



**WESTJET AIRLINES LTD.
("WestJet" or the "Corporation")
AUDIT COMMITTEE CHARTER**

Purpose

The primary purpose of the Audit Committee (the "**Committee**") is to assist the Board of Directors (the "**Board**") in fulfilling its responsibilities by overseeing reliable, accurate and clear financial reporting to shareholders and the establishment and maintenance of an adequate and effective system of internal controls. Consistent with this purpose, the Audit Committee encourages continuous improvement of, and fosters adherence to, the Corporation's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- (a) Serve as an independent and objective party to monitor the Corporation's financial reporting process and internal controls over financial reporting;
- (b) Review and assess the qualifications, independence and audit efforts of the Corporation's external auditors;
- (c) Provide an open avenue of communication among the external auditors, management, the internal auditing department and the Board; and
- (d) Report regularly to the Board on significant results of the foregoing activities.

Composition

The Audit Committee shall be comprised of three or more Directors as determined by the Board, all of whom shall be independent and financially literate in accordance with National Instrument 52-110 *Audit Committees*, and be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent and objective judgment as a member of the Committee. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

Any member of the Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee upon ceasing to be a Director. The Board may fill vacancies on the Committee by election from among its members who are independent Directors. The Board shall fill any vacancy if the membership of the Committee is less than three Directors.

The Board or, in the event of its failure to do so, the members of the Committee, shall appoint a Chair of the Committee from among the members of the Committee. The President and Chief Executive Officer of WestJet or his or her designate(s) shall be entitled to attend all meetings of the Committee, except those held *in camera* with independent directors only.

Professional Advice

Each Committee member shall have full, free and unrestricted access to management and employees and to the books and records of the Corporation. The Chair of the Committee shall have the authority to engage independent legal counsel, consultants or other advisors, with respect to any issue or to assist the Committee in fulfilling its responsibilities without consulting or obtaining the approval of any officer of the Corporation and the Corporation shall provide appropriate funding, as determined by the Chair of the Committee, for any advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall have access to continuing education programs to assist the Committee in fulfilling its mandate and the Corporation will provide appropriate funding for such programs.

Meetings and Administrative Matters

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
2. The Chair of the Committee shall preside at all meetings of the Committee, unless the Chair of the Committee is not present, in which case the members of the Committee present shall designate from among the members present a chair for purposes of the meeting.
3. A quorum for meetings of the Committee shall be a majority of its members, but not less than two in any event, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Meetings of the Committee should be scheduled to take place a minimum of four times per year and at such other times as the Chair of the Committee may determine.
5. Agendas, approved by the Chair of the Committee, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
6. The Committee may invite such officers, Directors, employees of WestJet and other external representatives as it may see fit from time to time to attend at meetings of the Committee and assist in the discussion of the matters being considered by the Committee.
7. The Committee will include an *in camera* session with independent directors only at each Committee meeting.
8. The Committee shall have the right to examine such records of WestJet and interview and secure the support and assistance of such WestJet employees, officers and other external representatives as it deems necessary to discharge its duties and all employees and officers must comply with such requests.
9. Minutes of the Committee will be recorded and maintained and circulated to all members of the Committee as well as Directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board. Additionally, the Chair of the Committee shall present the findings and discussions of any meeting of the Committee to the Board at the meeting of the Board which is immediately subsequent to such meeting of the Committee.
10. Any issues arising from these meetings that bear on the relationship between the Board and management of WestJet should be communicated to the Chair of the Board.
11. The Committee shall refer all recommendations to the Board for approval unless the Committee is herein, or by Board resolution, delegated the authority over a matter.

