement**”) under Section 193 of the *Business Corporations Act* (Alberta) involving WestJet Airlines Ltd. (the “**Company**”), pursuant to the arrangement agreement among the Company and Kestrel Bidco Inc. dated May 12, 2019, as it may be modified, supplemented or amended from time to time in accordance with its terms (the “**Arrangement Agreement**”), the full text of which is set out as Appendix ● to the management information circular of the Company dated ●, 2019 (the “**Circular**”), and all transactions contemplated thereby, are hereby authorized, approved and adopted.
- (2) The plan of arrangement, the full text of which is set out as Appendix ● to the Circular, as it has been or may be modified, supplemented or amended in accordance with the Arrangement Agreement and its terms, involving the Company (the “**Plan of Arrangement**”), is hereby authorized, approved and adopted.
- (3) The Arrangement Agreement and all the transactions contemplated therein, the actions of the directors of the Company in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any modifications, supplements or amendments thereto are hereby ratified and approved.
- (4) Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Shareholders and Company Optionholders (as defined in the Arrangement Agreement) or that the Arrangement has been approved by the Court of Queen’s Bench of Alberta (the “**Court**”), the directors of the Company are hereby authorized and empowered, at their discretion, without further notice to or approval of the Shareholders: (a) to amend or modify the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms, and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and any related transactions.
- (5) The Company is hereby authorized to apply for a final order from the Court to approve the Arrangement in accordance with and subject to the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement.
- (6) Any officer or director of the Company is hereby authorized and directed, for and on behalf of the Company, to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person’s opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such other document or instrument or the doing of any other such act or thing.

SCHEDULE C
OTHER MERGER CONTROL APPROVALS

Schedule C may be modified at any time upon written agreement of the Parties and/or their external counsel.

The United States Hart Scott Rodino Antitrust Improvement Act.

SCHEDULE D
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

- (1) **Organization and Qualification.** The Company and each of its Subsidiaries is a corporation or other entity incorporated or organized, as applicable, validly existing, and in good standing under the Laws of the jurisdiction of its governing jurisdiction. The Company, and each of its Subsidiaries, has all requisite power and authority, is duly qualified, licensed or registered and holds all material Authorizations required to carry on its business as now conducted and to own, lease and operate its assets and business.
- (2) **Authorization.** The Company has the requisite corporate power and authority to enter into this Agreement and the other Transaction Documents to which it is a party, and to perform its obligations hereunder and thereunder. The execution and delivery by the Company of this Agreement and the other Transaction Documents to which it is a party, and the performance by the Company of its obligations hereunder and thereunder, and the consummation of the Arrangement and the other transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part the Company and no other corporate proceedings on the part the Company are necessary to authorize this Agreement and the other Transaction Documents to which it is a party, or the consummation of the Arrangement and the other transactions contemplated hereby, other than the Required Approval and the Interim Order and the Final Order.
- (3) **Capitalization.**
 - (a) The authorized capital of the Company consists of (i) an unlimited number of Common Voting Shares and an unlimited number of Variable Voting Shares, of which 113,952,590 Shares were issued and outstanding as of the date of this Agreement, (ii) an unlimited amount of non-voting shares, issuable in series, of which none are issued and outstanding, and (iii) an unlimited number of preferred shares, issuable in series, of which none were issued and outstanding as of the date of this Agreement. All issued and outstanding Shares have been duly authorized and validly issued, and are fully paid and non-assessable.
 - (b) As of the date hereof (i) up to 11,183,839 Shares are issuable upon the exercise of outstanding Company Options, (ii) up to 337,969 Shares would be issuable upon the settlement of outstanding PSUs (assuming application of the maximum possible performance vesting), if all such PSUs were settled through the issuance of newly-issued Shares and (iii) up to 588,720 Shares would be issuable upon the settlement of outstanding RSUs, if all such RSUs were settled through the issuance of newly-issued Shares. Except as disclosed in the preceding sentence and for RSUs and PSUs granted after the date hereof in accordance with this Agreement, there are no options, convertible securities or other rights, Contracts, plans (including any shareholder rights plan or poison pill) or commitments of any character whatsoever (pre-emptive, contingent or otherwise) requiring, or which may require, whether or not subject to conditions, the issuance, sale or transfer by the Company or any of its Subsidiaries of any securities of the Company or any of its Subsidiaries (including Shares) or any securities

convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to subscribe for or acquire, any securities of the Company or any of its Subsidiaries.

- (c) There are no outstanding contractual or other obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any of the Company's or any Subsidiary's securities (other than Senior Notes), or qualify securities for public distribution in Canada or elsewhere. Other than the Shares, there are no securities or other instruments or obligations of the Company or of any of its Subsidiaries that carry (or which is convertible into, or exchangeable for, securities having) the right to vote generally with the Shareholders on any matter.
 - (d) All outstanding Shares, Company Options, DSUs, RSUs and PSUs have been duly authorized by the Board (or a duly authorized committee thereof) and have been issued in compliance with all applicable Laws (including Securities Laws).
- (4) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Company, and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other Laws related to or affecting the rights of creditors generally, and except as limited by the application of equitable principles (regardless of whether such enforcement is considered in a Proceeding in equity or at Law) and by the fact that the right to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law.
- (5) **Governmental Authorization.** The execution and delivery of this Agreement by the Company, and the performance of its and its Subsidiaries' obligations hereunder and the consummation of the Arrangement and the other transactions contemplated hereby, do not require any Authorization or other action by or in respect of, or filing with or notification to, any Governmental Entity by the Company or any of its Subsidiaries other than (a) the Regulatory Approvals and the Key Regulatory Approvals, (b) the Interim Order and the Final Order, (c) the filing of the Articles of Arrangement, and (d) customary filings with the Securities Authorities.
- (6) **Non-Contravention.** The execution and delivery of this Agreement by the Company, and performance of its and its Subsidiaries' obligations hereunder and the consummation by the Company and its Subsidiaries of the Arrangement and the other transactions contemplated hereby do not and will not (or would not, with the giving of notice, the lapse of time, or the happening of any other event or condition (or combination thereof)):
- (a) contravene, conflict with, or result in any violation or breach of the Company Constating Documents or the organizational documents of any of the Company's Subsidiaries;

- (b) assuming compliance with the matters referred to in Paragraph D(5) above, contravene, conflict with or result in a material violation or breach of any applicable Law;
 - (c) except as set out in Section D(6)(c) of the Company Disclosure Letter, allow any Person to exercise any rights, require any consent or other action by any Person, constitute a breach of or default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Company or any of its Subsidiaries is entitled (including by triggering any rights of first refusal or first offer, change in control provision or other restriction or limitation) under, any Material Contract or any material Authorization of the Company or any Subsidiary; or
 - (d) result in the creation or imposition of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries (excluding, for greater certainty, any Lien created or imposed by the Debt Financing).
- (7) **Shareholders' and Similar Agreement.** None of the Company or any of its Subsidiaries is a party to any shareholder, pooling, voting or other similar Contract, arrangement or understanding relating to the ownership or voting of any securities of the Company or any of its Subsidiaries and, to the knowledge of the Company, as of the date hereof, other than the Voting Agreements, there are no irrevocable proxies or voting Contracts with respect to any securities issued by the Company or any of its Subsidiaries.
- (8) **Subsidiaries.**
- (a) A true and complete list of all Subsidiaries of the Company is set out in Section D(8) of the Company Disclosure Letter, including: (i) its name, (ii) the percentage of each class of outstanding shares or other interests (including partnership interests, however divided) in such Subsidiary owned, directly or indirectly, by the Company, and (iii) its governing jurisdiction.
 - (b) Other than the Subsidiaries set out in Section D(8) of the Company Disclosure Letter, the Company has no direct or indirect Subsidiaries nor does it own any direct or indirect equity or voting interest of any kind in any Person.
 - (c) The Company directly or indirectly owns all of the issued and outstanding shares and other interests (including partnership interests, however divided) of each of its Subsidiaries, free and clear of any Liens (other than Permitted Liens), and all of the issued and outstanding shares or interests directly or indirectly owned by the Company have been duly authorized and validly issued and are fully paid and non-assessable shares or interests, and no such shares or interests have been issued in violation of any pre-emptive or similar rights.
 - (d) There are no Contracts, arrangements or restrictions that require the Company's Subsidiaries to issue, sell or deliver any shares or other interests, or any securities convertible into or exchangeable for, any shares or other interests.

(9) **Securities Law Matters.**

(a) The Company is a reporting issuer (or the equivalent) under Securities Laws in each of the provinces and territories of Canada. The Shares are listed and posted for trading on the TSX. None of the Company's Subsidiaries are subject to any continuous or periodic or other disclosure requirements under the securities Laws of any jurisdiction. The Company is not in default of any material requirement of applicable Securities Laws. The Company has not taken any action to cease to be a reporting issuer in any province or territory of Canada, nor has the Company received notification from any Securities Authority seeking to revoke the reporting issuer status of the Company. To the knowledge of the Company, no Proceeding or Order for the delisting, suspension of trading or cease trade or other Order or restriction with respect to any securities of the Company is in effect, has been initiated or is threatened or expected (other than as contemplated by Section 4.12). The Company has timely filed with the Securities Authorities all forms, reports, schedules, statements and other documents required to be filed by the Company with the Securities Authorities since January 1, 2017. The documents comprising the Company Filings, as of their respective dates, complied as filed in all material respects with applicable Law and did not contain any Misrepresentation. The Company has not filed any confidential material change report or other confidential filing with any Security Authority which at the date of this Agreement remains confidential. As of the date of this Agreement, there are no outstanding or unresolved comments in comment letters from any Securities Authority with respect to any of the Company Filings. Neither the Company nor any of its Subsidiaries is subject to any ongoing Proceeding by any Securities Authority or the TSX and, to the knowledge of the Company, no such Proceeding is threatened.

(b) The Company does not have, nor is it required to have, any class of securities registered under the *Securities Exchange Act of 1934* of the United States of America, nor is the Company subject to any reporting obligation (whether active or suspended) pursuant to Section 13(a) or Section 15(d) of the *Securities Exchange Act of 1934* of the United States of America. The Company is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to section 12(g) of the *Securities Exchange Act of 1934* of the United States of America, is not an investment company registered or required to be registered under the *Investment Company Act of 1940* of the United States of America, and is a "foreign private issuer" (as such term is defined in Rule 3b-4 under the *Securities Exchange Act of 1934* of the United States of America). No securities of the Company have been traded on any national securities exchange in the United States of America during the past 12 calendar months.

(10) **Financial Statements.** The audited consolidated financial statements and the unaudited consolidated interim financial statements of the Company for the years ended December 31, 2018 and 2017 (including, in each case, any notes or schedules to, and the auditor's report (if any) on, such financial statements) included in the Company Filings: (a) were prepared in accordance with IFRS, consistently applied throughout the periods referred to

therein (except as expressly set forth in the notes thereto) and (b) fairly present, in all material respects, the assets, liabilities, consolidated financial position, results of operations and cash flows of the Company and its Subsidiaries as of their respective dates and for the respective periods covered thereby, and there have been no changes in accounting methods, policies or practices of the Company or its Subsidiaries during such periods (except, in each case, as expressly set forth in the notes to such financial statements).

(11) **Disclosure Controls and Internal Control over Financial Reporting.**

- (a) The Company has established and maintains a system of disclosure controls and procedures (as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports required to be filed or submitted by it under Securities Laws is recorded, processed, summarized and reported within the time periods required by applicable Securities Laws. Such disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports required to be filed or submitted under applicable Securities Laws is accumulated and communicated to the Company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.
- (b) The Company has established and maintains a system of internal control over financial reporting (as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.
- (c) To the knowledge of the Company, there is no material weakness (as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) relating to the design, implementation or maintenance of the Company's internal control over financial reporting or fraud, whether or not material, that involves Service Providers who have a significant role in the internal control over financial reporting of the Company. To the knowledge of the Company, neither of the Company, any of its Subsidiaries, nor any of its or their respective Representatives has received or otherwise obtained knowledge of any Proceeding regarding accounting, internal accounting controls or auditing matters, including any Proceeding alleging that the Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices, or any expression of concern from its Representatives regarding questionable accounting or auditing matters.

- (12) **Books and Records.** The financial books, records and accounts of the Company and each of its Subsidiaries; (a) have been maintained in accordance with applicable Laws; (b) accurately and fairly reflect all material transactions involving the Company and its

Subsidiaries, and (c) accurately and fairly reflect the basis of the Company's financial statements in all material respects.

- (13) **Minute Books.** The corporate minute books of the Company and its Subsidiaries contain the minutes of all meetings and resolutions of their respective boards of directors and each committee thereof, (other than minutes of meetings held from May 6, 2019 which are still in the process of being prepared and the subject matter of which addresses Ordinary Course matters or that relate to this Agreement and the transactions contemplated hereby) and have been maintained in accordance with applicable Laws, and are complete and accurate, in all material respects. True and correct copies of the minutes books of the Company and each of its Subsidiaries (other than those portions of minutes of meetings of the Board and any committee thereof relating to this Agreement and the transactions contemplated hereby) have been provided in the Data Room.
- (14) **No Undisclosed Material Liabilities.** There are no material liabilities, Indebtedness or other obligations of any nature, whether accrued, contingent, absolute, determined, determinable, or otherwise, whether matured or unmatured, of the Company or of any of its Subsidiaries of a type required to be reflected or reserved for on a balance sheet prepared in accordance with IFRS, other than liabilities or obligations: (a) reflected on the consolidated balance sheet of the Company as at December 31, 2018, (b) incurred in the Ordinary Course since December 31, 2018, or (c) reasonably incurred after December 31, 2018 in connection with this Agreement or the transactions contemplated hereby. Except as disclosed in Section D(14) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off balance sheet Contract, arrangement or understanding (including any Contract, arrangement or understanding between the Company or any of its Subsidiaries, on the one hand, and any unconsolidated entity, on the other hand, including any structured finance, special purpose, or limited purpose entity or person, on the other hand), or any other "off balance sheet arrangements" (as defined in the instructions thereto of Form 51-102F1 – *Management's Discussions and Analysis of National Instrument 51-102 – Continuous Disclosure Obligations*).
- (15) **Auditors.** The auditors of the Company are independent public accountants as required by applicable Laws and, to the knowledge of the Company, there has not been any reportable event (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present or any former auditor of the Company.
- (16) **Absence of Certain Changes or Events.** Since December 31, 2018, other than the transactions contemplated in this Agreement or events, circumstances or occurrences disclosed in Company Filings filed prior to the date hereof, the business of the Company and of each of its Subsidiaries has been conducted in the Ordinary Course and none of the Company or any of its Subsidiaries has taken any action that, if taken after the date of this Agreement without the consent of the Purchaser, would constitute a breach or violation of Section 4.1(1).
- (17) **No Material Adverse Effect.** Since December 31, 2018, no Material Adverse Effect has occurred.

