



WESTJET AIRLINES LTD.

Notice of Annual General and Special Meeting of Shareholders
and Management Proxy Circular

**2008 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
OF COMMON VOTING SHARES AND VARIABLE VOTING SHARES**

**WestJet Hangar, 21 Aerial Place N.E.
Calgary, Alberta, Canada**

Tuesday, April 29, 2008 at 2:00 p.m.

March 13, 2008

Notice of Annual General and Special Meeting of Shareholders

SHAREHOLDERS OF WESTJET AIRLINES LTD.

The Annual General and Special Meeting (the "Meeting") of holders of common voting shares ("Common Voting Shares") and variable voting shares ("Variable Voting Shares") (Common Voting Shares and Variable Voting Shares, collectively the "Voting Shares") of WestJet Airlines Ltd. ("WestJet" or the "Corporation") will be held at the WestJet Hangar, 21 Aerial Place N.E., Calgary, Alberta, T2E 8X7 Calgary, Alberta on Tuesday, April 29, 2008 at 2:00 p.m. (MST) for the following purposes:

1. To receive and consider the consolidated financial statements of the Corporation for the year ended December 31, 2007 and the auditors' report thereon;
2. To fix the number of Directors to be elected at the Meeting at ten;
3. To elect Directors;
4. To appoint auditors and to authorize the Directors to set their remuneration;
5. To consider, and if thought appropriate, to approve by ordinary resolution the 2008 Stock Option Plan, as more particularly described in the Proxy Circular;
6. To consider, and if thought appropriate, to approve by ordinary resolution the 2008 Executive Share Unit Plan, as more particularly described in the Proxy Circular; and
7. To transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Proxy Circular accompanying and forming part of this Notice.

It is important to us at WestJet that you exercise your vote at the Meeting. If you are unable to attend the Meeting in person please date and sign the enclosed Instrument of Proxy and mail it to or deposit it with the Corporate Secretary of the Corporation, c/o CIBC Mellon Trust Company, 600, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, fax 1-866-781-3111 (toll free within North America) or (416) 368-2502. In order to be valid and acted upon at the Meeting, Instruments of Proxy must be returned not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

Our Board of Directors has fixed the record date for the Meeting at the close of business on March 10, 2008 (the "Record Date"). Only shareholders of record as at that date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Voting Shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers his or her Voting Shares after the Record Date and the transferee of those Voting Shares establishes that he or she owns the Voting Shares and demands, not later than 10 days before the Meeting, that their name be included in the list of Shareholders entitled to vote at the Meeting, in which case that transferee shall be entitled to vote their Voting Shares at the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Shawn E. Christensen", with a long horizontal flourish extending to the right.

Calgary, Alberta, Canada
March 13, 2008

Shawn E. Christensen
Corporate Secretary



March 13, 2008

Dear Fellow Shareholders,

On behalf of the Directors, Management and Employees of WestJet, I invite you to attend our 2008 Annual General and Special Meeting of Shareholders to be held at the WestJet Hangar, 21 Aerial Place, N.E., Calgary, Alberta, Canada, at 2:00 p.m. on Tuesday, April 29, 2008.

The items of business to be considered at this meeting are set out in the Notice of Meeting and Management Proxy Circular. In addition, following the completion of the formal agenda, our business and future plans will be reviewed. Your participation at our Shareholders' Meeting is very important. If you are unable to attend the meeting in person, we encourage you to vote via the internet or by completing and returning the enclosed Proxy.

I encourage you to read our Management Proxy Circular and I hope you will vote on the proposals either by returning the enclosed Proxy or by attending the Shareholders' Meeting on April 29, 2008 in Calgary.

We look forward to your support.

I would also like to mention that Ron Greene, who has been a member of WestJet's Board of Directors since its inception, has decided to retire from the Board this year. I personally, and on behalf of all employees of WestJet, wish to thank him deeply for his guidance and service over WestJet's formative years. Yours truly,

A handwritten signature in black ink, appearing to read "Clive J. Beddoe". The signature is fluid and cursive, with a long horizontal stroke at the end.

Clive J. Beddoe
Executive Chairman

WESTJET AIRLINES LTD.

Management Proxy Circular

for the Annual General and Special Meeting to be held on Tuesday, April 29, 2008

INFORMATION REGARDING THE MEETING

Please select the most convenient way to express your voting instructions: by fax or by mail. Non-registered shareholders may also vote via the Internet. Follow the relevant instructions to ensure your Common Voting Shares and Variable Voting Shares (Common Voting Shares and Variable Voting Shares collectively the "Voting Shares" or "Shares") are represented at our Annual General and Special Meeting of Shareholders (the "Meeting").