Responsibilities and Duties

To fulfill its responsibilities and duties the Audit Committee shall:

1. Financial Reporting

- (a) Review with management and the external auditors the annual and quarterly financial statements and notes thereto and recommend to the Board for approval and public release;
- (b) Review with management the annual and quarterly management's discussion and analysis of financial results and operations and recommend to the Board for approval and public release;
- (c) Review with management the quarterly earnings press release and recommend to the Board for approval and public release;
- (d) Review analysis prepared by management, the external auditors and the internal audit department on significant financial reporting issues regarding accounting principles, estimates and judgments made in connection with preparation and presentation of the financial statements;
- (e) Review any litigation, claim or other contingency and any regulatory or government initiative that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee;
- (f) Review with management and the external auditors the results of the audit and follow up on the status of previous audit recommendations;
- (g) Consider the external auditors' judgments about the quality, consistency and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- (h) Consider and recommend to the Board significant changes to the Corporation's auditing and accounting principles, policies and practices as recommended by the external auditors, management, or the internal audit department;

2. Internal Auditors

- (a) Review and approve, in consultation with the Chief Financial Officer and the Director, Audit and Advisory Services, the audit plans, activities, staffing and organizational structure of the internal audit department;
- (b) Review an executive summary of internal audit reports prepared by the internal auditing department and management's response;
- (c) Confirm an executive summary of internal audit reports is provided to the Board;
- (d) Review effectiveness of internal audit function, including compliance with the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing*;
- (e) Consult regularly with the Director, Audit and Advisory Services without the presence of management;
- (f) Review the appointment, replacement or dismissal of the Director, Audit and Advisory Services;
- (g) Review and approve, at least every two years, the internal audit department's charter;

3. External Auditors

- (a)** Review at least annually the performance of the external auditors and recommend to the Board and the Corporation's shareholders the retention and, if appropriate, the removal of the external auditors;
- (b)** Approve the annual audit fees to be paid to the external auditors;
- (c)** Pre-approve any fees for non-audit services provided by the external auditor which are cumulatively and annually in excess of five per cent of the audit fee (this responsibility may be delegated to the Chair of the Committee with the requirement of reporting such pre-approvals to the Committee at the next scheduled meeting);
- (d)** Confirm the rotation of the lead audit partner, other audit partners, and if applicable, the audit firm to the extent required by law;
- (e)** Review and discuss at least annually with the external auditors all significant relationships the external auditors have with the Corporation to determine the external auditors' independence and objectivity;
- (f)** Review with the external auditors without the presence of management, any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (g)** Review and approve, in consultation with the Chief Financial Officer and the external auditors, the audit scope and plan of the external auditors;
- (h)** Establish clear hiring policies regarding employees and former employees of the present and former external auditors of the Corporation;
- (i)** Consult regularly with the external auditors without the presence of management, about internal controls and the fullness, accuracy and quality of the Corporation's financial statements and the appropriateness of the accounting principles used;
- (j)** Review any significant disagreements among management and the external auditors in connection with the preparation of the financial statements and report to the Board any significant unresolved disagreements;

4. Other Responsibilities

- (a)** Discuss with management non-audit services greater than \$100,000 performed by any accounting firm other than the external auditors (this responsibility may be delegated to the Chair of the Committee);
- (b)** Review with the external auditors, management and the internal audit department the extent to which changes to or improvements in accounting principles and practices, previously approved by the Audit Committee have been implemented;
- (c)** Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters and for the confidential, anonymous submission by employees regarding questionable accounting or auditing matters;
- (d)** Conduct and authorize investigations into any matters within the Committee's scope of responsibilities;
- (e)** Determine that adequate policies and procedures are in place to identify, mitigate, monitor and report all significant audit risks on an ongoing, proactive basis;

- (f) Assist the Board with the oversight of the Corporation's compliance with applicable legal, regulatory and government requirements;
- (g) Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate;
- (h) Confirm that Director, officer and employee director expense account claims are reviewed at least annually and are approved in accordance with the Corporation's established policies and processes; and
- (i) Confirm annually that all responsibilities outlined in this Charter have been carried out.

Charter Review

The Committee shall review annually this Charter and make recommendations to the Board, of any proposed changes.

Approved, amended and ratified to: October 30, 2017

Last reviewed: October 29, 2018