- (18) **Related Party Transactions.** Neither the Company nor any of its Subsidiaries is indebted to any Company Employee or any of their respective associates or affiliates (except for amounts accrued in the Ordinary Course that are not yet due and payable). There are no Contracts (other than in the Ordinary Course) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, any shareholder, Executive Officer or director of the Company or any of its Subsidiaries, or any of their respective Affiliates or associates (except for amounts accrued in the Ordinary Course that are not yet due and payable).
- (19) **Compliance with Law.** Except as disclosed in Section D(19) of the Company Disclosure Letter, the Company and each of its Subsidiaries is, and since January 1, 2017 has been, in compliance with Law in all material respects. Neither the Company nor any of its Subsidiaries is, to the knowledge of the Company, under any investigation with respect to, has been convicted, charged or threatened to be charged with, or has received notice of, any violation or potential violation of any Law from any Governmental Entity.
- (20) **Authorizations.** The Company and each of its Subsidiaries lawfully own, possess and have obtained, and have complied with, all material Authorizations that are required by Law (a) in connection with the operation of its business in the Ordinary Course, and (b) in connection with the ownership, operation or use of its properties and assets, except, in each case, for those, the non-compliance with which, in the aggregate, would not materially impair the operation of the Company's business. Each such Authorization is valid, in full force and effect, and is renewable in the Ordinary Course. As of the date hereof, no Proceeding is in progress or, to the knowledge of the Company, pending or threatened, in respect of any such Authorization that could reasonably be expected to result in the suspension, loss, adverse amendment or revocation of any such Authorizations.
- (21) **Material Contracts.**
- (a) Section D(21) of the Company Disclosure Letter sets out a complete and accurate list of all Material Contracts as of the date hereof and, except as disclosed in Section D(21) of the Company Disclosure Letter, true, correct and complete copies of all Material Contracts as of the date hereof, including all material amendments and supplements thereto, have been provided in the Data Room; provided that for the purpose of this Section D(21) references in the definition of "Material Contract" to \$10,000,000 shall be \$30,000,000.
- (b) Each Material Contract is in full force and effect, and is a legal, valid and binding obligation of, and enforceable against, the Company and/or the one or more Subsidiaries of the Company that are party thereto and, to the knowledge of the Company, each other party thereto, in accordance with its terms (subject to bankruptcy, insolvency, reorganization, moratorium or other Laws related to or affecting the rights of creditors generally, and to general principles of equity).
- (c) Neither the Company nor any of its Subsidiaries knows of, or has received any written notice of, any breach or default under any Material Contract, nor, to the

knowledge of the Company, does there exist any condition that, with the giving of notice or the lapse of time or both would, constitute any material breach or default under any Material Contract.

- (d) Except as disclosed in Section D(21)(d) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries has received any written notice that any party to a Material Contract intends to cancel, terminate or not renew its relationship with the Company or any of its Subsidiaries, and, to the knowledge of the Company, no such action is pending or threatened.
- (22) **Restrictions on Conduct of Business.** Except for Material Contracts disclosed in Section D(21) of the Company Disclosure Letter, none of the Company or any of its Subsidiaries is a party to, or bound by, any non-competition agreement or any other Contract or any Order or Authorization of any Governmental Entity that purports to materially: (a) limit the manner or location in which the Company or any of its Subsidiaries may conduct any line of business (other than limitations on the disposition of assets or requirements to continue conducting business in the Ordinary Course), (b) limit any business practice of the Company or its Subsidiaries (other than limitations on the disposition of assets or requirements to continue conducting business in the Ordinary Course), or (c) restrict any acquisition of assets or property by the Company or any of its Subsidiaries.
- (23) **No Guarantees.** Other than in connection with the Existing Credit Facilities, or as disclosed in Section D(23) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is a party to or bound by any Contract of guarantee, indemnification (other than standard indemnity agreements in favour of the directors and officers of the Company and its Subsidiaries and indemnification provisions contained in Material Contracts or other Contracts entered into in the Ordinary Course) or any similar commitment in respect of any material obligations, liabilities (contingent or otherwise) or Indebtedness of any other Person (other than Subsidiaries of the Company).
- (24) **Real Property.**
- (a) *Owned Property*
 - (i) Neither the Company nor any of its Subsidiaries currently own, or immediately upon the consummation of the Arrangement, will own, any fee simple interests in any real or immovable property either in whole or in part, legally or beneficially.
 - (ii) Neither the Company nor any of its Subsidiaries is a party to, or bound by, any Contract or option to sell, transfer or acquire any interest in any fee simple interests in real property.
 - (b) *Leased Property*
 - (i) Section D(24)(b)(i) of the Company Disclosure Letter sets forth a complete and accurate list of all material Company Leased Properties.

- (ii) The Data Room contains complete and accurate copies of all material Company Leases, including all amendments, modifications, supplements, guarantees, registrations and non-disturbance agreements in connection therewith.
 - (iii) With respect to all material Company Leased Properties: (A) each Company Lease in respect thereof is in full force and effect and, to the knowledge of the Company, is legal, valid, binding obligation of, and is enforceable against, each other party thereto in accordance with its terms, and (B) there is no event of breach of or default under, or any event which, with the giving of notice, the lapse of time or both, would become an event of default, under any such Company Lease, and, to the knowledge of the Company, neither the Company nor any of its Subsidiaries has received or delivered any notice of any material breach of, or default under, any such Company Lease. To the knowledge of the Company, there is no breach of, or default under, any such Company Lease by any other party thereto.
- (c) *General*
- (i) All material accounts for materials, work and services performed or materials placed or furnished upon or in respect of construction at each of the Company Leased Properties has been fully paid, or the Company has made arrangements with such contractor for payment in the Ordinary Course.
 - (ii) Except as set forth in any Company Lease, no Person has any (A) option to purchase or lease, (B) right of first opportunity, refusal or offer, (C) other purchase or repurchase right, or (D) any right or option to occupy, any material Company Leased Property or the Company's and its Subsidiaries' interests therein, and neither the Company nor its Subsidiaries has granted any right or privilege (whether by law or contract) capable of becoming a Contract, arrangement or understanding with any Person for the purchase, lease, sublease, license, assignment or other disposition of any of the material Company Leased Properties or any right or interest therein.
 - (iii) To the knowledge of the Company, the Company Leased Properties constitute all of the real property necessary to operate the business of the Company and its Subsidiaries in the manner presently operated.
 - (iv) Neither the Company nor any of its Subsidiaries has received any Work Order or notification which remains open or in effect that any material work repairs, construction or capital expenditures are required to be made in respect of any Company Leased Properties, including matters within the jurisdiction of local Governmental Entities, or as a condition of compliance with Law in any material respect.

(25) **Other Assets.**

- (a) The Company or one or more of its Subsidiaries has good and valid title to all material Other Assets owned by the Company and its Subsidiaries, or a valid and enforceable leasehold interest in all material Other Assets leased by the Company and its Subsidiaries, or a valid and enforceable contractual right with respect to all other material Other Assets used in the operation of their respective businesses, in each case free and clear of all Liens (other than Permitted Liens). No Person has any right of first refusal, undertaking or commitment, or any right or privilege capable of becoming a right of first refusal, undertaking or commitment, to purchase or otherwise acquire any interest in any material Other Asset.
- (b) To the knowledge of the Company, all material tangible Other Assets are, in all material respects, in good operating condition and repair having regard their uses and ages, and are adequate and suitable for their respective uses, and conform in all material respects to all applicable Laws. The Company and its Subsidiaries have conducted all required repair and maintenance on their respective material tangible Other Assets as is customary in their business, and, except for ordinary, routine maintenance and repairs that are not material in nature or cost, no maintenance or repairs are required that would materially interrupt the operation of the business of the Company and its Subsidiaries as currently conducted in the Ordinary Course.

(26) **Intellectual Property.**

- (a) Section D(26)(a) of the Company Disclosure Letter sets out a true, complete and accurate list of the Intellectual Property owned by the Company or any of its Subsidiaries or licensed by the Company or its Subsidiaries from third parties that are material to the business and operations of the Company or the Subsidiaries (collectively, the “**Company Intellectual Property**”). The Company Intellectual Property is the only Intellectual Property necessary for and material to the operation of the business of the Company and each of its Subsidiaries in the Ordinary Course.
- (b) The Company or one or more of its Subsidiaries own exclusively, free and clear of all Liens (other than Permitted Liens) all rights, title and interest in and to the Company Intellectual Property owned by the Company or one or more of its Subsidiaries, or have licensed (and are not in breach of any such license in any material respect) to use or otherwise exploit, the Company Intellectual Property, all of which rights shall in all material respects survive following the execution and delivery of this Agreement and the consummation of the transactions contemplated herein.
- (c) All Company Intellectual Property is subsisting, in full force and effect and enforceable by the Company or one or more of its Subsidiaries, and, to the knowledge of the Company, is valid and no third party is breaching, infringing, violating or misappropriating or interfering with any Company Intellectual

Property in any material respect. There is no Proceeding in progress or pending or, to the knowledge of the Company, threatened, by any Person challenging the Company's or its Subsidiaries' rights in or to any Company Intellectual Property.

- (d) None of the Company Intellectual Property, other than normal and routine off-the-shelf software licensed by the Company or its Subsidiaries is subject to any Contract or Order (or Proceeding seeking an Order) or decree restricting the use, distribution, transfer, or licensing thereof by the Company or any of its Subsidiaries, other than under the terms of any license for any Company Intellectual Property that the Company or its Subsidiaries, as applicable, is in compliance with in all material respects.
- (e) The Company and its Subsidiaries have taken commercially reasonable steps to protect their rights in and to all material owned Company Intellectual Property, and to maintain the confidentiality of all information that constitutes a material trade secret of the Company or any of its Subsidiaries.
- (f) Neither the Company nor any of its Subsidiaries has disclosed any confidential Company Intellectual Property owned by the Company or any of its Subsidiaries (including the source code to any Company Software) to any third party other than pursuant to a customary Contract that requires such third party to keep all information comprising, or related to, such Company Intellectual Property confidential.
- (g) The Company and its Subsidiaries are in compliance in all material respects with its obligations under any Contract pursuant to which the Company or its Subsidiaries, as applicable, has obtained the legal right to use any Intellectual Property owned by, or licensed from, a third party.
- (h) As of the date of this Agreement, there are no Proceedings in progress or pending, or, to the knowledge of the Company, threatened, alleging any breach, infringement, violation or misappropriation, or interference, by the Company or any of its Subsidiaries of or with the Intellectual Property of any Person, and there is no Proceeding in progress or pending or, to the knowledge of the Company, threatened, by any Person challenging the Company's or its Subsidiaries' rights, title or interest in or to the Company Intellectual Property.

(27) **Business Systems.**

The Business Systems, whether owned, leased or otherwise used or held for use by the Company or its Subsidiaries that are material to the performance of or provision of any material services to the customers of Company and its Subsidiaries (including passengers), to the knowledge of the Company (A) are sufficient to conduct the business of the Company and its Subsidiaries in the Ordinary Course, (B) operate and perform in all material respects in accordance with their documentation and functional specifications and otherwise as required by the Company and its Subsidiaries to conduct their business in the Ordinary Course, and (C) have not malfunctioned or failed in any material respect within the three-year period immediately preceding the date of this

Agreement. To the knowledge of the Company, in the past three years, no Person has gained unauthorized access to any material Business Systems. The Company and its Subsidiaries have implemented and maintain reasonable and sufficient backup and disaster recovery technology consistent with industry practices.

(28) **Company Software.**

- (a) Section (28)(a) of the Company Disclosure Letter sets forth a complete and accurate list of the Company Software and all material components thereof, including all components owned by the Company or any of its Subsidiaries and all components licensed from third parties.
- (b) Section (28)(b) of the Company Disclosure Letter sets forth all material software licensed or used by the Company and/or one or more of its Subsidiaries from a Person (other than the Company or one of its Subsidiaries), excluding any software subject to a nonexclusive license agreement for “off-the-shelf” software, or software licensed pursuant to “click through” or similar stock agreements, in each case, that is generally commercially available for a license fee (the “**Third Party Software**”). None of the Company Software is subject to an open source code license or to any license, in each case that would require the present or future public disclosure of its source code. The Company Software and the Third Party Software constitutes all materials necessary for the continued maintenance of the Company Software. Copies of all license and maintenance agreements for the material Third Party Software have been made available by the Company to the Purchaser or its Representatives.
- (c) All copies of the source code and related documentation for all Company Software owned by the Company or one of its Subsidiaries are securely located at the Company’s premises at the address specified in Section 8.3(b). No source code or related documentation forming part of the Company Software is subject to escrow. The source code or related documentation has not been disclosed to any third party.
- (d) The Company has obtained all material approvals required by Law from any Governmental Entity in all jurisdictions where material Company Software is used or licensed.
- (e) Section D(28)(e) of the Company Disclosure Letter lists all material licenses, installation, implementation, maintenance or support agreements, development Contracts and all other agreements between the Company or any of its Subsidiaries and users of the Company Software, copies of each of which have been made available to the Purchaser or its Representatives. All such users have non-transferable, non-exclusive, licenses to use only object code versions of the Company Software. To the knowledge of the Company, no third parties are in material breach of any such agreement.

- (f) To the knowledge of the Company, there are no material problems or defects in the Company Software or the operation thereof, including bugs, logic errors or failures of the Company Software to operate as described in the related documentation, and the Company Software operates in accordance with its documentation and specifications.
 - (g) The Company and each of its Subsidiaries have taken reasonable measures, consistent with industry practice, to prevent the introduction into any Company Software owned by the Company or one of its Subsidiaries of any “back door”, “drop dead device”, “time bomb”, “Trojan horse”, “virus”, “worm”, “spyware” “malware” or “adware” (as such terms are commonly understood in the software industry) or any other code designed or intended to have, or capable of performing or facilitating, any of the following functions: (i) disrupting, disabling, harming, or providing unauthorized access to, a computer system or network or other device on which such code is stored or installed, or (ii) compromising the privacy or data security of a user or damaging or destroying any data or file without a user’s consent.
- (29) **Litigation.** Except as disclosed in Section D(29) of the Company Disclosure Letter, there are no material Proceedings in progress or pending or, to the knowledge of the Company, threatened, against or affecting the Company or any of its Subsidiaries, the business of the Company or any of its Subsidiaries, or affecting in any material respect any of their respective current properties, assets or operations by or before any Governmental Entity. To the knowledge of the Company, there are no facts or circumstances that could give rise to any such Proceedings. None of the Company, any of its Subsidiaries or any of their respective properties or assets is subject to any outstanding Order. No bankruptcy, liquidation, winding-up or other similar Proceeding is in progress or pending or, to the knowledge of the Company, threatened against or relating to the Company or any of its Subsidiaries before any Governmental Entity.
- (30) **Environmental Matters.**
- (a) Except as would not, individually or in the aggregate, have a Material Adverse Effect:
 - (i) the Company and each of its Subsidiaries and, to the knowledge of the Company, each Consortia have complied in all material respects with all Environmental Laws since January 1, 2014;
 - (ii) none of the Company or any of its Subsidiaries or, to the knowledge of the Company, any Consortia (A) is subject to any Proceeding or Order under any Environmental Laws, or (B) has received any written notice of any alleged non-compliance in respect of, or any potential liability under, any Environmental Laws that remains outstanding; and
 - (iii) except as disclosed in Section D(30)(a) of the Company Disclosure Letter none of the Company or any of its Subsidiaries has caused or permitted

the release, spill, emission, discharge, presence or migration of any Hazardous Substances, except (A) in material compliance with Environmental Laws, and (B) in material compliance with any applicable Contractual obligations of the Company or any of its Subsidiaries, including under the Company Leases; and

- (iv) there are no Hazardous Substances in, on, under or migrating from lands owned or formerly owned or leased or formerly leased by the Company, its predecessors or any of its Subsidiaries except in concentrations that comply with Environmental Laws.
- (b) The Data Room contains complete and accurate copies and results of any material reports, studies, analyses, tests, documents or correspondence in the possession of the Company or any of its Subsidiaries relating to Environmental Laws or Hazardous Substances.
- (c) Except pursuant to any customary indemnities in any Company Lease, pursuant to any Material Contract set forth in Section D(21) of the Company Disclosure Letter, or as set forth in Section D(30)(c) of the Company Disclosure Letter, the Company has not agreed by Contract or otherwise (including any order or consent agreement) to indemnify or hold harmless any Person for any material liability pursuant to Environmental Laws.