Unless otherwise indicated, the information contained herein is given as at March 13, 2008. In this Circular, any mention of "dollars" or "\$" refers to Canadian dollars, unless otherwise indicated.

The following questions and answers are intended to provide guidance on how to exercise your vote.

WHO IS SOLICITING MY PROXY?

The management of WestJet Airlines Ltd. ("WestJet," "we," "us," "our" and other similar expressions), is soliciting your proxy for use at the Meeting scheduled to be held at the WestJet Hangar, 21 Aerial Place N.E., Calgary, Alberta, Canada, on Tuesday, April 29, 2008 at 2:00 p.m. (MST).

HOW ARE PROXIES SOLICITED?

Our management requests that you sign and return the proxy form to ensure that your votes are exercised at the Meeting. Proxies will be solicited primarily by mail or by any other means our management may deem necessary. Members of our management will receive no additional compensation for these services, but will be reimbursed for any transaction expenses incurred by them in connection with these services. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of shares registered in the names of these persons, and WestJet may reimburse them for their reasonable transaction and clerical expenses.

WHAT WILL I BE VOTING ON?

You will be voting on five matters at the Meeting:

- to fix the number of Directors to be elected at the meeting
- to elect our Directors
- to appoint our auditors
- to approve WestJet's 2008 Stock Option Plan
- to approve WestJet's 2008 Executive Share Unit Plan

HOW WILL THESE MATTERS BE DECIDED AT THE MEETING?

Matters to be addressed at the Meeting must be approved by a majority of the votes cast by WestJet shareholders, either by proxy or in person at the Meeting.

HOW MANY VOTES DO I HAVE?

Subject to the voting restrictions and adjustments outlined below under "Restrictions on Voting of Shares", you will have one vote for every WestJet Voting Share that you own at the close of business on March 10, 2008, the Record Date for the Meeting.

To vote Voting Shares you acquired subsequent to the Record Date, you must, not later than ten days before the Meeting:

1. request through our transfer agent, CIBC Mellon Trust Company ("CIBC Mellon") at 1-800-387-0825 that we add your name to the voting list; and
2. produce properly endorsed share certificates or otherwise establish that you own the Voting Shares.

HOW MANY WESTJET SHARES CAN VOTE?

As of March 13, 2008, WestJet had a total of 129,759,034 issued and outstanding Voting Shares made up of 125,134,407 Common Voting Shares and 4,624,627 Variable Voting Shares. Each Voting Share confers one voting right, subject to adjustment to voting rights attaching to the Variable Voting Shares, discussed immediately below.

RESTRICTIONS ON VOTING OF SHARES

WestJet's Articles provide restrictions with respect to subscriptions, issues, transfers or purchases which would cause WestJet to cease to be "Canadian" as defined in the *Canada Transportation Act*. The applicable provisions of the *Canada Transportation Act* require that WestJet, as a corporation which indirectly wholly-owns the holder of a domestic license, a scheduled international license and a non-scheduled international license, be Canadian; that is, controlled in fact by Canadians and that at least 75% of its voting interests be owned and controlled by Canadians.

The definition of "Canadian" under Section 55(1) of the *Canada Transportation Act* may be summarized as follows:

- (a) a Canadian citizen or a permanent resident within the meaning of the *Immigration and Refugee Protection Act* (Canada),
- (b) a government in Canada or an agent of such a government, or
- (c) a corporation or other entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 75%, or such lesser percentage as the Governor in Council may by regulation specify, of the voting interests are owned and controlled by Canadians.

Voting Shares

Common Voting Shares

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

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

Variable Voting Shares

Variable Voting Shares may only be owned or controlled by non-Canadians. Therefore, any Voting Share owned or controlled by a person who is not Canadian, is, or must be converted to a Variable Voting Share.

Variable Voting Shares carry one vote per share held, except where (i) the number of outstanding Variable Voting Shares exceeds 25% of the total number of all issued and outstanding Voting Shares (or any other percentage that the Governor in Council may specify pursuant to the *Canada Transportation Act*), or (ii) the total number of votes cast by or on behalf of the holders of Variable Voting Shares at any meeting on any matter on which a vote is to be taken exceeds 25% (or any greater percentage that the Governor in Council may specify pursuant to the *Canada Transportation Act*) of the total number of votes cast at such meeting.