(31) **Employees.**

- (a) Section D(31)(a) of the Company Disclosure Letter contains an anonymized list of all current Company Employees who are not subject to a Collective Agreement as of the date hereof and whose annual base compensation exceeds \$75,000 and sets forth for each Person the following information (as applicable): (i) title or position (including whether full or part time); (ii) hire date; (iii) current annual base compensation rate; and (iv) commission, bonus or other incentive-based compensation. All Contracts in relation to the top 8 compensated Company Employees have been disclosed in the Data Room (calculated on annual base salary plus target cash bonus). To the knowledge of the Company, no such Company Employee has notified the Company or its Subsidiaries that he or she intends to resign, retire or terminate his or her engagement with the Company or Subsidiary following the Arrangement or as a result of the transactions contemplated by this Agreement or otherwise. Section D(31)(a) of the Company Disclosure Letter contains an anonymized list of all current Company Employees who are currently on any form of leave of absence, including the reason for such leave (subject to applicable privacy Law) and the anticipated return to work date.
- (b) All amounts due or accrued for all salary, wages, bonuses, incentive compensation, deferred compensation, commissions, vacation with pay, sick days and benefits under Employee Plans and other similar accruals have either been paid or are accrued and accurately reflected in the books and records of the Company and its Subsidiaries. All liabilities of the Company or any of its

Subsidiaries due or accruing due to Company Employees have or shall have been paid or accrued and accurately reflected in the books and records of the Company to the Effective Date, including premium contributions, remittances and assessments for employment insurance, employer health tax, Canada Pension Plan, income tax and any other employer-related legislation.

- (c) Section D(31)(c) of the Company Disclosure Letter contains a list of all Executive Officers and vice presidents of the Company who have a Contract with the Company or its Subsidiaries' providing for a length of notice or severance payment required to terminate his or her employment (other than such as results by Law from the employment of an employee without an agreement as to notice or severance). Except as disclosed in Section D(31)(c) of the Company Disclosure Letter, there are no change of control payments, retention payments or severance payments or Contracts with any Company Employees providing for cash or other compensation or benefits (including any increase in amount of compensation or benefit or the acceleration of time of payment or vesting of any compensation or benefit) upon the consummation of, or relating to, the Arrangement or any other transaction contemplated by this Agreement, including a change of control of the Company or of any of its Subsidiaries.
- (d) Within the past three years, the Company has taken reasonable action in respect to each known and credible sexual harassment allegation and, except as disclosed in Section D(31)(d) of the Company Disclosure Letter, the Company does not reasonably expect any material liability with respect to any such allegations.
- (e) Except as disclosed in Section D(31)(e) of the Company Disclosure Letter, the Company and its Subsidiaries are in compliance in all material respects with all applicable terms and conditions of employment and with all applicable Laws respecting labour and employment, including pay equity, employment equity, work classification, work permits/authorizations, wages, hours of work, unemployment insurance, discrimination, harassment, leave of absence, equal opportunity, overtime, employment and labour standards, labour relations, privacy, workers compensation, human rights and occupational health and safety. Except as disclosed in Section D(31)(e) of the Company Disclosure Letter, no material Proceedings with respect to any such Law relating to the Company or any of its Subsidiaries is in progress or pending or, to the knowledge of the Company, threatened.
- (f) There are no material outstanding assessments, penalties, fines, Liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation Laws owing by the Company or any of its Subsidiaries, and neither of the Company nor any of its Subsidiaries has been assessed or reassessed in any material respect under such legislation during the past three years. No material Proceeding involving the Company or any of its Subsidiaries is currently in progress or pending or, to the knowledge of the Company, threatened, pursuant to any applicable workers' compensation Laws. There are no Proceedings currently in progress or pending or, to the knowledge of the Company, threatened, which

could materially adversely affect the accident cost experience in respect of the Company or any of its Subsidiaries.

- (g) There are no material charges pending under occupational health and safety Laws (“**OHSA**”) in respect of the Company or any of its Subsidiaries, and there are no appeals of any Orders under OHSA applicable to the Company or any of its Subsidiaries currently outstanding. The Company and each of its Subsidiaries have complied in all material respects with all Orders issued under OHSA for the past two years, and have developed and implemented policies and training for Company Employees, including with respect to harassment, OHSA and accessibility for people with disabilities requirements.
- (h) To the knowledge of the Company, all Service Providers have been accurately classified by the Company and its Subsidiaries with respect to services as an employee or a non-employee for all purposes, including wages, payroll Taxes and participation and benefit accrual under each Employee Plan, and neither the Company nor any of its Subsidiaries has received any notice from any Person disputing such classification.

(32) **Collective Agreements.**

- (a) Except as disclosed in Section D(32)(a) of the Company Disclosure Letter, there are no Collective Agreements in force or currently being negotiated with respect to any Company Employee, and no Person holds bargaining rights with respect to any of the Company Employees. Except as disclosed in Section D(32)(a) of the Company Disclosure Letter (i) to the knowledge of the Company, no Person has applied to be certified as the bargaining agent of any Company Employees, (ii) to the knowledge of the Company, there are no threatened or apparent union-organizing campaigns for Company Employees, (iii) to the knowledge of the Company, there are no employee associations authorized to represent any Company Employees, (iv) no union has an application outstanding to have the Company or any Subsidiary declared a common or related employer under applicable labour Laws, and (v) no material arbitration Proceeding or material grievance arising out of, or pursuant to, any Collective Agreement is in progress, pending or, to the knowledge of the Company, threatened.
- (b) Except as Fairly Disclosed in the Company Filings or in Section D(32)(b) of the Company Disclosure Letter, there is no labour strike, dispute, lock-out, concerted refusal to work overtime, work slowdown, stoppage or similar labour activity or organizing campaign in progress or pending or, to the knowledge of the Company, threatened, involving the Company or any of its Subsidiaries, and no such event has occurred in the past two years. Except as disclosed in Section D(32)(b) of the Company Disclosure Letter, none of the Company or any of its Subsidiaries has engaged in, or received notice of any pending or threatened, unfair labour practice complaint.

- (c) Section D(32)(c) of the Company Disclosure Letter sets forth all material collective bargaining commitments already made to any trade union or employee association in connection with any negotiations that are disclosed in Section 4.1(4) of the Company Disclosure Letter as of the date hereof.

(33) Employee Plans.

- (a) The Data Room contains complete and accurate copies of: (i) the Incentive Plans and each other written Employee Plan (and a summary of each material unwritten Employee Plan) as listed in Section (33)(a) of the Company Disclosure Letter, (ii) each trust Contract, insurance, group annuity Contract or other funding Contract relating to any Employee Plan, and (iii) all material correspondence to or from any Governmental Entity in the last three years relating to any Employee Plan.
- (b) Except as required by operation of Section 2.3 of the Plan of Arrangement, neither the execution of this Agreement nor the consummation of any of the transactions contemplated by this Agreement will increase the amount payable under, result in a default under, or result in any other material obligation pursuant to, any Employee Plan or any Contract with any Service Provider.
- (c) Each Employee Plan has, in all material respects, been established, registered and administered in accordance with applicable Laws and in accordance with its terms. To the knowledge of the Company, no fact or circumstance exists that could adversely affect the registered status of any Employee Plan.
- (d) No event has occurred and no condition or circumstances exist that has resulted in, or could reasonably be expected to result in, any Employee Plan being ordered, or required to be, terminated or wound up in whole or in part, having its registration under applicable Laws refused or revoked, being placed under the administration of any trustee, receiver or Governmental Entity, or the Company or any of its Subsidiaries being required to pay any Taxes, penalties, payments or levies under applicable Laws that are material in the aggregate.
- (e) All contributions or premiums required to be made or paid by the Company or any of its Subsidiaries under the terms of each Employee Plan or by applicable Laws have been duly made in accordance the terms of such Employee Plan and such applicable Laws.
- (f) Other than as required by applicable Law or as otherwise disclosed in Section D(33)(f) of the Company Disclosure Letter, none of the Employee Plans provide for post-termination welfare benefits to any individual under any circumstances, and neither the Company nor any of its Subsidiaries has any liability or obligation to provide post-termination or retiree welfare benefits to any individual, or has ever represented, promised or contracted in favour of any individual that such Service Provider would be provided with post-termination or retiree welfare benefits.

- (g) Other than routine claims for benefits in the Ordinary Course or as otherwise disclosed in Section D(33)(g) of the Company Disclosure Letter, to the knowledge of the Company, there is no Proceeding in progress or pending or, to the knowledge of the Company, threatened, relating to any Employee Plan, nor has any such Proceeding been initiated within the past five years.
 - (h) Except as disclosed in Section D(33)(h) of the Company Disclosure Letter, no Employee Plan is a “registered pension plan” or a “multi-employer pension plan”, or contains a “defined benefit provision”, in each case, within the meaning of the Tax Act, nor is any Employee Plan a multi-employer pension plan as such term is defined under the *Pension Benefits Standards Act* (Canada) or any similar plan for purposes of pension standards Laws of any jurisdiction. Neither the Company nor any of its Subsidiaries sponsors, maintains or contributes to, or is obligated to contribute to, or has, within the preceding five years, sponsored, maintained or contributed to, an Employee Plan of the kind described in the preceding sentence.
 - (i) No Employee Plan is registered in, or subject to, the Laws of any jurisdiction outside of Canada.
 - (j) As of the date of this Agreement, neither the Company nor any of its Subsidiaries has any material liability or obligation for any assessment, excise or penalty Taxes with respect to any Employee Plan and, to the knowledge of the Company, no condition or circumstances exist that would give rise to any such liability or obligation.
 - (k) Only Company Employees and directors of the Company and its Subsidiaries participate in the Employee Plans, and no Person other than the Company or its Subsidiaries is a participating employer under any Employee Plan.
 - (l) All outstanding Company Options, DSUs, RSUs and PSUs have been granted in compliance with the terms of the applicable Incentive Plan, and have been recorded in the Company’s financial statements in accordance with IFRS, and no such grants involved any “back dating,” “forward dating,” “spring loading” or similar concept.
 - (m) No trust funds have been established pursuant to section 6(g) of the ESU Plan or section 6.4 of the KEP Plan.
- (34) **Insurance.**
- (a) The Company and each of its Subsidiaries is insured by reputable third party insurers with reasonable and prudent policies appropriate for the size and nature of the business of the Company and its Subsidiaries and their respective assets, consistent with industry practice.
 - (b) Each material insurance policy held by the Company or any of its Subsidiaries is in full force and effect in accordance with its terms, and neither the Company nor any of its Subsidiaries is in default under the terms of any such policy. To the

knowledge of the Company, neither the Company nor any of its Subsidiaries have received notice that any material claim pending under any insurance policy of the Company or its Subsidiaries has been denied, rejected, questioned or disputed by any insurer, or as to which any insurer has refused to cover all or any material portion of such claims. To the knowledge of the Company, all material Proceedings covered by any insurance policy of the Company or any of its Subsidiaries have been properly reported to and accepted by the applicable insurer.

(35) **Taxes.**

- (a) The Company and each of its Subsidiaries have duly and timely filed with the appropriate Governmental Entity all material Tax Returns required by Law to be filed by them prior to the date hereof and all such Tax Returns are complete and correct in all material respects.
- (b) The Company and each of its Subsidiaries have paid as required by Law on a timely basis all material Taxes which are due and payable, all assessments and reassessments, and all other material Taxes due and payable by them, including instalments on account of Taxes for the current year, whether or not shown as being due on any Tax Returns or assessed by the appropriate Governmental Entity, on or before the date hereof, other than those which are being or have been contested in good faith by appropriate Proceedings and in respect of which adequate reserves have been provided in the most recently published consolidated financial statements of the Company (where required in accordance with applicable accounting standards). The Company and its Subsidiaries have provided adequate accruals in accordance with their books and records and in the most recently published consolidated financial statements of the Company for any Taxes of the Company and each of its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since such publication date, no liability in respect of material Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued.
- (c) Except as disclosed in Section D(35)(c) of the Company Disclosure Letter, no claims, suits, audits, assessments, reassessments, deficiencies, litigation, proposed adjustments or matters in controversy exist or have been asserted or threatened with respect to material Taxes of the Company or any of its Subsidiaries and none of the Company or any of its Subsidiaries is a party to any material Proceeding for assessment or collection of Taxes and no such event has been asserted or threatened against the Company or any of its Subsidiaries or any of their respective assets.
- (d) No claim has been made by any Governmental Entity in a jurisdiction where the Company or any of its Subsidiaries do not file Tax Returns that the Company or any of its Subsidiaries is or may be subject to Tax by that jurisdiction.

- (e) There are no Liens (other than Permitted Liens) with respect to Taxes upon any of the assets of the Company or any of its Subsidiaries.
- (f) Except as set out in Section D(35)(f) of the Company Disclosure Letter, the Company and each of its Subsidiaries has withheld or collected all material amounts required by Law to be withheld or collected by them on account of Taxes (including Taxes and other amounts required to be withheld by them in respect of any amount paid or credited or deemed to be paid or credited by them to or for the benefit of any Person and all amounts on account of any sales, use or transfer Taxes, including goods and services, harmonized sales, provincial and territorial Taxes and state and local Taxes, required by Law to be collected by them) and have remitted all such amounts to the appropriate Governmental Entity when required by Law to do so.
- (g) None of the Company or any of its Subsidiaries is bound by, is party to, or has any obligation under any Tax sharing, allocation, indemnification or similar agreement with respect to Taxes that could give rise to a payment or indemnification obligation (other than agreements among the Company and its Subsidiaries).
- (h) None of the Company or any of its Subsidiaries has, at any time, directly or indirectly transferred any property or supplied any services to, or acquired any property or services from, a Person who is not resident in Canada for purposes of the Tax Act and with whom the Company or Subsidiary, as the case may be, was not dealing at arm's length (within the meaning of the Tax Act) for consideration other than consideration equal to the fair market value of such property or services at the time of transfer, supply or acquisition, as the case may be, nor has the Company or any of its Subsidiaries been deemed to have done so for purposes of the Tax Act; and the Company and each such Subsidiary have made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act, and there are no transactions to which subsection 247(2) or subsection 247(3) of the Tax Act may reasonably be expected to apply.
- (i) There are no circumstances existing which could result in the application of Section 78 or Sections 80 to 80.04 of the Tax Act, or any equivalent provision under provincial Law, to the Company or any of its Subsidiaries. The Company and its Subsidiaries have not claimed nor will they claim any reserve under any provision of the Tax Act or any equivalent provincial provision, if any amount could be included in the income of the Company or its Subsidiaries for any period ending after the Effective Date.
- (j) For the purposes of the Tax Act, any applicable Tax treaty and any other relevant Tax purposes:
 - (i) the Company is resident in, and is not a non-resident of, Canada, and is a "taxable Canadian corporation"; and

- (ii) each of its Subsidiaries is resident in the jurisdiction in which it was formed, and is not resident in any other country.
 - (k) The Tax attributes of the depreciable assets of the Company and each of its Subsidiaries are accurately reflected in the Tax Returns of the Company and each of its Subsidiaries, as applicable, and have not materially and adversely changed since the date of such Tax Returns.
 - (l) There are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of material Taxes of or the payment or remittance of material Taxes by, the Company or any of its Subsidiaries.
 - (m) None of the Company or any of its Subsidiaries will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Effective Date as a result of any:
 - (i) change in method of accounting for a taxable period ending on or prior to the Effective Date;
 - (ii) use of an improper method of accounting for a taxable period ending on or prior to the Effective Date; or
 - (iii) prepaid amount received on or prior to the Effective Date.
- (36) **Brokers.** Except for CIBC World Markets Inc. and BofA Merrill Lynch, no investment banker, broker, finder, financial advisor or other intermediary has been retained by, or is authorized to act on behalf of, the Company or any of its Subsidiaries, or is entitled to any fee, commission, or other payment from the Company or any of its Subsidiaries in connection with this Agreement or any other transactions contemplated by this Agreement. The aggregate fees payable by the Company to each of CIBC World Markets Inc. and BofA Merrill Lynch in relation to the transactions contemplated by this Agreement have been disclosed in Section D(36) of the Company Disclosure Letter.
- (37) **Anti-Terrorism Laws.** None of the Company, any of its Subsidiaries or, to the knowledge of the Company, any of its Representatives acting on behalf of the Company or any of its Subsidiaries, has been or is currently subject to any economic or financial sanctions or trade embargoes imposed, authorized, administered or enforced by any Governmental Entity (including the Government of Canada, the Office of Foreign Assets Control of the U.S. Treasury Department (including, but not limited to, the designation as a “specially designated national or blocked person” thereunder), or any other applicable sanctions authority) or other similar Laws (collectively, “**Sanctions**”). Neither the Company nor any of its Subsidiaries has received any notice alleging that the Company, any of its Subsidiaries or any of their respective Representatives has violated any Sanctions, and, to the knowledge of the Company, no condition or circumstances exist (including any ongoing Proceedings) that would form the basis of any such allegations.