If either of the above-noted thresholds is surpassed at any time, the vote attached to each Variable Voting Share will decrease automatically without further act or formality. Under the circumstances described in (i) in the immediately preceding paragraph, the Variable Voting Shares as a class cannot carry more than 25% (or any other percentage that the Governor in Council may specify pursuant to the *Canada Transportation Act*) of the total voting rights attached to the aggregate number of issued and outstanding Voting Shares of WestJet. Under the circumstances described in (ii) in the immediately preceding paragraph, the Variable Voting Shares as a class cannot, for a given shareholders' meeting, carry more than 25% (or any other percentage that the Governor in Council may specify pursuant to the *Canada Transportation Act*) of the total number of votes cast on any matter on which a vote is to be taken.

General

The constraints described above do not apply to Variable Voting Shares held by way of security only or to Variable Voting Shares held by one or more underwriters solely for the purpose of distributing the shares to the public, or by any person acting as an intermediary in the payment of funds or the delivery of securities in connection with trades in securities and providing centralized facilities for the clearing of trades in securities.

The Articles, By-laws and policies of WestJet grant to the Board of Directors the powers necessary to give effect to the ownership restrictions, including all powers contemplated by the provisions of the *Business Corporations Act* (Alberta).

WestJet has adopted certain policies, procedures and processes in order to monitor the number of its Voting Shares owned by Canadians to ensure that the provisions of its Articles, By-laws and the *Canada Transportation Act* are complied with.

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% (or any higher percentage that the Governor in Council may specify pursuant to the CTA) of the aggregate votes that are cast on such matter, the 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% of the aggregate votes.

Every shareholder will be required to complete a declaration as to their Canadian status, whether they are voting by Proxy or in person, or giving voting directions for ESP Shares. Failure to complete such a declaration or instruction properly will mean the Shares associated with such declaration or instruction will not be tabulated at the Meeting.

WHO ARE OUR PRINCIPAL HOLDERS?

To the knowledge of our directors and senior officers, as at March 13, 2008, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, our voting securities carrying more than 10% of the voting rights attached to any class of our voting securities.

HOW DO I VOTE?

If your Shares are registered in your name, you can vote your Shares in person at the Meeting or by proxy. You have two ways of voting by proxy:

1. by fax, by completing and signing the enclosed proxy form and forwarding it by fax to 1-866-781-3111 (toll-free within North America only) or to (416) 368-2502; or
2. by mail, by completing and signing the enclosed proxy form and mailing it in the envelope provided.

If your Shares are held in the name of a nominee you may also be able to vote by Internet, but please see more detailed instructions below under the headings "How can a Non-Registered Shareholder Vote?" and "How can a Non-Registered Shareholder Vote in Person at the Meeting?". If your Shares are held under our Employee Share Purchase Plan ("Purchase Plan"), see the instructions below under "Voting the Shares Held in your Employee Share Purchase Plan".

Please note that you must complete the declaration regarding whether or not the Voting 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 Voting Shares you represent will not be tabulated.

VOTING BY PROXY

Whether or not you attend the Meeting, you can appoint a proxyholder to vote for you at the Meeting. You can use the enclosed proxy form, or any other appropriate proxy form, to appoint your proxyholder. The persons named in the enclosed proxy form are directors or officers of WestJet. However, you can choose another person to be your proxyholder, including someone who is not a shareholder of WestJet, by crossing out the names printed on the proxy form and inserting another person's name in the blank space provided, or by completing another appropriate proxy form.

HOW DO I VOTE MY SHARES HELD UNDER WESTJET'S EMPLOYEE SHARE PURCHASE PLAN?

Voting Shares purchased by employees of WestJet under the Purchase Plan ("ESP Shares") remain registered in the name of CIBC Mellon, as trustee in accordance with the provisions of the Purchase Plan, unless an employee has withdrawn their ESP Shares. Shareholders of ESP Shares cannot vote those Shares in person.

Voting rights attached to the ESP Shares that are registered in the name of CIBC Mellon, as trustee under the Purchase Plan, can be exercised by employees by indicating on the enclosed voting instruction card the necessary direction to CIBC Mellon as to how they wish their ESP Shares to be voted at the Meeting. The ESP Shares will be voted pursuant to the employee's directions and if no choice is specified for an item on the voting instruction card which you have provided to CIBC Mellon, CIBC Mellon will vote the relevant shares in favour of that item. ESP Shares in respect of which a voting instruction card has not been signed and returned will not be voted.

The voting instruction card must be used only with respect to ESP Shares. In the event that you are an employee and hold any Shares other than ESP Shares, you must also separately follow the appropriate voting requirements with respect to those Shares. No proxy form is to be completed with respect to ESP Shares unless you have withdrawn such shares from the Purchase Plan and you or your broker or agent hold a share certificate with respect thereto.

HOW CAN A NON-REGISTERED SHAREHOLDER VOTE?