- (38) **Corrupt Practices Legislation.** None of the Company, any of its Subsidiaries or, to the knowledge of the Company, any of its or their Representatives acting on behalf of the Company or any of its Subsidiaries, has taken, committed to take or been alleged to have taken any action which would cause the Company or any of its Subsidiaries to be in violation of the *Corruption of Foreign Public Officials Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977*, the U.K. *Bribery Act* of 2010 or any similar Law (collectively, “**Corrupt Practices Legislation**”). Neither the Company nor any of its Subsidiaries has received any notice alleging that the Company, any of its Subsidiaries or any of their respective Representatives has violated any Corrupt Practices Legislation, and, to the knowledge of the Company, no condition or circumstances exist (including any ongoing Proceedings) that would form the basis of any such allegations.
- (39) **Trade Compliance.** The operations of the Company and each of its Subsidiaries have been conducted in compliance in all material respects with the *Canadian Export and Import Permits Act* and regulations and the United States *Export Administration Regulations, the Arms Export Control Act* and *International Traffic in Arms Regulations* or any similar Law (collectively, “**Trade Legislation**”). Neither the Company nor any of its Subsidiaries has received any notice alleging that the Company or any of its Subsidiaries has violated any Trade Legislation in any material respect.
- (40) **Money Laundering.** The operations of the Company and each of its Subsidiaries have been, since January 1, 2016, conducted in compliance in all material respects with applicable financial recordkeeping and reporting requirements and money laundering or similar Laws (“**Money Laundering Laws**”). Neither the Company nor any of its Subsidiaries has received any notice alleging that the Company, any of its Subsidiaries or any of their respective Representatives has violated any Money Laundering Laws, and, to the knowledge of the Company, no condition or circumstances exist (including any ongoing Proceedings) that would form the basis of any such allegations.
- (41) **Privacy and Anti-Spam.**
- (a) The Company and each of its Subsidiaries have complied with all applicable Privacy Laws, each Company Privacy Policy, all Contracts with third parties relating to privacy and data protection to which the Company and any of its Subsidiaries is a party or by which any of them are otherwise bound. There are no material Proceedings in progress or pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries with respect to any of the foregoing.
 - (b) Section D(41)(b) of the Company Disclosure Letter identifies each Company Privacy Policy in effect at any time during the past three years. Each Company Privacy Policy provides (or provided while it was in effect) accurate and sufficient notice of the then current practices of the Company and its Subsidiaries relating to the subject matter of such Company Privacy Policy.
 - (c) To the knowledge of the Company, the Company has not collected or received any Personal Information online from children under the age of thirteen without

verifiable consent of a parent or legal guardian, or directed any of its websites or applications to children under the age of thirteen through which such Personal Information could be obtained.

- (d) In relation to the collection, accepting, processing, storage or transmission of any credit cards, passwords, CVV data, or other related data by the Company or any of its Subsidiaries, the Company or the applicable Subsidiary have implemented data protection procedures, processes and systems that together meet or exceed all applicable Privacy Laws as well as standards and guidelines established by the Payment Card Industry Standards Council (including the Payment Card Industry Data Security Standard).
 - (e) To the knowledge of the Company, the Company and each of its Subsidiaries has all necessary consents and authorizations to collect, use, disclose, retain, process and transmit any Personal Information in its possession or under its control to the extent required in connection with the operation of their respective businesses as currently conducted. Neither the Company nor any of its Subsidiaries sells, rents or otherwise makes available any Personal Information to any Person, except in a manner that complies in all material respects with the applicable Privacy Laws. The Company has obtained written agreements from all third parties to whom it has provided, disclosed or made available any Personal Information that satisfy the requirements of applicable Privacy Laws.
 - (f) The Company and each of its Subsidiaries have taken commercially reasonable measures (including implementing and monitoring technical and physical security) to ensure that confidential information of the Company and its Subsidiaries and Company Data are protected against unauthorized access, use, modification, disclosure or other misuse, and, since January 1, 2017, except as set forth in Section D(41)(f) of the Company Disclosure Letter, to the knowledge of the Company no material unauthorized access to or unauthorized use, modification, disclosure or other material misuse of such confidential information or Company Data has occurred.
 - (g) The Company and each of its Subsidiaries have, in all material respects, conducted its business in compliance with CASL, including provisions relating to the sending of commercial electronic messages only with express or implied consent, within the meaning of such legislation, and with the prescribed contact information and unsubscribe mechanism, and retains records sufficient to demonstrate such compliance.
- (42) **Aircraft.**
- (a) Section D(42) of the Company Disclosure Letter sets forth a complete and accurate list of (i) all air operating certificates issued by Transport Canada that is held by each Operating Subsidiary, (ii) all Aircraft owned or leased by the Operating Subsidiaries, in each case as of the date of this Agreement (collectively, the “**Company Aircraft**”), including a description of the manufacturer,

model/type, manufacturer serial number, Transport Canada registration number and manufacture date of each such Aircraft, (iii) all Aircraft engines owned or leased by the Operating Subsidiaries, in each case as of the date of this Agreement, including a description of the manufacturer, model/type and manufacturer serial number, and (iv) all domestic, scheduled international and non-scheduled international licenses to operate air services issued to the Operating Subsidiaries by the CTA and applicable Governmental Entities in Mexico and the United States.

- (b) The Company or one or more of its Subsidiaries has good and valid title to all Company Aircraft and Aircraft engines described as owned in Appendix V of the Company Disclosure Letter as at the date hereof, or a valid and enforceable leasehold interest in all Company Aircraft and Aircraft engines leased by the Company and its Subsidiaries as at the date hereof, in each case free and clear of all Liens (other than Permitted Liens), except for any failure to have good and valid title, or a valid and enforceable leasehold interest, as applicable, that would not, individually or in the aggregate, result in a reduction in the book value of the Company's consolidated assets as reflected on its balance sheet as at March 31, 2019 by more than \$200,000,000.
- (c) The Company or one or more of its Subsidiaries has good and valid title to all the Company Aircraft and Aircraft engines described as owned in Appendix V of the Company Disclosure Letter, or a valid and enforceable leasehold interest in all Company Aircraft and Aircraft engines leased by the Company and its Subsidiaries, in each case free and clear of all Liens (other than Permitted Liens).
- (d) Each Operating Subsidiary has been issued aviation documents, certifications and licenses by the applicable Governmental Entities of each jurisdiction in which such Operating Subsidiary operates a Company Aircraft, and each such aviation document, certification and license is in good order and has not been cancelled, suspended or rescinded.
- (e) Except as disclosed in Section D(42)(e) of the Company Disclosure Letter, all Company Aircraft are properly registered on the Canadian Civil Aircraft Registry, are in airworthy condition and have validly issued Transport Canada certificates of registration and airworthiness that are in full force and effect (except for any temporary suspension relating to a period of time during which any Company Aircraft is out of service), and all requirements for the effectiveness of each certificate of airworthiness have been satisfied.
- (f) All Company Aircraft are operated by, and under the control of, trained, qualified and duly licenced pilots with proper ratings.
- (g) All technical records relating to any Aircraft or Aircraft engines have been maintained in accordance with applicable Law, mandatory manufacturers' requirements and mandatory directives, bulletins, guidelines and notices of applicable Aviation Authorities.

- (h) All Company Aircraft are being maintained, inspected, serviced, repaired and overhauled:
- (i) by properly qualified personnel approved by applicable Aviation Authorities in compliance with each applicable certificate of airworthiness and certificate of registration relating to the Company Aircraft issued by any Aviation Authority, in accordance with all applicable Laws and all mandatory directives, bulletins, guidelines and notices issued by any Aviation Authority and in accordance with the requirements of the Aircraft and Aircraft engine manufacturers so as to keep such Company Aircraft and Aircraft engines in good and airworthy operating condition and maintain the certificates of airworthiness of the Company Aircraft, except (A) during temporary periods of storage or maintenance and modifications as permitted by applicable Laws; and (B) when an Aviation Authority has revoked or suspended the certificates of airworthiness for any Aircraft or type of Aircraft, for reasons other than a failure by the Company or any Subsidiary to maintain, service, repair and overhaul such Company Aircraft in the manner described above;
 - (ii) in accordance with the relevant airframe manufacturers' and/or engine manufacturers' mandatory procedures;
 - (iii) so as to comply with the applicable manufacturers' maintenance, components maintenance or structural repair manuals and, to the extent that the same are made mandatory by either the manufacturer or any Aviation Authority, and to comply with all modifications, airworthiness directives, corrosion prevention programs, alert service bulletins and any service bulletins that must be performed in order to maintain the warranties on the Company Aircraft, the Aircraft engines or the Aircraft Parts and similar requirements applicable to the Company Aircraft; and
 - (iv) so as to comply with all applicable Laws of Canada and any other jurisdiction to, from, in or over which the Company Aircraft may be flown (and regardless of upon whom the relevant requirements are imposed).
- (i) The Company and its Subsidiaries have made all such alterations and modifications in and additions to any Company Aircraft as have been required to be made from time to time by the applicable manufacturer and/or to meet the applicable standards of the Aviation Authorities.
- (j) The Company and its Subsidiaries have implemented maintenance schedules with respect to Company Aircraft and Company Aircraft engines that, if complied with, are designed to result in the satisfaction of all requirements under all applicable airworthiness directives and applicable Laws required to be complied with in accordance with such maintenance schedules in all materials respects. Each Company Aircraft's structure, systems and components are functioning in all material respects in accordance with their intended use, except for Company

Aircraft that are undergoing maintenance and temporarily deferred maintenance items that are permitted by the Company's maintenance programs.

- (k) Neither the Company nor any Operating Subsidiary is currently leasing any Company Aircraft to any third party. Except as set forth in Section D(42)(k) of the Company Disclosure Letter, the Company is not a party to any interchange or pooling agreements with respect to the Company Aircraft other than in the Ordinary Course.
 - (l) The Company Aircraft are not used for any purpose or manner, or in any airspace for which they were not designed or reasonably suited or in a manner which is outside the tolerances and limitations for which the Company Aircraft was designed, or in a manner that is inconsistent with applicable Laws or insurance policies.
- (43) **Slots.**
- (a) Section D(43) of the Company Disclosure Letter sets forth a complete and accurate list of all takeoff and landing slots, gate rights and bridge rights granted to each Operating Subsidiary by an airport authority or other air carriers, and any applicable operating Authorizations from Transport Canada, the FAA or any other applicable Governmental Entity and other similar airport access rights held by such Operating Subsidiary in respect of any Material Airport or that are otherwise material to the business and operations of the Company and its Subsidiaries on a consolidated basis (the "**Company Slots**") (except for seasonal swaps and temporary returns, in each case, with a duration of six months or less) and such list indicates any Company Slots that have been leased from another air carrier and in which an Operating Subsidiary holds only temporary use rights (except for seasonal swaps and temporary returns, in each case, with a duration of six months or less).
 - (b) Each Operating Subsidiary has complied, in all material respects, with all applicable Laws and terms of any Contracts governing Company Slots.
 - (c) None of the Operating Subsidiaries have (i) received any written notice of any proposed withdrawal of a Company Slot by an airport authority or other air carrier, Transport Canada, the FAA or any other applicable Governmental Entity, or (ii) agreed to any future reduction, trade, purchase, sale, exchange, lease, or transfer of any Company Slot that has not been completed (in each case, except for seasonal swaps and temporary returns with a duration of approximately six months or less).
- (44) **Investigations.** There are no material accident or incident investigations or reviews, safety related incidents or other material Proceedings related to aviation safety or regulation currently pending with respect to or involving any Operating Subsidiary or any Company Aircraft outside of the Ordinary Course.

- (45) **Company Airports.** As of the date of this Agreement, no airport authority at any Company Airport has issued any Order, initiated any Proceeding or taken any other action, nor, to the knowledge of the Company, is any such Order, Proceeding or other action threatened, that would reasonably be expected to materially and adversely interfere with the ability of the Company to conduct its operations at any Company Airport in substantially the manner currently conducted.
- (46) **Major Suppliers.** Except as disclosed in Section D(46) of the Company Disclosure Letter, to the knowledge of the Company, no material supplier has any intention to materially adversely change its relationship with the Company.
- (47) **No “Collateral Benefit”.** To the knowledge of the Company, subject to the accuracy of the representation of the Purchaser contained in Section (11) of Schedule E, other than any Rollover Agreement (a) no related party of the Company (within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”)) is entitled to receive a “collateral benefit” (within the meaning of such instrument) as a consequence of the transactions contemplated by this Agreement, and (b) no Shares, except Shares beneficially owned or over which control or direction is exercised by a Rollover Securityholder, are required by MI 61-101 to be excluded from voting on the Arrangement.
- (48) **Certain Board and Special Committee Matters.**
- (a) The Board has received the CIBC Opinion and the BofA Merrill Lynch Opinion.
 - (b) The Special Committee has unanimously recommended that the Board approve the Arrangement.
 - (c) The Board, after receiving the unanimous recommendation of the Special Committee and after consultation with outside legal counsel and financial advisors in evaluating the Arrangement, has unanimously: (i) determined that the Consideration to be received by Shareholders pursuant to the Arrangement is fair to the Shareholders, and that the Arrangement is in the best interests of the Company, (ii) resolved to recommend that Shareholders vote in favour of the Arrangement Resolution, and (iii) authorized the entering into of this Agreement and the performance by the Company of its obligations under this Agreement, and, except as expressly permitted by this Agreement, no action has been taken to amend, or supersede, such determinations, resolutions or authorizations.
 - (d) Each of the directors and Executive Officers of the Company has advised the Company that they intend to vote or cause to be voted all Shares beneficially held or beneficially owned by them in favour of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement, and the Company shall make a statement to that effect in the Company Circular.

- (49) **Disclosure.** Except as set forth in Section D(49) of the Company Disclosure Letter, true and complete copies of all documents listed in the Company Disclosure Letter have been made available in the Data Room.

SCHEDULE E
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

- (1) **Organization and Qualification.** The Purchaser is a corporation duly incorporated and validly existing under the Laws of its jurisdiction of incorporation.
- (2) **Authorization.** The Purchaser has the requisite corporate power and authority to enter into this Agreement and the other Transaction Documents, and to perform its obligations hereunder and thereunder. The execution and delivery by the Purchaser of this Agreement and the Transaction Documents and the performance by each of the Purchaser of its obligations hereunder and thereunder, and the consummation of the Arrangement and the other transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of the Purchaser and no other corporate proceedings on the part of the Purchaser are necessary to authorize this Agreement and the Transaction Documents or the consummation of the Arrangement and the other transactions contemplated hereby.
- (3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser, and constitutes a legal, valid and binding agreement of the Purchaser, enforceable against each of the Purchaser in accordance with its terms, subject only to any limitation under bankruptcy, insolvency, reorganization, moratorium or other Laws related to or affecting the rights of creditors generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (4) **Governmental Authorization.** The execution and delivery of this Agreement by the Purchaser, and performance of its obligations hereunder and the consummation by the Purchaser of the Arrangement and the other transactions contemplated hereby, do not require any Authorization or other action by or in respect of, or filing with or notification to, any Governmental Entity by the Purchaser other than (a) the Regulatory Approvals and Key Regulatory Approvals, (b) the Interim Order and the Final Order, and (c) the filing of the Articles of Arrangement.
- (5) **Non-Contravention.** The execution and delivery of this Agreement by the Purchaser, and performance of its obligations hereunder and the consummation by the Purchaser of the Arrangement and the other transactions contemplated hereby do not and will not:
 - (a) contravene, conflict with, or result in any violation or breach of the organizational documents of the Purchaser; or
 - (b) assuming compliance with the matters referred to in Paragraph E(4) above, contravene, conflict with or result in a material violation or breach of any applicable Law.
- (6) **Litigation.** There are no material Proceedings in progress or pending or, to the knowledge of the Purchaser, threatened, against the Purchaser, nor is the Purchaser subject to any outstanding Order that is reasonably likely to prevent or materially delay

consummation of the Arrangement or the other transactions contemplated by this Agreement.

- (7) **Funds Available.** The Purchaser has delivered to the Company (a) a true and complete copy of: (i) the Debt Commitment Letter evidencing the availability of committed credit facilities in favour of Purchaser, pursuant to which the Debt Financing Sources have agreed, subject to the terms and conditions set forth therein, to provide Purchaser, with the Debt Financing in the aggregate amount set forth therein; and (ii) the Debt Fee Letter (as redacted to remove only the fee amounts, economic terms, “market flex” provisions and other customary threshold amounts; provided that none of such redactions affect or relate to the conditionality, enforceability, termination, timing, availability or aggregate principal amount of the Debt Financing or reduce the Debt Financing below the amount set forth in the Debt Commitment Letter), and (b) a true and complete copy of the Sponsor Commitment Letter, pursuant to which the Sponsors have agreed, subject to the terms and conditions set forth therein, to provide the Purchaser with funds in the aggregate amount set forth therein, in each case, including all exhibits, schedules, annexes and amendments to such letters in effect as of the date of this Agreement. Except for customary fee credit letters or engagement letters, in each case, with respect to the Debt Financing (none of which adversely affect the conditionality, enforceability, termination, timing, availability or aggregate principal amount of the Debt Financing or reduce the Debt Financing below the amount set forth in the Debt Commitment Letter), as of the date hereof, there are no other agreements, side letters or arrangements that would permit the Debt Financing Sources to reduce the amount of the Debt Financing or that could otherwise affect the availability of the Debt Financing. The Debt Letters and the Sponsor Commitment Letter contain all of the conditions precedent to the obligations of the parties thereunder to make the Financings available to the Purchaser on the terms therein. Each Sponsor has the financial capacity to pay and perform its obligations under the Sponsor Commitment Letter. As of the date hereof, each of the Debt Letters and the Sponsor Commitment Letter is in full force and effect, has not been amended, restated, modified, withdrawn or terminated, and no event has occurred or circumstance exists, including the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, which, with or without notice, lapse of time or both, would or would reasonably be expected to constitute a default or breach on the part of the Purchaser under either the Debt Letters or the Sponsor Commitment Letter. As of the date hereof, each of the Debt Letters and the Sponsor Commitment Letter are legal, valid and binding obligations of the Purchaser and the other parties thereto, in each case, except as may be limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar Laws relating to creditors’ rights generally, and (b) general principles of equity, whether such enforceability is considered in a Proceeding in equity or at law. As of the date hereof, assuming the accuracy of all representations and warranties of the Company in this Agreement and compliance by the Company with its covenants and agreements hereunder, the Purchaser has no reason to believe that any of the conditions to the Financings contemplated by the Debt Letters and the Sponsor Commitment Letter will not be satisfied or that the Financings will not be made available to the Purchaser on the Effective Date. All commitment and other fees or expenses required to be paid under or in connection with the Debt Letters and/or the Sponsor Commitment Letter on or prior to

the date hereof have been paid. Assuming the accuracy, to the extent required by the Debt Commitment Letter, of all representations and warranties of the Company in this Agreement and compliance by the Company with its covenants and agreements hereunder in all material respects, the proceeds from the Financings (together with the available cash of the Company and its Subsidiaries) will be sufficient for all amounts required to be paid by the Purchaser pursuant to this Agreement on the Effective Date.

- (8) **Security Ownership.** As of the date hereof, neither the Purchaser nor the Sponsors beneficially owns, or exercises control or direction over, any securities of the Company.
- (9) **Canadian Status.** The Purchaser is not a “non-Canadian” as defined pursuant to Section 3 of the ICA. The Purchaser is a “Canadian” as defined pursuant to Section 55(1) of the CT Act.
- (10) **Purchaser Affiliates.** Each of the Affiliates of the Purchaser that is directly or indirectly owned or controlled by Onex and through which it indirectly controls the Purchaser is or shall be upon formation duly formed and existing under the laws of Canada or a province thereof, and Onex directly or indirectly owns or upon formation shall own a majority of the voting interests in such Person and has or upon formation shall have control in fact over such Person.
- (11) **Certain Arrangements.** Except as disclosed to the Company, other than any Rollover Agreement, there are no contracts, undertakings, commitments, arrangements or understandings, whether written or oral, between the Purchaser, the Sponsors or any of their respective Affiliates (without regard to subsections (a) or (b) of the definition thereof), on the one hand, and any beneficial owner of outstanding Shares or any member of the Company’s management or the Board, on the other hand, relating in any way to the Company, the Company’s securities, the transactions contemplated by this Agreement, the Arrangement, the Arrangement Resolution, or to the operations of the Company after the Effective Time.
- (12) **Limited Guarantee.** Concurrently with the execution of this Agreement, the Purchaser has caused the Sponsors (as of the date hereof) to deliver to the Company the duly executed Limited Guarantee. The Limited Guarantee is in full force and effect, is a valid, binding and enforceable obligation of the Sponsors party thereto, and, to the knowledge of the Purchaser, as of the date hereof, no event has occurred which constitutes (or would constitute, with the giving of notice, the lapse of time, or the happening of any other event or condition (or combination thereof)), a material default on the part of any of the Sponsors under the Limited Guarantee.
- (13) **Residency.** For the purposes of the Tax Act, any applicable Tax treaty and any other relevant Tax purposes, each of the Purchaser and Midco is resident in, and is not a non-resident of, Canada, and is a “taxable Canadian corporation”.

SCHEDULE F
FORM OF VOTING AGREEMENT

, 2019

Kestrel Bidco Inc.
161 Bay Street, 49th Floor
P.O. Box 700
Toronto, Ontario, Canada
M5J 2S1

Dear Sirs/Madams:

Re: Voting and Support Agreement

The undersigned understands that Kestrel Bidco Inc. (the “**Purchaser**”) and WestJet Airlines Ltd. (the “**Company**”) wish to enter into an arrangement agreement dated as of the date hereof (the “**Arrangement Agreement**”) contemplating an arrangement (the “**Arrangement**”) of the Company under Section 193 of the *Business Corporations Act* (Alberta), the result of which shall be the acquisition by the Purchaser of all the outstanding shares (the “**Shares**”) of the Company.

All capitalized terms used but not otherwise defined herein shall have the respective meaning ascribed to them in the Arrangement Agreement.

The undersigned hereby agrees, in his or her capacity as securityholder and not in his or her capacity as an officer or director of the Company, from the date hereof until the earlier of (i) the Effective Date, (ii) the date the Arrangement Agreement is terminated in accordance with its terms, (iii) the Outside Date, and (iv) the date of the Company Meeting if the Required Approval is not obtained at the Company Meeting:

- (a) to vote or to cause to be voted its Shares owned (beneficially or otherwise) by the undersigned as of the record date for the Company Meeting (the “**Holder Securities**”), in favour of the Arrangement and any other matter necessary for the completion of the Arrangement (including in favour of all matters recommended by management of the Company);
- (b) no later than 10 days prior to the Company Meeting, to deliver or to cause to be delivered to the Company duly executed proxies or voting instruction forms voting in favour of the Arrangement, such proxy or voting instruction forms not to be revoked or withdrawn without the prior written consent of the Purchaser;
- (c) except as contemplated by the Arrangement Agreement or upon the settlement of awards or the exercise of other rights to purchase Shares, including purchases of Shares under the Company’s employee share purchase plan, not to, directly or indirectly, acquire or seek to acquire Shares or other voting securities of the Company, or sell, assign, transfer, dispose of, hypothecate, alienate, grant a security interest in, encumber or tender to offer, transfer any economic interest (directly or indirectly) or otherwise convey any of the Holder Securities, in each

case without the Purchaser's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed);

- (d) not to exercise any rights of dissent in connection with the Arrangement; and
- (e) except as required pursuant to this letter agreement (including to give effect to clause (a) above), not to grant or agree to grant any proxy or other right to vote the Holder Securities or enter into any voting trust or pooling agreement or arrangement in respect of the Holder Securities or enter into or subject any of the Holder Securities to any other agreement, arrangement, understanding or commitment, formal or informal, with respect to or relating to the voting or tendering thereof or revoke any proxy granted pursuant to this letter agreement.

Notwithstanding any provision of this letter agreement to the contrary, the Purchaser hereby agrees and acknowledges that the undersigned is executing this letter agreement and is bound hereunder solely in his or her capacity as a securityholder of the Company. Without limiting the provisions of the Arrangement Agreement, nothing contained in this letter agreement shall limit or affect any actions the undersigned may take in his or her capacity as a director or officer of the Company or limit or restrict in any way the exercise of his or her fiduciary duties as director or officer of the Company.

The undersigned hereby represents and warrants that (a) this letter agreement has been duly executed and delivered and is a valid and binding agreement, enforceable against the undersigned in accordance with its terms, and the performance by the undersigned of its obligations hereunder will not constitute a violation or breach of or default under, or conflict with, any contract, commitment, agreement, understanding or arrangement of any kind to which the undersigned will be a party and by which the undersigned will be bound at the time of such performance, and (b) he or she has been afforded the opportunity to obtain independent legal advice and confirms by the execution of this letter agreement that he or she has either done so or waived his or her right to do so in connection with the entering into of this letter agreement, and that any failure on the undersigned's part to seek independent legal advice shall not affect (and the undersigned shall not assert that it affects) the validity, enforceability or effect of this letter agreement or the Arrangement Agreement.

This letter agreement shall terminate and be of no further force and effect upon the termination of the Arrangement Agreement in accordance with its terms.

This letter agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, and the parties hereto irrevocably attorn to the jurisdiction of the Alberta courts situated in the City of Calgary and waive objection to the venue of any proceeding in such court or that such court provides an inconvenient forum. This letter agreement may be executed in any number of counterparts (including counterparts by facsimile or electronic copy) and all such counterparts taken together shall be deemed to constitute one and the same instrument.

If the foregoing is in accordance with the Purchaser's understanding and is agreed to by the Purchaser, please signify the Purchaser's acceptance by the execution of the enclosed copies of

this letter agreement where indicated below by an authorized signatory of the Purchaser and return the same to the undersigned, upon which this letter agreement as so accepted shall constitute an agreement among the Purchaser and the undersigned.

The parties expressly acknowledge that they have requested that this letter agreement and all ancillary and related documents thereto be drafted in the English language only. *Les parties aux présentes reconnaissent avoir exigé que la présente lettre entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.*

[Remainder of page left intentionally blank. Signature page follows.]

Yours truly,

By: _____
(Signature)

(Print Name)

(Place of Residency)

(Name and Title)

Address:

Accepted and agreed on this ____ day of _____, 2019.

KESTREL BIDCO INC.

By: _____
Name:
Title:

Appendix D

Plan of Arrangement

SCHEDULE A

PLAN OF ARRANGEMENT

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

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

Unless indicated otherwise, any capitalized term used herein but not defined shall have the meaning given to it in the Arrangement Agreement and the following terms shall have the respective meanings set out below (and grammatical variations of such terms shall have corresponding meanings):

“**ABCA**” means the *Business Corporations Act* (Alberta).

“**Arrangement**” means an arrangement of the Company under Section 193 of the ABCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the terms of the Arrangement Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Arrangement Agreement**” means the arrangement agreement made as of May 12, 2019 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

“**Arrangement Resolution**” means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by the Shareholders and Company Optionholders entitled to vote thereon pursuant to the Interim Order.

“**Business Day**” means any day of the year, other than a Saturday, a Sunday or a day on which major banks are closed for business in Calgary, Alberta or Toronto, Ontario or, for purposes of the definition of Marketing Period and the date on which the Effective Date occurs, New York, New York.

“**Certificate of Arrangement**” means the proof of filing to be issued by the Registrar pursuant to subsection 193(12) of the ABCA in respect of the Articles of Arrangement.

“**Company**” means WestJet Airlines Ltd.

“**Company Meeting**” means the special meeting of Shareholders and Company Optionholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

“Company Optionholder” means a holder of Company Options.

“Company Options” means the outstanding options to purchase Shares issued pursuant to the Stock Option Plan.

“Company Securityholders” means, collectively, the Shareholders and the Company Optionholders.

“Consideration” means \$31.00 in cash per Share.

“Court” means the Court of Queen’s Bench of Alberta, or other court as applicable.

“Depositary” means AST Trust Company of Canada or such other Person as the Company and the Purchaser mutually agree on.

“Dissent Rights” has the meaning given to it in Section 3.1.

“Dissenting Holder” means a registered Shareholder as of the record date of the Company Meeting who (a) has validly exercised its Dissent Rights in strict compliance with the Dissent Right provisions of this Plan of Arrangement, (b) has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, and (c) is ultimately entitled to be paid the fair value for his, her or its Shares, but only in respect of Shares in respect of which Dissent Rights are validly exercised by such registered Shareholder.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” means 1:01 a.m., Calgary time, on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“Final Order” means the final order of the Court pursuant to section 193 of the ABCA in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended (provided that any such amendment is acceptable to the Company and the Purchaser, each acting reasonably) on appeal.

“Interim Order” means the interim order of the Court pursuant to section 193 of the ABCA in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified, supplemented or varied by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“Letter of Transmittal” means the letter of transmittal sent to holders of Shares for use in connection with the Arrangement.

“**Lien**” means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retention arrangements, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event, the rights of lessors under capital or financing leases and any other lease financing.

“**Midco**” means Kestrel Midco Inc.

“**Midco Option Plan**” means the stock option plan of Midco to be established by the board of directors of Midco on or prior to the Effective Date.

“**Midco Options**” means options to purchase Midco Shares granted pursuant to the Midco Option Plan.

“**Midco Shares**” means non-voting common shares in the capital of Midco.

“**Midco Transfer Agreement**” means the agreement to be entered into between Midco and the Purchaser pursuant to which Midco will transfer to the Purchaser the Rollover Shares acquired by Midco.

“**Parties**” means, collectively, the Company and the Purchaser, and “**Party**” means any one of them.

“**Person**” includes any individual, partnership, limited partnership, association, body corporate, organization, joint venture, trust, estate, trustee, executor, administrator, legal representative, Governmental Entity, syndicate or other entity, whether or not having legal status.

“**Plan of Arrangement**” means this plan of arrangement, subject to any amendments or variations made in accordance with the Arrangement Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Purchaser**” means Kestrel Bidco Inc., a corporation incorporated under the laws of the Province of Alberta.

“**Rollover Agreement**” means each exchange and subscription agreement between a Rollover Securityholder and Midco, pursuant to which each Rollover Securityholder agrees to (a) transfer Shares to Midco in consideration for Midco Shares pursuant to the Plan of Arrangement, (b) exchange Company Options for Midco Options, in a manner that complies with the requirements for an exchange of options under subsection 7(1.4) of the Tax Act, pursuant to the Plan of Arrangement, and (c) subscribe for additional Midco Shares for cash on the Effective Date.

“**Rollover Options**” means Company Options held by a Rollover Securityholder that are to be exchanged for Midco Options pursuant to a Rollover Agreement in accordance with the Plan of Arrangement.

“**Rollover Securityholder**” means a holder of Shares or Company Options that is a party to a Rollover Agreement with Midco as of the Effective Time.

“**Rollover Shares**” means Shares held by a Rollover Securityholder that are to be exchanged for Midco Shares pursuant to a Rollover Agreement in accordance with the Plan of Arrangement.