If your Voting Shares are not registered in your name, they are held in the name of a "nominee," which is usually a trust company, securities broker or other financial institution. Your nominee is required to seek your instructions as to the manner in which to vote your Shares. This is why you have received the Proxy Circular from your nominee, together with a voting instruction form. Each nominee has its own signing and return instructions, which you should follow carefully to ensure that your Shares are tabulated.

Many non-registered shareholders will find that their nominee uses an agent through whom votes may be cast by Internet. The majority of Canadian brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically applies a special sticker to the proxy forms or created its own forms, mails those forms to the non-registered shareholders and asks non-registered shareholders to return the proxy forms to Broadridge or enter their voting instructions into a Broadridge internet voting system. 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 non-registered shareholder receiving a proxy with a Broadridge sticker on it or Broadridge's own proxy form cannot use that proxy to vote Shares directly at the Meeting as non-registered shareholder's instructions must be communicated to ADP well in advance of the Meeting in order to have the Shares tabulated.

If you are a non-registered shareholder who has voted and want to change your mind and vote in person, contact your nominee to obtain information on the procedure to follow, where possible.

HOW CAN A NON-REGISTERED SHAREHOLDER VOTE IN PERSON AT THE MEETING?

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

Shareholders who have ESP Shares cannot vote those Shares in person.

HOW WILL MY VOTING RIGHTS BE EXERCISED?

On the proxy form, you can indicate how you want your proxyholder to vote your Shares, or you can let your proxyholder decide for you.

If you have specified on the proxy form how you want your Shares to be voted on a particular matter, then your proxyholder must vote your Shares accordingly in the case of either a vote by show of hands or a vote by ballot.

If you have not specified on the proxy form how you want your Shares to be voted on a particular matter, your proxyholder can then vote in accordance with his or her judgment. Unless contrary instructions are provided, Voting Shares represented by proxies received by management will be voted IN FAVOUR of each matter presented at the Meeting.

WHAT IF THERE ARE AMENDMENTS OR IF OTHER MATTERS ARE BROUGHT BEFORE THE MEETING?

The enclosed proxy form gives the persons named on it the authority to use their discretion and judgment in voting on amendments or variations to matters identified in the notice of meeting or any other matter duly brought before the Meeting.

As of the time of printing of this Proxy Circular, management is not aware of any amendments to the matters set out in the notice of meeting or of other matters to be presented at the Meeting. However, if other matters duly come before the Meeting, the persons named on the enclosed proxy form will vote on them in accordance with their judgment, pursuant to the discretionary authority conferred by the proxy form with respect to such matters.

BY WHEN MUST I VOTE?

No later than 5:00 p.m. (MST) on April 25, 2008, unless you are a registered shareholder and attend the Meeting in person or if you are a non-registered shareholder and have followed the instructions for voting in person at the Meeting. All Shares represented by valid proxies received by CIBC Mellon prior to such time will be voted, in accordance with your instructions as specified in the proxy form, on any ballot that may be called at the Meeting. If you are a non-registered shareholder exercising voting rights through a nominee, you should vote as soon as possible as we have no control over the nominee's tabulation process and they must also file their votes with CIBC Mellon prior to the aforesaid time.

CAN I CHANGE MY MIND AND REVOKE MY PROXY?

You can revoke your proxy at any time before it is exercised. To do this if you are a registered shareholder, clearly state in writing that you want to revoke your proxy and deliver this written statement to the Corporate Secretary at 5055 – 11th Avenue N.E., Calgary, Alberta, T2E 8N4, no later than the last business day before the Meeting, namely April 28, 2008 at 5:00 p.m. (MST) or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner prescribed by law. If you are a non-registered shareholder who has voted and want to change your mind or revoke your proxy, contact your nominee to obtain information on the procedure to follow, where possible.

If you are a registered shareholder and have given a proxy and attend personally at the Meeting at which such proxy is to be voted, you may revoke the proxy and vote in person.

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

WHO COUNTS THE VOTES?

Proxies and votes of shareholders attending the Meeting are counted by CIBC Mellon, the transfer agent of WestJet, who will act as scrutineer of the Meeting.

BUSINESS OF MEETING

Financial Statements

The consolidated financial statements of the Corporation for the year ended December 31, 2007 and the auditor's report thereon are in the 2007 Annual Report which has been mailed to all registered shareholders and beneficial shareholders who requested it. These financial statements will be presented to the shareholders at the Meeting and no vote is required on this matter.

Number of Directors

According to the Articles of the Corporation, WestJet may have between three and 13 Directors. At the Meeting it is proposed that shareholders approve an ordinary resolution to fix the number of Directors to be elected at the Meeting at ten. There are presently 11 Directors of the Corporation, each of whom retires from office at the Meeting.

Election of Directors

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favor of the election as Directors of each of the ten nominees hereinafter set forth:

Clive J. Beddoe
Hugh Bolton
Sean M. Durfy

Brett Godfrey
Murph N. Hannon
Donald A. Hougan
Allan Jackson

Wilmot L. Matthews
L.M. (Larry) Pollock
Arthur R.A. Scace

Majority Voting for Directors

In 2007, prior to WestJet's last shareholder meeting, the Board adopted a Majority Voting Policy providing that if the votes in favour of the election of an individual Director nominee at the Meeting represent less than a majority of the aggregate Shares voted in favour and withheld for that nominee, the nominee will submit his or her resignation promptly after the Meeting for the Corporate Governance and Nominating Committee's consideration. The committee will make a recommendation to the Board after reviewing the matter, and the Board's decision to accept or reject the resignation will be disclosed to the public. The nominee will not participate in any Committee or Board deliberations in considering the resignation. The policy does not apply in circumstances involving contested director elections.

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

The following information relating to the nominees as directors is based partly on our records and partly on information received by us from each nominee, and sets forth the name, municipality of residence, and age of each of the persons proposed to be nominated for election as a director, his principal occupation, all other positions and offices with us held by him, including committee memberships, the year in which he was first elected a Director and certain additional background information.



Areas of Expertise:
Airline industry
Management

CLIVE J. BEDDOE
Calgary, Alberta
Executive Chairman
Director since Jun. 21,
1995

Non-Independent
Director

Equity Ownership:
Common Voting Shares
4,914,778
Options
390,848
RSUs
16,779

Mr. Beddoe, 61, is Executive Chairman of the Corporation, President of The Hanover Group of Companies and a Director of Alberta Investment Management Corp. Mr. Beddoe, a successful entrepreneur, brings to WestJet a strong background in financial planning and strategic management.

Mr. Beddoe is a private pilot and is licensed to fly numerous types of aircraft. It was through this keen interest in aircraft that he became involved with the formation of WestJet.

Mr. Beddoe is also an Associate Member of the Royal Institution of Chartered Surveyors (RICS).



Areas of Expertise:
Accounting
Corporate finance
Corporate governance

HUGH BOLTON
Edmonton, Alberta
Director since Aug. 2,
2005

Independent Director

Member of:
Audit Committee
Corporate Governance
and Nominating
Committee

Equity Ownership:
Common Voting Shares
5,000
DSUs
334

Mr. Bolton, 69, is a Chartered Accountant and Fellow of the Alberta Institute of Chartered Accountants, and the former Chairman, CEO and partner in Coopers & Lybrand Canada, Chartered Accountants.

Mr. Bolton is currently the non-executive Chair of the board of directors of EPCOR Utilities Inc. and Chairman of the Board of Matrikon Inc. He is also a board member of the Canadian National Railway Company, Teck Cominco Limited and TD Bank Financial Group.

Mr. Bolton received his Bachelor of Arts in Economics from the University of Alberta. In 2006, he was made a fellow of the Institute of Corporate Directors (Canada).



Areas of Expertise:
Airline industry
Marketing
Retail business
Management

SEAN M. DURFY
Calgary, Alberta
Director since Nov. 7,
2007

Non-Independent
Director

Equity Ownership:
Common Voting Shares
16,609
Options
167,754
RSUs
17,295
Performance Award Units
25,707
Restricted Award Units
19,281

Mr. Durfy, 41, is the President and Chief Executive Officer of the Corporation. He has been with WestJet since 2004, when he joined the airline as Executive Vice-President, Sales and Marketing. Sean was appointed President in September 2006 and assumed the additional role of CEO in September 2007.

Before joining WestJet, Mr. Durfy served as President and Chief Operating Officer of ENMAX Energy Corporation (The City of Calgary's electrical utility company), and as an Officer of ENMAX Corporation, from April 1999 until December 2004. Mr. Durfy's business background also includes commodity management, product development, operations and marketing and sales at TransAlta Corporation and Honeywell Ltd.

Mr. Durfy received his Bachelor of Commerce from Dalhousie University in Halifax, Nova Scotia.



BRETT GODFREY
Clayfield, Queensland,
Australia
Director since Aug. 22,
2006

Independent Director

Equity Ownership:
Nil

Areas of Expertise:
Airline industry
Accounting
Management

Mr. Godfrey, 44, is the co-founder and Chief Executive Officer of Virgin Blue Airlines, a publicly-listed airline in Australia. He is a Chartered Accountant after working with Touche Ross and also spent time in that firm's Canadian office. Mr. Godfrey has worked for various Virgin Group airlines, starting in the early 1990s with Virgin Atlantic as Finance Manager. In 1997, he was appointed CFO of Virgin Express, a low-fare publicly-listed airline based in Belgium, before launching Virgin Blue in 2000.