“**Shareholders**” means the registered holders of the Shares.

“**Shares**” means, collectively, the Common Voting Shares and the Variable Voting Shares.

“**Stock Option Plan**” means the 2009 stock option plan of the Company dated as of May 5, 2009.

“**Tax Act**” means the *Income Tax Act* (Canada).

Section 1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

- (1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- (2) **Currency.** All references to “dollars” or to “\$” are references to Canadian dollars, unless specified otherwise. In the event that any amounts are required to be converted from a foreign currency to Canadian dollars or vice versa, such amounts shall be converted using the most recent closing exchange rate of The Bank of Canada available before the relevant calculation date.
- (3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) **Certain Phrases, etc.** The words (a) “including”, “includes” and “include” mean “including (or includes or include) without limitation”, (b) “or” is not exclusive, (c) “day” means “calendar day”, (d) “hereof”, “herein”, “hereunder” and words of similar import, shall refer to this Plan of Arrangement as a whole and not to any particular provision of this Plan of Arrangement, (e) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”, (f) “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends and such phrase shall not mean simply “if”, and (g) unless stated otherwise, “Article” or “Section” followed by a number or letter mean and refer to the specified Article or Section of this Plan of Arrangement.
- (5) **Statutes and Rules.** Any reference to a statute or to a rule of a self-regulatory organization, including any stock exchange, refers to such statute or rule and all rules, resolutions and regulations, administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

- (6) **Date for Any Action.** If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day. Any reference to a number of days shall refer to calendar days unless Business Days are specified.
- (7) **Time.** Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in Calgary, Alberta unless otherwise stipulated herein.

ARTICLE 2 THE ARRANGEMENT

Section 2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

Section 2.2 Binding Effect

This Plan of Arrangement and the Arrangement shall become effective at the Effective Time, and shall be binding on the Purchaser, the Company, all Shareholders (including Dissenting Holders), all holders of Incentive Securities, the registrar and transfer agent of the Company, the Depository and all other Persons at and after the Effective Time, without any further act or formality required on the part of any Person.

Section 2.3 Arrangement

Commencing at the Effective Time, each of the following events shall occur sequentially in the order set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time (provided that none of the following shall occur unless all of the following occur):

- (1) notwithstanding the terms of the DSU Plan, the KEP Plan, the ESU Plan or the TI Plan or any applicable award agreements in relation thereto, simultaneously:
 - (a) the DSU Plan shall be terminated and each DSU outstanding immediately prior to the Effective Time shall, without any further action or formality on behalf of the holder thereof and the Company, be deemed to be surrendered to the Company in exchange for, subject to Section 4.4, an amount equal to the Consideration, payable in cash to the holder in accordance with Section 4.1(5), in full satisfaction of the Company's obligations under such surrendered DSU;
 - (b) the KEP and TI Plan shall be terminated and each RSU granted under the KEP Plan or the TI Plan and outstanding immediately prior to the Effective Time (whether then vested or unvested) shall, without any further action or formality on behalf of the holder thereof and the Company, be deemed to be surrendered to the Company in exchange for, subject to Section 4.4, an amount equal to the Consideration, payable in cash to the holder in accordance with Section 4.1(5), in full satisfaction of the Company's obligations under such surrendered RSU;

- (c) the ESU Plan shall be terminated and each RSU or PSU granted under the ESU Plan and outstanding immediately prior to the Effective Time (whether then vested or unvested) shall, without any further action or formality on behalf of the holder thereof and the Company, be deemed to be surrendered to the Company in exchange for, subject to Section 4.4, an amount equal to, (i) in the case of each RSU, the Consideration multiplied by the number of Shares covered by such RSU, and (ii) in the case of each PSU, the Consideration multiplied by the number of Shares covered by such PSU assuming 100% performance vesting, multiplied by a factor, being the ratio of (x) the period of time from the grant date of the PSU to the Effective Date, to (y) the term of the PSU, in each case payable in cash to the holder in accordance with Section 4.1(5), in full satisfaction of the Company's obligations under such surrendered RSU or PSU (as applicable);

whereupon all DSUs, RSUs and PSUs shall be, and shall be deemed to be, cancelled by the Company, all obligations in respect of the DSUs, RSUs and PSUs shall be deemed to be fully satisfied and the holders thereof shall cease to have any rights in respect thereof other than the right to receive the consideration contemplated under this Plan of Arrangement;

- (2) notwithstanding the terms of the Stock Option Plan or any applicable award agreements in relation thereto, the Stock Option Plan shall be cancelled and each Company Option (other than Rollover Options) whether vested or unvested, that has not, prior to the Effective Time, been exercised or surrendered in accordance with its terms shall, without any further action or formality on behalf of the holder thereof and the Company and without any payment by such Company Optionholder, be deemed to be transferred to the Company as follows:
 - (a) in respect of each Company Option outstanding at the Effective Time (other than Rollover Options) whether vested or unvested, that has an exercise price that is less than the Consideration, the applicable Company Option shall be deemed to be surrendered to the Company in exchange for, subject to Section 4.4, an amount equal to the amount by which the Consideration exceeds the exercise price thereof, payable in cash to the Company Optionholder in accordance with Section 4.1(5) in full satisfaction of the Company's obligations under such surrendered Company Option; and
 - (b) in respect of each Company Option outstanding at the Effective Time whether vested or unvested, that has an exercise price that is equal to or greater than the Consideration, the applicable Company Option shall be deemed to be surrendered to the Company in exchange for, subject to Section 4.4, an amount equal to \$0.05, payable in cash to the Company Optionholder in accordance with Section 4.1(5) in full satisfaction of the Company's obligations under such surrendered Company Option;

whereupon all Company Options (other than Rollover Options) shall be, and shall be deemed to be, cancelled by the Company, all obligations in respect of the Company Options (other than Rollover Options) shall be deemed to be fully satisfied, and the

holders thereof shall cease to have any rights in respect thereof other than the right to receive the consideration contemplated under this Plan of Arrangement.

- (3) each Share held by a Dissenting Holder described in Section 3.1 shall be transferred by the holder thereof to the Company in exchange for a debt claim against the Company for the amount determined in accordance with Section 3.1(a);
- (4) each Rollover Share shall be transferred by the holder thereof to Midco in exchange for such number of Midco Shares as set out in the applicable Rollover Agreement on the terms and conditions set out in the applicable Rollover Agreement.
- (5) simultaneous with the transactions set out in Section 2.3(4), each outstanding Share (other than a Share held by a Dissenting Holder described in Section 2.3(1) or a Rollover Share) shall be transferred to the Purchaser in exchange for, subject to Section 4.4, a cash payment to the holder equal to the Consideration;
- (6) each Rollover Option (whether then vested or unvested) shall be exchanged for such number of Midco Options as set out in the applicable Rollover Agreement on the terms and conditions set out in the applicable Rollover Agreement; and
- (7) each Rollover Share shall be transferred by Midco to the Purchaser in exchange for common shares of the Purchaser on the terms and conditions set out in the Midco Transfer Agreement.

ARTICLE 3 RIGHTS OF DISSENT

Section 3.1 Rights of Dissent

Subject to Section 3.1(a), each registered Shareholder as of the record date for the Company Meeting may exercise dissent rights with respect to the Shares held by such holder as of such date (the “**Dissent Rights**”) in connection with the Arrangement pursuant to and in the manner set forth in Section 191 of the ABCA, as modified by the Interim Order and this Article 3; provided that, notwithstanding Section 191 of the ABCA, the written objection to the Arrangement Resolution must be received by the Company not later than 5:00 p.m. (Calgary time) two Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Holders who validly exercise their Dissent Rights shall be deemed to have transferred the Shares held by them and in respect of which Dissent Rights have been validly exercised to the Company, without any further act or formality, as provided in Section 2.3(3), and if they:

- (a) ultimately are entitled to be paid fair value for such Shares, they shall: (i) in respect of such Shares be treated as not having participated in the transactions in Article 2 (other than Section 2.3(3)), (ii) be entitled to be paid, subject to Section 4.4, the fair value of such Shares by the Company, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Company Meeting, and (iii) not be entitled to any other payment or consideration, including any payment that would be payable

under the Arrangement had such holders not exercised their Dissent Rights in respect of such Shares; or

- (b) ultimately are not entitled, for any reason, to be paid fair value for such Shares, they shall in respect of such Shares be treated as having participated in the Arrangement on the same basis as a non-Dissenting Holder of Shares (and shall be entitled to receive the Consideration from the Purchaser in the same manner as such non-Dissenting Holders).

Section 3.2 Recognition of Dissenting Holders

- (1) In no circumstances shall the Purchaser, the Company, the Depositary or any other Person be required to recognize a Person exercising Dissent Rights: (a) unless, as of the deadline for exercising Dissent Rights (as set forth in Section 3.1), such Person is the registered holder of those Shares in respect of which such Dissent Rights are sought to be exercised, (b) if such Person has voted or instructed a proxy holder to vote such Shares in favour of the Arrangement Resolution, or (c) unless such Person has strictly complied with the procedures for exercising Dissent Rights and does not withdraw such dissent prior to the Effective Time.
- (2) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of the Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfers under Section 2.3(3).
- (3) In addition to any other restrictions under Section 191 of the ABCA, none of the following shall be entitled to exercise Dissent Rights: (a) holders of Incentive Securities, (b) Shareholders who vote or have instructed a proxyholder to vote Shares in favour of the Arrangement Resolution, (c) any Person (including any beneficial owner of Shares) who is not a registered Shareholder, and (d) the Purchaser or its Affiliates.

ARTICLE 4 EXCHANGE OF CERTIFICATES AND PAYMENTS

Section 4.1 Payment of Consideration

- (1) Following receipt of the Final Order and prior to the Effective Date, in accordance with Section 2.9 of the Arrangement Agreement, the Purchaser shall deposit, or shall cause to be deposited, for the benefit of the Shareholders, cash with the Depositary in the aggregate amount equal to the payments in respect of the Shares required by this Plan of Arrangement, with the amount per Share in respect of which Dissent Rights have been exercised being deemed to be the Consideration for this purpose.
- (2) The consideration contemplated by Section 4.1(1) shall be held by the Depositary as agent and nominee for such Shareholders in accordance with the provisions of Article 4 hereof. Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Shares that were transferred pursuant to Section 2.3(3) and Section 2.3(5) together with a duly completed

and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive, and the Depository shall deliver (and the Purchaser shall cause the Depository to deliver), to such holder, a cheque (or other form of immediately available funds) representing the cash which such holder has the right to receive pursuant to this Plan of Arrangement in respect of such Shares, without interest and less any amounts withheld pursuant to Section 4.4, and any certificate so surrendered shall forthwith be cancelled.

- (3) After the Effective Time and until surrendered for cancellation as contemplated by this Section 4.1, each certificate, agreement or other instrument (as applicable) which immediately prior to the Effective Time represented Shares shall be deemed at all times to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this Section 4.1.
- (4) Any certificate, agreement or other instrument that immediately prior to the Effective Time represented outstanding Shares not duly surrendered with all other documents required by this Section 4.1 on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder thereof of any kind or nature against or in the Company or the Purchaser. On such date, all consideration to which such former holder was entitled under this Plan of Arrangement shall be deemed to have been surrendered to the Purchaser or the Company, as applicable, together with all entitlements to dividends, distributions and interest thereon held for such former holder.
- (5) As soon as reasonably practicable following the Effective Time, the Company shall deliver, or shall cause to be delivered, to each holder of Incentive Securities (other than Rollover Options), through the Company's payroll systems (or such other means as the Company may elect or as otherwise directed by the Purchaser including with respect to the timing and manner of such delivery), the cash payment, if any, which such holder of Incentive Securities has the right to receive under this Plan of Arrangement for such Incentive Security, less any amounts withheld pursuant to Section 4.4 hereof.
- (6) Any payment made by way of cheque by the Depository or the Company, as applicable, pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depository or the Company, as applicable, or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Shares and Incentive Securities pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.

Section 4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, the Depository shall issue and deliver (and the Purchaser shall cause the Depository

to issue and deliver) to the Person claiming such certificate to be lost, stolen or destroyed, in exchange for such lost, stolen or destroyed certificate, a cheque (or other form of immediately available funds) representing the aggregate consideration in respect thereof which such holder is entitled to receive pursuant to the Arrangement, deliverable in accordance with such holder's Letter of Transmittal. When authorizing such delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be delivered shall, as a condition precedent to the delivery of such consideration, give an affidavit (in form and substance acceptable to the Purchaser, acting reasonably) of the claimed loss, theft or destruction of such certificate and a bond or surety satisfactory to the Purchaser and the Depository (each acting reasonably) in such reasonable and customary sum as the Purchaser may direct, or otherwise indemnify the Purchaser, the Company and the Depository in a manner satisfactory to the Purchaser and the Depository, each acting reasonably, against any claim that may be made against the Purchaser, the Company and/or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4.3 Rounding of Cash

If the aggregate cash amount which a Party is entitled to receive pursuant to this Plan of Arrangement would otherwise include a fraction of \$0.01, then the aggregate cash amount to which such Party shall be entitled to receive shall be rounded up to the nearest whole \$0.01.

Section 4.4 Withholding Rights

The Company, the Purchaser, the Depository and any other Person shall be entitled to deduct or withhold from any amount payable to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 3.1), such amounts as the Company, the Purchaser, the Depository or such other Person, as applicable, determines, acting reasonably, are required to be deducted or withheld with respect to such payment under the Tax Act or any provision of any other Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity.

Section 4.5 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

Section 4.6 Paramourty

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Shares and Incentive Securities issued or outstanding prior to the Effective Time, and (b) the rights and obligations of the Shareholders, the holders of Incentive Securities, the Company and its Subsidiaries, the Purchaser and its Affiliates, the Depository and any transfer agent or other depository therefor in relation to this Plan of Arrangement shall be solely as provided for in this Plan of Arrangement.

ARTICLE 5 AMENDMENTS

Section 5.1 Amendments to Plan of Arrangement

- (1) The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (a) set out in writing, (b) approved by the Parties, each acting reasonably, (c) filed with the Court and, if made following the Company Meeting, approved by the Court, and (d) communicated to the Company Securityholders if and as required by the Court.
- (2) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by either of the Parties at any time prior to the Company Meeting (provided that the other Party has consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (3) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (a) it is consented to in writing by each of the Parties (in each case, acting reasonably), and (b) if required by the Court, it is consented to by some or all of the Shareholders voting in the manner directed by the Court. Any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order without filing such amendment, modification or supplement with the Court or seeking Court approval, provided that (i) it concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the interest of any Company Securityholder or (ii) is an amendment contemplated in Section 5.1(4).
- (4) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, without communication to the Company Securityholders, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former Company Securityholder.
- (5) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 6 FURTHER ASSURANCES

Section 6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further

act or formality, following the Effective Time, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required or advisable by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

Appendix E

Opinion of CIBC



CIBC World Markets Inc.
161 Bay Street, 6th Floor
Toronto, ON M5J 2S8
Tel: 416 594-7000

May 12, 2019

The Board of Directors
of WestJet Airlines Ltd.

To the Board of Directors:

CIBC World Markets Inc. (“CIBC”, “we”, “us” or “our”) understands that WestJet Airlines Ltd. (“WestJet” or the “Company”) is proposing to enter into an arrangement agreement (the “Arrangement Agreement”) with Kestrel Bidco Inc. (the “Purchaser”), an affiliate of Onex Corporation (“Onex”) providing for, among other things, the acquisition (the “Proposed Transaction”) by the Purchaser of all of the outstanding common voting shares (“Common Voting Shares”) and variable voting shares (“Variable Voting Shares”) of the Company (the Common Voting Shares and Variable Voting Shares being referred to collectively herein as the “Shares”), other than the Rollover Shares (as defined in the Arrangement Agreement).