Mr. Godfrey is also a board member of Green Cross Australia, a not-for-profit organization and holds a business degree from Victoria University in Melbourne, Australia.



MURPH N. HANNON
Calgary, Alberta
Director since Dec. 5,
1996

Independent Director

Member of:
Compensation Committee

Equity Ownership:
Common Voting Shares
345,384

Areas of Expertise:
Oil & gas
Investments

Mr. Hannon, 52, is President of Murcon Development Ltd., a private investment company engaged in oil and gas exploration, real estate development, and various manufacturing and product development businesses. Mr. Hannon has been involved in private businesses for over 25 years, including WestJet since its inception stage. He is also the President of 1325218 Alberta Inc., a private investment company.

Mr. Hannon received his Bachelor of Science in Geological Engineering from the Colorado School of Mines. He is a registered Professional Geologist with the Association of Professional Engineers, Geologists, and Geophysicists of Alberta.



DONALD A. HOUGAN
Calgary, Alberta
Director since May 15,
2007

Non-Independent
Director

Equity Ownership:
Common Voting Shares
20,002
Options
25,740

Areas of Expertise:
Airline industry

Mr. Hougan, 55, joined WestJet in 1999, and is currently based in Calgary as one of WestJet's pilots. He is a member of WestJet's Pro-Active Communication Team (PACT), as well as the PACT Representative on WestJet's Board of Directors.



Areas of Expertise:
Corporate governance
Banking
Real estate

ALLAN W. JACKSON
Calgary, Alberta
Director since July 30,
2003

Independent Director

Member of:
Corporate Governance
and Nominating
Committee (Chair)

Equity Ownership:
Common Voting Shares
11,020
DSUs
825

Mr. Jackson, 67, is currently the President and Chief Executive Officer of Arci Ltd., a private real estate investment company, and President and Chief Executive Officer of Jackson Enterprises Inc., a private holding and consulting company.

Mr. Jackson has brought to WestJet's Board knowledge from his experiences serving on the Board of Directors for Canadian Western Bank, Princeton Developments Ltd., a private real estate development and management company, and as a member of the Building Committee of the Epcor Centre for Performing Arts.

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



Areas of Expertise:
Investments
Accounting
Corporate finance
Corporate governance

**WILMOT L.
MATTHEWS**
Toronto, Ontario
Director since Sep. 17,
1996

Independent Director

Member of:
Audit Committee (Chair)
Corporate Governance
and Nominating
Committee

Equity Ownership:
Common Voting Shares
3,406,371
DSUs
500

Mr. Matthews, 71, has been involved in all aspects of investment banking by serving in various positions with Nesbitt Burns Inc. and its predecessor companies from 1964 until his retirement in September, 1996, most recently as Vice Chairman and Director.

Mr. Matthews is currently President of Marjad Inc., a private investment company. He is Chairman of Resin Systems Inc. and also serves on the Board of Directors of several private companies and clubs.

Mr. Matthews received his Bachelor of Arts in Math, Physics and Chemistry from the University of Toronto and his Master of Science in Economics from the London School of Economics in London, England, and is a Chartered Accountant.



Areas of Expertise:
Banking
Accounting
Management

**L.M. (LARRY)
POLLOCK**
Edmonton, Alberta
Director since Sep. 16,
1999

Independent Director

Member of:
Audit Committee
Compensation Committee

Equity Ownership:
Common Voting Shares
11,975

Mr. Pollock, 61, is the President and Chief Executive Officer of both the Canadian Western Bank and Canadian Western Trust. He is also a Director of Canadian Direct Insurance (a subsidiary of CWB), EPCOR, Canadian Helicopters Income Trust, and the Edmonton Eskimos of the Canadian Football League, and is a member of the Executive Council of the Canadian Bankers' Association.

Mr. Pollock graduated from the Saskatchewan Institute of Applied Arts & Sciences in Business Administration.



ARTHUR R.A. SCACE, C.M., Q.C.

Toronto, Ontario
Director since June 3, 2005

Independent Director

Member of:
Audit Committee
Corporate Governance
and Nominating
Committee

Equity Ownership:
Common Voting Shares
15,000
DSUs
195

Areas of Expertise:
Law
Corporate governance

Mr. Scace, 69, is a former partner of McCarthy Tétrault LLP, Barristers and Solicitors in Toronto. Mr. Scace is currently the non-executive Chairman of The Bank of Nova Scotia. He is Past President and Chairman of the Canadian Opera Company.