We understand that pursuant to the Arrangement Agreement:

- a) the Purchaser will acquire all of the issued and outstanding Shares in consideration for \$31.00 in cash per Share (other than the Shares held by the Rollover Securityholders, as defined below, and by holders that validly exercise their dissent rights) (the “Consideration”);
- b) the Proposed Transaction will be effected by way of an arrangement under Section 193 of the *Business Corporations Act* (Alberta);
- c) the completion of the Proposed Transaction will be conditional upon, among other things, approval by (i) at least two-thirds of the votes cast by the holders of the Shares (the “Shareholders”) and the holders of Options (“Optionholders”, and together with Shareholders, the “Securityholders”), voting together as a single class, and (ii) a simple majority of the votes cast by Shareholders, voting together as a single class (subject to receipt of applicable exemptive relief), excluding those Shareholders whose votes are required to be excluded pursuant to Section 8.1(2) of MI 61-101 (the “Rollover Securityholders”), in each case who are present in person or represented by proxy at the special meeting (the “Special Meeting”) of such Securityholders, and the approval of the Court of Queen’s Bench of Alberta; and
- d) the terms and conditions of the Proposed Transaction will be described in a management information circular of the Company and related documents (collectively, the “Circular”) that will be mailed to the Securityholders in connection with the Special Meeting.

Engagement of CIBC

The Company retained CIBC, formalized in a letter agreement dated April 16, 2019 (the “Engagement Agreement”), to act as financial advisor to the Company, its board of directors (the “Board” or “Board of Directors”) and the special committee of independent directors of the Board, in connection with the Proposed Transaction. Pursuant to the Engagement Agreement, the Company has requested that we prepare and deliver to the Board of Directors our written opinion (the “Opinion”) as to the fairness, from a financial point of view, of the Consideration to be received by Shareholders pursuant to the Arrangement Agreement.

CIBC will be paid a fee for rendering the Opinion, will be paid a fee on announcement of the Proposed Transaction and will be paid an additional fee that is contingent upon the completion of the Proposed

Transaction or any alternative transaction. The Company has also agreed to reimburse CIBC for its reasonable out-of-pocket expenses and to indemnify CIBC in respect of certain liabilities that might arise out of our engagement.

In the ordinary course of business and unrelated to the Proposed Transaction, (i) Canadian Imperial Bank of Commerce, an affiliate of CIBC, is a participant in the lending consortium for the Company's term loan and revolving credit facility, (ii) in the past, CIBC has acted as an underwriter for the Company in connection with an offering of public market debt, and (iii) in the past, CIBC has acted as a co-lead underwriter for the Company in connection with an offering of equity securities. CIBC has not been engaged to provide any financial advisory services with respect to the Proposed Transaction, other than to the Company pursuant to the Engagement Agreement.

Credentials of CIBC

CIBC is one of Canada's largest investment banking firms with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. The Opinion expressed herein is the opinion of CIBC and the form and content herein have been approved for release by a committee of its managing directors and internal counsel, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

Scope of Review

In connection with rendering our Opinion, we have reviewed and relied upon, among other things, the following:

- i) a draft dated May 11, 2019 of the Arrangement Agreement;
- ii) the annual reports, including the comparative audited financial statements and management's discussion and analysis, of the Company for the fiscal years ended December 31, 2017 and December 31, 2018;
- iii) the interim reports, including the comparative unaudited financial statements and management's discussion and analysis, of the Company for the three months ended March 31, 2019;
- iv) the annual information form of the Company dated March 20, 2019;
- v) the management information circular of the Company dated March 20, 2019 relating to the annual and special meeting of shareholders held on May 7, 2019;
- vi) management's five year financial forecast for the Company (2019 - 2023);
- vii) certain internal financial, operational, corporate and other information prepared or provided by the management of the Company, including internal operating and financial budgets and projections;
- viii) selected public market trading statistics and relevant financial information of the Company and other public entities;
- ix) selected financial statistics and relevant financial information with respect to relevant precedent transactions;
- x) selected relevant reports published by equity research analysts and industry sources regarding the Company and other comparable public entities;
- xi) a certificate addressed to us, dated as of the date hereof, from two senior officers of the Company, as to the completeness and accuracy of the Information (as defined below); and
- xii) such other information, analyses, investigations, and discussions as we considered necessary or appropriate in the circumstances.

In addition, we have participated in discussions with members of the senior management of the Company regarding its past and current business operations, financial condition and future prospects. We have also participated in discussions with Blake, Cassels & Graydon LLP and Norton Rose Fulbright Canada LLP, external legal counsel to the Company and the special committee appointed by the Board of Directors, respectively, concerning the Proposed Transaction, the Arrangement Agreement and related matters.

Assumptions and Limitations

Our Opinion is subject to the assumptions, qualifications and limitations set forth below.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of any of the assets or securities of the Company, the Purchaser or any of their respective affiliates and our Opinion should not be construed as such, nor have we been requested to identify, solicit, consider or develop any potential alternatives to the Proposed Transaction.

With your permission, we have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or its affiliates or advisors or otherwise obtained by us pursuant to our engagement, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. We have not met separately with the independent auditors of the Company in connection with preparing this Opinion and with your permission, we have assumed the accuracy and fair presentation of, and relied upon, the Company's audited financial statements and the reports of the auditors thereon and the Company's interim unaudited financial statements.

With respect to the historical financial data, operating and financial forecasts and budgets provided to us concerning the Company and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

We have also assumed that all of the representations and warranties contained in the Arrangement Agreement are correct as of the date hereof and that the Proposed Transaction will be completed substantially in accordance with its terms and all applicable laws and that the Circular will disclose all material facts relating to the Proposed Transaction and will satisfy all applicable legal requirements.

The Company has represented to us, in a certificate of two senior officers of the Company dated the date hereof, among other things, that the information, data and other material (financial or otherwise) provided to us by or on behalf of the Company, including the written information and discussions concerning the Company referred to above under the heading "Scope of Review" (collectively, the "Information"), are complete and correct in all material respects at the date the Information was provided to us and that, since the date on which the Information was provided to us, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Proposed Transaction or the sufficiency of this letter for your purposes.

Our Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they were represented to us in our discussions with management of the Company and its affiliates and advisors. In our analyses and in connection with the preparation of our Opinion, we made numerous assumptions with respect to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

The Opinion is being provided to the Board of Directors for its exclusive use only in considering the Proposed Transaction and may not be published, disclosed to any other person, relied upon by any other person, or

used for any other purpose, without the prior written consent of CIBC. Our Opinion is not intended to be and does not constitute a recommendation to the Board of Directors as to whether they should approve the Arrangement Agreement nor as a recommendation to any Securityholder as to how to vote or act at the Special Meeting or as an opinion concerning the trading price or value of any securities of the Company following the announcement or completion of the Proposed Transaction. Our Opinion should not be construed as an opinion as to the fairness of the Consideration to be received by the holders of the Common Voting Shares and the holders of the Variable Voting Shares considered separately, but rather as an opinion as to the fairness of the Consideration to be received by the Shareholders, other than the Rollover Securityholders, considered as a whole.

CIBC believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry out such could lead to undue emphasis on any particular factor or analysis.

The Opinion is given as of the date hereof and, although we reserve the right to change or withdraw the Opinion if we learn that any of the information that we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention or to update the Opinion after the date of this Opinion.

Opinion

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion, as of the date hereof, that the Consideration to be received by the Shareholders, other than the Rollover Securityholders, pursuant to the Arrangement Agreement is fair, from a financial point of view, to such Shareholders.

Yours very truly,

CIBC World Markets Inc.

Appendix F

Opinion of BofA Merrill Lynch

May 12, 2019

The Board of Directors
WestJet Airlines Ltd.
22 Aerial Place N.E.
Calgary, Alberta T2E 3J1

The Board of Directors:

We understand that WestJet Airlines Ltd. (“WestJet”) proposes to enter into an Arrangement Agreement (together with the Plan of Arrangement attached as Schedule A thereto, the “Agreement”) between WestJet and Kestrel Bidco Inc. (the “Purchaser”), a company indirectly controlled by Onex Corporation (“Onex”), which provides, among other things, for the sale of WestJet to the Purchaser to be effected through the acquisition by the Purchaser of outstanding WestJet common voting shares (“WestJet Common Voting Shares”) and variable voting shares (“WestJet Variable Voting Shares” and, together with the WestJet Common Voting Shares, the “WestJet Shares”) for C\$31.00 per share in cash (the “Consideration”) pursuant to a statutory arrangement (such sale, the “Transaction”). The Agreement also provides that, in connection with the Transaction, certain holders of WestJet Shares may exchange such WestJet Shares for shares in an affiliate of the Purchaser (such holders of exchanged WestJet Shares, “Rollover Securityholders”), which WestJet Shares will be exchanged by such affiliate for common shares of the Purchaser. The terms and conditions of the Transaction are more fully set forth in the Agreement.

You have requested our opinion as to the fairness, from a financial point of view, to the holders of WestJet Shares (other than, to the extent applicable, the Purchaser, Onex, any Rollover Securityholder or other direct or indirect investor in the Purchaser, and their respective affiliates) of the Consideration to be received by such holders in the Transaction.

In connection with this opinion, we have, among other things:

- (i) reviewed certain publicly available business and financial information relating to WestJet;
- (ii) reviewed certain internal financial and operating information with respect to the business, operations and prospects of WestJet furnished to or discussed with us by the management of WestJet, including certain financial forecasts and estimates relating to WestJet prepared by the management of WestJet (such forecasts and estimates, the “WestJet Forecasts”);
- (iii) discussed the past and current business, operations, financial condition and prospects of WestJet with members of the senior management of WestJet;
- (iv) reviewed the trading history for WestJet Shares and a comparison of that trading history with the trading histories of other companies we deemed relevant;
- (v) compared certain financial and stock market information of WestJet with similar information of other companies we deemed relevant;
- (vi) compared certain financial terms of the Transaction to financial terms, to the extent publicly available, of other transactions we deemed relevant;

- (vii) reviewed a draft, provided to us on May 12, 2019, of the Agreement; and
- (viii) performed such other analyses and studies and considered such other information and factors as we deemed appropriate.

In arriving at our opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and have relied upon the assurances of the management of WestJet that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the WestJet Forecasts that we have been directed to utilize in our analyses, we have been advised by WestJet, and we have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of WestJet as to the future financial performance of WestJet and the other matters covered thereby. At the direction of WestJet, we have relied upon the assessments of the management of WestJet as to, among other things, (i) the potential impact on WestJet of certain market, seasonal, competitive, geopolitical and macroeconomic and other trends and developments in and prospects for, and governmental, regulatory and legislative matters relating to or otherwise affecting, the airline industry and the markets and geographic regions in which WestJet operates, including fuel prices and supply and foreign exchange rates, which are subject to significant volatility or fluctuations and which, if different than as assumed, could have a material impact on our analyses or opinion, (ii) certain strategic initiatives of WestJet, including the likelihood, timing and associated costs of such initiatives, (iii) matters relating to WestJet's lease arrangements, including with respect to financial and other terms and implications of such arrangements, (iv) matters relating to, and the potential impact on WestJet resulting from, the grounding of Boeing 737 MAX series airplanes and other emergency orders, and (v) WestJet's existing and future agreements and arrangements involving, and the ability to attract, retain and/or replace, key employees, suppliers, joint ventures, partnerships and other commercial relationships. We have assumed, with the consent of WestJet, that there will be no developments with respect to any such matters (including, without limitation, as a result of recent changes in applicable accounting principles) that would be meaningful in any respect to our analyses or opinion.

We have not made or been provided with any independent evaluation or appraisal of the assets or liabilities (contingent, off-balance sheet, accrued, derivative or otherwise) of WestJet or any other entity, nor have we made any physical inspection of the properties or assets of WestJet or any other entity. We have not evaluated the solvency or fair value of WestJet or any other entity under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. We have assumed, at the direction of WestJet, that the Transaction will be consummated in accordance with its terms and in compliance with all applicable laws, documents and other requirements, without waiver, modification or amendment of any material term, condition or agreement, and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the Transaction, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed or occur that would have an adverse effect on WestJet or the Transaction or that otherwise would be meaningful in any respect to our analyses or opinion. We further have assumed, at the direction of WestJet, that the final executed Agreement will not differ in any material respect from the draft reviewed by us.

We express no opinion or view as to any terms or other aspects or implications of the Transaction (other than the Consideration to the extent expressly specified herein), including, without limitation, the form or structure of the Transaction or any terms, aspects or implications of any pre-acquisition reorganization, limited guarantee, rollover agreement, voting agreement or other agreements, arrangements or understandings entered into in connection with, related to or contemplated by the Transaction or otherwise.

Our opinion is limited to the fairness, from a financial point of view, of the Consideration to holders of WestJet Shares to the extent expressly specified herein, collectively as a group without regard to individual circumstances of specific holders or any rights, preferences, restrictions or limitations (whether by virtue of voting, control, liquidity or otherwise) that may distinguish such holders or the WestJet Common Voting Shares or WestJet Variable Voting Shares held by such holders, and our opinion does not in any way address proportionate allocation or relative fairness between or among holders of WestJet Common Voting Shares or WestJet Variable Voting Shares. No opinion or view is expressed with respect to any consideration received in connection with the Transaction by the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation or other consideration to any of the officers, directors or employees of any party to the Transaction or any related entities, or class of such persons, relative to the Consideration or otherwise. Furthermore, no opinion or view is expressed as to the relative merits of the Transaction in comparison to other strategies or transactions that might be available to WestJet or in which WestJet might engage or as to the underlying business decision of WestJet to proceed with or effect the Transaction. As you are aware, in connection with our engagement, we were not requested to, and we did not, participate in the negotiation of the terms of the Transaction, nor were we requested to, and we did not, provide any advice or services in connection with the Transaction other than the delivery of this opinion, and we express no view or opinion as to any such matters. As you also are aware, we were not requested to, and we did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of WestJet or any alternative transaction. We are not expressing any opinion as to the prices at which WestJet Shares or any other securities of WestJet may trade or otherwise be transferable at any time, including following announcement of the Transaction. We also are not expressing any opinion or view with respect to, and we have relied, at the direction of WestJet, upon the assessments of representatives of WestJet regarding, legal, regulatory, accounting, tax or similar matters, including, without limitation, as to tax or other consequences of the Transaction or otherwise or changes in, or the impact of, accounting standards or tax and other laws, regulations and governmental and legislative policies affecting WestJet and the Transaction, as to which we understand WestJet obtained such advice as it deemed necessary from qualified professionals. In addition, we express no opinion or recommendation as to how any securityholder should vote or act in connection with the Transaction or any other matter.

We have acted as financial advisor to WestJet solely to render an opinion to the Board of Directors of WestJet in connection with the Transaction and will receive a fee for our services, which fee is payable upon delivery of this opinion and not contingent upon consummation of the Transaction. In addition, WestJet has agreed to reimburse our expenses and indemnify us against certain liabilities arising out of our engagement.

We and our affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of our businesses, we and our affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of WestJet and certain of its affiliates and Onex and certain of its affiliates and portfolio companies.

We and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to WestJet and certain of its affiliates,

The Board of Directors
WestJet Airlines Ltd.
May 12, 2019
Page 4

and have received or in the future may receive compensation for the rendering of these services, including having acted or acting as a lender under certain leasing facilities of WestJet and/or certain of its affiliates.

In addition, we and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Onex and certain of its affiliates and portfolio companies, and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as financial advisor to Onex and certain of its affiliates and portfolio companies in connection with certain mergers and acquisition transactions, (ii) having acted or acting as a book-running manager, global coordinator and/or underwriter for various debt and equity offerings of Onex and certain of its affiliates and portfolio companies, (iii) having acted or acting as an administrative agent, collateral agent, bookrunner and/or arranger for, and/or as a lender under, certain term loans, letters of credit, credit and leasing facilities and other credit arrangements of Onex and/or certain of its affiliates and portfolio companies (including acquisition financing), (iv) having provided or providing certain derivatives, foreign exchange and other trading services to Onex and/or certain of its affiliates and portfolio companies, (v) having provided or providing certain managed investments services and products to Onex and/or certain of its affiliates and portfolio companies, and (vi) having provided or providing certain treasury management products and services to Onex and/or certain of its affiliates and portfolio companies.