Mr Scace received his Bachelor of Arts from the University of Toronto and Oxford University, his Master of Arts from Harvard University and his Bachelor of Laws from Osgoode Hall. He was called to the bar in Ontario in 1967.

Other Public Company Directorships/Committee Appointments

All public company directorships and committee appointments of current Directors are set out below.

Director	Other Public Company Directorships	Listing Exchange	Committee Appointments
Bolton	Epcor Utilities Inc. (Chair)	n/a	Ex-officio member of the Audit Committee, the Corporate Governance & Nominating Committee, the Environmental Health & Safety Committee and the Human Resources & Compensation Committee
	The Toronto Dominion Bank	TSX, NYSE, Tokyo	Audit Committee (Chair) Risk Committee
	Teck Cominco Limited	TSX, NYSE	Audit Committee (Chair)
	Canadian National Railway Company	TSX, NYSE	Audit Committee Corporate Governance and Nominating Committee Human Resources and Compensation Committee Strategic Planning Committee
	Matrikon Inc. (Chair)	TSX	Compensation & Governance Committee
Godfrey	Virgin Blue Holdings Ltd. (Managing Director)	ASX	None
Jackson	Canadian Western Bank	TSX	Conduct Review Committee Loans Committee (Chair) Corporate Governance & Human Resources Committee
Matthews	Resin Systems Inc. (Chair)	TSX, OTC BB	Audit Committee Compensation, Nominating, Corporate Governance Committee

Director	Other Public Company Directorships	Listing Exchange	Committee Appointments
Pollock	Canadian Western Bank	TSX	Loans Committee
	Epcor Utilities Inc.	n/a	Audit Committee Corporate Governance & Nominating Committee Human Resources & Compensation Committee
	Canadian Helicopters Income Fund	TSX	Audit Committee Compensation, Corporate Governance and Nominating Committee
Scace	The Bank of Nova Scotia (Non-Executive Chair)	TSX, NYSE	Executive and Risk Committee and Human Resources Committee (Chair) Ex-officio member of Audit and Conduct Review Committee and Corporate Governance and Pension Committee
	Garbell Holdings Limited (Chair)	TSXV	None
	Gerdau Ameristeel Corporation	TSX, NYSE	Audit Committee Corporate Governance Committee
	Sceptre Investment Counsel Limited	TSX	Executive Compensation Committee

Interlocking Directorships

The table below lists the Directors of WestJet who served together on boards of directors of other public entities as at December 31, 2007.

Entity	Directors	Committees
Canadian Western Bank	Allan W. Jackson	Conduct Review Committee, Loans Committee and Corporate Governance & Human Resources Committee
	L.M. (Larry) Pollock	Loans Committee
Epcor Utilities Inc.	Hugh J. Bolton	Ex-officio member of the Audit Committee, the Corporate Governance & Nominating Committee, the Environmental Health & Safety Committee and the Human Resources & Compensation Committee
	L.M. (Larry) Pollock	Corporate Governance & Nominating Committee and Human Resources & Compensation Committee

The Board does not believe these interlocking board relationships impact on the ability of these directors to act in the best interests of the Corporation.

Independence and Board Committees

The Board considers whether or not each director is "independent" in accordance with *National Policy 58-201—Corporate Governance Guidelines* and section 4.1 of *Multilateral Instrument 52-110—Audit Committees*. These provisions essentially define an independent director as a director who is independent of management and is free from any direct or indirect material relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the Director's independent judgment. Persons who have been executive officers or employees of the Corporation during the preceding three years are deemed not to be independent. The Board has determined that eight of its 11 current Directors, Messrs. Greene, Matthews, Hannon, Godfrey, Pollock, Jackson, Bolton and Scace, are "independent" Directors. Of the three non-independent directors: Mr. Beddoe is not independent because he has been the President and Chief Executive Officer of WestJet within the last three years, Mr. Durfy is not independent because he is the President and Chief Executive Officer of WestJet, and Mr. Hougan is not independent because he is the Corporation's Pro-Active Communications Team ("PACT", an employee association) nominee and has been a WestJet pilot for the preceding eight years.

Independent members meet separately at the end of each scheduled Board or committee meeting.

The table below sets out committee memberships for all independent Directors as at December 31, 2007.