It is understood that this letter is for the benefit and use of the Board of Directors of WestJet (in its capacity as such) in connection with and for purposes of its evaluation of the Transaction and is not rendered to or for the benefit of, and shall not confer rights or remedies upon, any person other than the Board of Directors of WestJet.

Our opinion is necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof. As you are aware, the credit, financial and stock markets, and the industry, markets and geographic regions in which WestJet operates, have experienced and continue to experience volatility and we express no opinion or view as to any potential effects of such volatility on WestJet or the Transaction. It should be understood that subsequent developments may affect this opinion and we do not have any obligation to update, revise or reaffirm this opinion. The issuance of this opinion was approved by a fairness opinion review committee of Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Based upon and subject to the foregoing, including the various assumptions and limitations set forth herein, we are of the opinion on the date hereof that the Consideration to be received in the Transaction by holders of WestJet Shares (other than, to the extent applicable, the Purchaser, Onex, any Rollover Securityholder or other direct or indirect investor in the Purchaser, and their respective affiliates) is fair, from a financial point of view, to such holders.

Very truly yours,

(Signed)
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

Appendix G

Interim Order

Clerk's stamp
"Filed on June 19, 2019"

COURT FILE NUMBER 1901-08265
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF SECTION 193 OF THE *BUSINESS
CORPORATIONS ACT*, RSA 2000, c B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT
INVOLVING WESTJET AIRLINES LTD. AND KESTREL BIDCO INC.,
AN AFFILIATE OF ONEX CORPORATION
APPLICANT WESTJET AIRLINES LTD.

RESPONDENT NOT APPLICABLE

DOCUMENT **INTERIM ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT **BLAKE, CASSELS & GRAYDON LLP**
3500, 855 – 2 Street S.W.
Calgary, Alberta T2P 4J8

Attention: David V. Tupper
Ross Bentley
Brendan MacArthur-Stevens

Telephone: 403-260-9722
403-260-9720
403-260-9603

Facsimile: 403-260-9700

Email: david.tupper@blakes.com
ross.bentley@blakes.com
brendan.macarthur-stevens@blakes.com

File: 73386/56

DATE ON WHICH ORDER WAS PRONOUNCED: June 18, 2019
NAME OF JUDGE WHO MADE THIS ORDER: Justice Dario
LOCATION OF HEARING: Calgary Courts Centre

UPON the Originating Application (the "**Originating Application**") of WestJet Airlines Ltd. ("**WestJet**");

AND UPON reading the Originating Application, the Affidavit of Veronica Tang, sworn on June 12, 2019 (the "**Affidavit**"), and the documents referred to therein;

AND UPON HEARING from counsel for WestJet and counsel for the purchaser, Kestrel Bidco Inc. ("**Kestrel**"), an affiliate of Onex Corporation ("**Onex**");

FOR THE PURPOSES OF THIS ORDER:

- (a) the capitalized terms not defined in this Order (the "**Order**") shall have the meanings given to them in the draft management information circular of WestJet (the "**Information Circular**"), which is attached as Exhibit "A" to the Affidavit; and
- (b) all references to "**Arrangement**" used in this Order mean the arrangement under Section 193 of the *Business Corporations Act*, RSA 2000, c B-9, as amended (the "**ABCA**"), and as set out in the plan of arrangement (the "**Plan**") attached as Schedule "A" to the arrangement agreement between WestJet and Kestrel dated May 12, 2019 (the "**Arrangement Agreement**"), which Arrangement Agreement is attached as Appendix "C" to the Information Circular.

IT IS HEREBY ORDERED THAT:

General

1. As prescribed by this Order, WestJet shall seek approval of the Arrangement as described in the Information Circular by holders ("**Shareholders**") of common voting shares and variable voting shares of WestJet (collectively, "**Shares**") and holders ("**Optionholders**") of stock options of WestJet ("**Options**"). In this Order, Shareholders and Optionholders will be collectively referred to as "**Securityholders**". Shares and Options will be collectively referred to as "**Securities**".

The Meeting

2. WestJet shall call and conduct a special meeting (the "**Meeting**") of Securityholders on July 23, 2019. At the Meeting, the Securityholders will consider and vote, together as a single class, on a resolution to approve the Arrangement, substantially in the form attached as Appendix "B" to the Information Circular (the "**Arrangement Resolution**"), and shall consider such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.
3. In accordance with WestJet's by-laws, a quorum at the Meeting shall be at least two persons in number, one of whom shall be, or be representing, a Canadian as defined in the *Canada Transportation Act*, SC 1996, c 10, and such persons holding or representing, in the aggregate, not less than 25 percent of the

Shares entitled to be voted at the Meeting.

4. If within 30 minutes from the time appointed for the Meeting, a quorum is not present, the Meeting shall stand adjourned to a date and time determined by the Chair of the Meeting. No notice of the adjourned meeting shall be required if the Meeting is adjourned for less than 30 days and, if at such adjourned meeting a quorum is not present, the Securityholders present at the adjourned meeting in person or represented by proxy shall constitute a quorum for all purposes.
5. Each Security entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matter to be considered at the Meeting, subject to the current limitations in WestJet's articles on voting interests of non-Canadians.
6. The record date for Securityholders shall be June 12, 2019 (the "**Record Date**"). Only Shareholders and Optionholders of record at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting.
7. The Meeting shall be called, held, and conducted in accordance with the applicable provisions of the *ABCA*, the articles and by-laws of WestJet in effect at the relevant time, the Information Circular, the rulings and directions of the Chair of the Meeting, this Order, and any further Order of this Court. If there is any inconsistency between this Order and the *ABCA* or the articles or by-laws of WestJet, the terms of this Order shall govern.

Conduct of the Meeting

8. The only persons entitled to attend the Meeting shall be Securityholders or their authorized proxy holders, WestJet's directors and officers, WestJet's auditors, WestJet's legal counsel, representatives and legal counsel of Kestrel, and such other persons who may be permitted to attend by the Chair of the Meeting.
9. The number of votes required to pass the Arrangement Resolution shall be:
 - (a) not less than two-thirds of the votes cast by Securityholders, voting together as a single class, present in person or represented by proxy at the Meeting; and
 - (b) a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting, after excluding the votes cast by those persons whose votes are required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, subject to any exemptive relief granted by applicable securities regulators.
10. To be valid, proxies must be deposited with AST Trust Company (Canada) in the manner described in the

Information Circular. WestJet may waive generally, in its discretion, the time limits set out in the Information Circular for the deposit and revocation of proxies by Securityholders, if the Chair of the Meeting deems it advisable to do so.

11. The accidental failure to give notice of the Meeting or a failure to receive that notice shall not invalidate any resolution passed or proceedings taken at the Meeting.
12. Subject to the terms of the Arrangement Agreement, WestJet is authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present) and for such period or periods of time as WestJet deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders in respect of the adjournment or postponement. No notice of the adjournment shall be required if the Meeting is adjourned for less than 30 days. Subject to the *ABCA*, if the Meeting is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of such adjournment or postponement shall be given in the same manner as the Meeting. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postponed. The Record Date will not change as a result of any adjournments or postponements to the Meeting.

Amendments to the Arrangement

13. WestJet and Kestrel are authorized to make such amendments, revisions, or supplements to the Arrangement as they may determine necessary or desirable, provided that such amendments, revisions, or supplements are made in accordance with and in the manner contemplated by the Arrangement and the Arrangement Agreement. The Arrangement so amended, revised, or supplemented shall be deemed to be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without any requirement to notify Securityholders or return to this Court to amend this Order. If any of the amendments, revisions, or supplements to the Arrangement as referred to in the prior sentence of this paragraph 13 would, if disclosed, reasonably be expected to affect a Securityholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, revision, or supplement shall be distributed, subject to the further order of this Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as WestJet may determine.

Amendments to Meeting Materials

14. WestJet is authorized to make such amendments, revisions, or supplements ("**Additional Information**") to the Information Circular, form of proxy ("**Proxy**"), notice of the Meeting ("**Notice of Meeting**"), form of letter of transmittal ("**Letter of Transmittal**"), if any, and notice of Originating Application ("**Notice of Originating Application**") as it may determine. WestJet may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances

as determined by WestJet. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to the mailing of the Information Circular, would have been required to be disclosed in the Information Circular, then:

- (a) WestJet shall advise the Securityholders of the material change or material fact by issuing a press release in accordance with applicable securities laws and the policies of the Toronto Stock Exchange; and
- (b) provided that such press release describes the applicable material change or material fact in reasonable detail, WestJet shall not be required to deliver an amendment to the Information Circular to the Securityholders or otherwise give notice to the Securityholders of the material change or material fact.

Dissent Rights

- 15. The registered Shareholders are, subject to the provisions of this Order and the Arrangement, given a right to dissent pursuant to section 191 of the *ABCA*, as modified by this Order, with respect to the Arrangement Resolution and the right to be paid the fair value of their Shares by WestJet for those Shares for which such right to dissent was validly exercised.
- 16. In order for a registered Shareholder (a "**Dissenting Shareholder**") to exercise a right to dissent pursuant to section 191 of the *ABCA* and this Order:
 - (a) the Dissenting Shareholder's written objection to the Arrangement Resolution must be received by WestJet, care of its solicitors Blake, Cassels & Graydon LLP, 3500, 855 - 2nd Street S.W., Calgary, Alberta, T2P 4J8, Attention: David Tupper, by 5:00 p.m. (Calgary time) on July 19, 2019, or 5:00 p.m. (Calgary time) on the day that is two business days immediately preceding the date that any adjournment or postponement of the Meeting is reconvened;
 - (b) a vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution;
 - (c) a Dissenting Shareholder must not have voted his or her Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
 - (d) a Shareholder may not exercise the right to dissent in respect of only a portion of the Shareholder's Shares, but may dissent only with respect to all of the Shares held by the Shareholder; and
 - (e) the exercise of such right to dissent must otherwise comply with the requirements of section 191

of the *ABCA*, as modified and supplemented by this Order and the Arrangement.

17. The fair value of the consideration to which a Dissenting Shareholder is entitled shall be determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by the Securityholders and shall be paid to the Dissenting Shareholders by WestJet as contemplated by the Arrangement and this Order.
18. Dissenting Shareholders who validly exercise their right to dissent, as set out in paragraphs 15 and 16 above, and who:
 - (a) are determined to be entitled to be paid the fair value of their Shares, shall be deemed to have transferred such Shares to Kestrel as of the effective time of the Arrangement (the "**Effective Time**"), without any further act or formality. The Shares will be transferred to Kestrel free and clear of all liens, claims, and encumbrances in exchange for the debt claim against WestJet for the fair value of the Shares; or
 - (b) are, for any reason (including, for clarity, any withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder and such Shares will be deemed to be exchanged for the Consideration under the Arrangement.

Neither WestJet, Kestrel, nor any other person shall be required to recognize such Shareholders as holders of Shares after the Effective Time, and the names of such Shareholders shall be removed from the register of Shares.

19. Subject to further order of this Court, the dissent rights available to Shareholders pursuant to the *ABCA* and the Arrangement shall constitute full and sufficient dissent rights for the Shareholders with respect to the Arrangement Resolution.
20. Notice to the Shareholders of their right to dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the *ABCA* and the Arrangement, the fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to this right in the Information Circular, which is to be sent to Shareholders in accordance with paragraph 21 of this Order.

Notice

21. Meeting materials (the "**Meeting Materials**") shall be sent to those Securityholders who, as of the Record Date, hold Shares and/or Options, the directors of WestJet, and the auditors of WestJet. The Meeting Materials include the Information Circular, substantially in the form attached as Exhibit "A" to the Affidavit,

with such amendments thereto as counsel to WestJet may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of Meeting, the Proxy, the Notice of Originating Application, and this Order, together with any other communications or documents determined by WestJet to be necessary or advisable. The Meeting Materials shall be sent by one or more of the following methods:

- (a) in the case of Optionholders and registered Shareholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her, or its address, as shown on the books and records of WestJet as of the Record Date. The Meeting Materials shall be sent at least 21 days prior to the Meeting;
- (b) in the case of non-registered Shareholders, by providing sufficient copies of the Meeting Materials to intermediaries, in accordance with National Instrument 54-101 – *Communication With Beneficial Owners of Securities of a Reporting Issuer*; and
- (c) in the case of the directors and auditors of WestJet, by email, pre-paid first class or ordinary mail, by courier, or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, at least 21 days prior to the date of the Meeting.

22. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service on the Securityholders, the directors, and auditors of WestJet of:

- (a) the Originating Application;
- (b) this Order;
- (c) the Notice of Meeting;
- (d) the Notice of Originating Application; and
- (e) the Information Circular and Proxy.

Final Application

23. Subject to further order of this Court, and provided that the Securityholders have approved the Arrangement in the manner directed by this Court and the directors of WestJet have not revoked their approval, WestJet may proceed with an application for a Final Order of the Court to approve the Arrangement (the "**Final Order**") on July 26, 2019 at 2:00 p.m. (Calgary time) or as soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the proof of filing of the articles of arrangement, WestJet, all Securityholders, and all other persons affected will be bound by the

Arrangement in accordance with its terms.

24. Any Securityholder or other interested party (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve on WestJet by 5:00 p.m. (Calgary time) on July 24, 2019, a notice of intention to appear ("**Notice of Intention to Appear**"). The Notice of Intention to Appear must include the Interested Party's address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail). The Notice of Intention to Appear must indicate whether the Interested Party intends to support or oppose the application or make submissions at the application, and must provide a summary of the position the Interested Party intends to advocate before the Court, and any evidence or materials that are to be presented to the Court. This notice must be served on WestJet by providing it to the solicitors for WestJet, Blake, Cassels & Graydon LLP, Suite 3500, 855 – 2nd St t S.W., Calgary, Alberta, T2P 4J8, Attention: David Tupper.
25. If the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties who have served a Notice of Intention to Appear in accordance with paragraph 23 of this Order, shall receive notice of the adjourned date.

Leave to Vary Interim Order

26. WestJet is entitled at any time to seek leave to vary this Order on such terms and with such notice as this Court may direct.

"Justice Dario"

Justice of the Court of Queen's Bench of Alberta

Appendix H

Section 191 of the ABCA

Pursuant to the Interim Order, Shareholders have the right to dissent in respect of the Arrangement in accordance with Section 191 of the ABCA, as modified by the Interim Order. Such right to dissent is described in the Information Circular. The full text Section 191 of the ABCA is set forth below.

- 191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to
- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
 - (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
 - (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
 - (c) amalgamate with another corporation, otherwise than under section 184 or 187,
 - (d) be continued under the laws of another jurisdiction under section 189, or
 - (e) sell, lease or exchange all or substantially all its property under section 190.
- (2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.
- (4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)
- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
 - (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.
- (6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),
- (a) by the corporation, or
 - (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

- (7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.
- (8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder
 - (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or
 - (b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.
- (9) Every offer made under subsection (7) shall
 - (a) be made on the same terms, and
 - (b) contain or be accompanied with a statement showing how the fair value was determined.
- (10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.
- (11) A dissenting shareholder
 - (a) is not required to give security for costs in respect of an application under subsection (6), and
 - (b) except in special circumstances must not be required to pay the costs of the application or appraisal.
- (12) In connection with an application under subsection (6), the Court may give directions for
 - (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
 - (b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the *Alberta Rules of Court*,
 - (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
 - (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
 - (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
 - (f) the service of documents, and

(g) the burden of proof on the parties.

(13) On an application under subsection (6), the Court shall make an order

- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
- (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
- (c) fixing the time within which the corporation must pay that amount to a shareholder, and
- (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after

receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITATION AGENT



**North American Toll Free
1-877-452-7184**

**Collect Calls Outside North America
416-304-0211**

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