COMMITTEE MEMBERS as at December 31, 2007

	Audit	Compensation	Corporate Governance and Nominating
Bolton	✓		✓
Godfrey			
Greene ⁽¹⁾		Chairman	
Hannon		✓	
Jackson			Chairman
Matthews	Chairman		✓
Pollock	✓	✓	
Scace	✓		✓

Note:

(1) Refers to Mr. Ronald Greene, who is currently on the Board, but is not standing for re-election at the Meeting.

Board and Committee Meetings Held and Attendance

The table below sets out attendance for 2007.

	Board (6 meetings)		Audit (4 meetings)		Compensation (7 meetings)		Corporate Governance and Nominating (2 meetings)		Overall Attendance
	#	%	#	%	#	%	#	%	%
Beddoe	6	100							100
Bolton	5	83	4	100			1	50	83
Durfy	n/a ⁽²⁾	n/a							n/a
Godfrey	4	67							67
Greene	6	100			7	100			100
Hannon	6	100			7	100			100
Homeniuk	4 ⁽¹⁾	100							100
Hougan	2 ⁽¹⁾	100							100
Jackson	5	83					2	100	88
Matthews	6	100	4	100			2	100	100
Pollock	5	83	3	75	7	100			88
Scace	5	83	4	100			2	100	92

Notes:

- (1) Mr. Hougan replaced Mr. James Homeniuk on the Board on May 15, 2007.
- (2) Mr. Durfy joined the Board on November 7, 2007. There were no meetings of the Board between such date and December 31, 2007.

Director Compensation

In 2007, each independent Director was paid an annual retainer of \$20,000. Directors who are officers or employees of the Corporation do not receive annual retainers. For each meeting of the Board or of a committee of the Board, a fee of \$1,250 was paid to each non-management Director who attended in person or by phone. The Director who is a nominee of PACT receives regular meeting fees, however, management Directors do not receive meeting fees. In addition, the Chairman of the Audit Committee received a \$10,000 annual retainer and the Chairmen of the Compensation Committee and the Corporate Governance and Nominating Committee each received a \$5,000 annual retainer. The Directors are reimbursed for their reasonable expenses in connection with all meetings. Directors, in their capacity as such, are not entitled to participate in the Corporation's stock option plans.

In addition, independent Directors are entitled to book confirmed personal travel for themselves and their spouses on WestJet flights at current nominal employee stand-by fares plus applicable taxes and airport fees.

Annual Board and Committee retainers are paid semi-annually, in arrears, and are pro-rated for partial service, if appropriate. This table sets out the full dollar value of retainers and fees for 2007. All payments were received either in cash or DSUs (as defined below).

	Annual Board Retainer	Annual Committee Chair Retainer	Board Meeting Fees	Committee Meeting Fees	Total Fees Paid
Beddoe	n/a	n/a	n/a	n/a	n/a
Bolton	\$ 20,000	\$ -	\$ 6,250	\$ 6,250	\$ 32,500
Durfy	n/a	n/a	n/a	n/a	n/a
Godfrey	20,000	-	5,000	-	25,000
Greene	20,000	5,000	7,500	8,750	41,250
Hannon	20,000	-	7,500	8,750	36,250
Homeniuk	n/a	-	5,000	-	5,000
Hougan	n/a	-	2,500	-	2,500
Jackson	20,000	5,000	6,250	2,500	33,750
Matthews	20,000	10,000	7,500	7,500	45,000
Pollock	20,000	-	6,250	12,500	38,750
Scace	20,000	-	6,250	7,500	33,750
TOTAL					\$ 293,750

Deferred Share Units

In February 2007, a Deferred Share Unit ("DSU") plan was approved as an alternative form of compensation for independent Directors. Under the plan, eligible Directors may elect to receive all or part of their retainer(s) and fees as DSUs. Directors who have not yet met minimum required shareholdings as described below must take a minimum of 25% of Directors' compensation in DSUs. The number of DSUs issued to Directors will be equal to the percentage of the Director's compensation for a quarter to be satisfied by DSUs divided by the closing price of the WestJet Common Voting Shares on the last trading day of that quarter. A DSU is a bookkeeping entry that tracks the value of one WestJet Common Voting Share. DSUs are settled by a cash payment when the Director leaves the Board, providing an ongoing alignment of interests between Directors and the shareholders of the Corporation during the Director's term of service. The cash payment equals the number of DSUs held by the Director times the closing price of the WestJet Common Voting Shares on the date of redemption.

Under the terms of the plan, DSUs awarded will vest immediately upon grant and will not be subject to satisfaction of any requirements as to any minimum period of membership on the Board. No amount will be paid to a Director under the DSU plan or any other arrangement, and no additional DSUs will be granted to a Director to compensate for a downward fluctuation in the fair market value of the Common Voting Shares. In the event cash dividends are paid to holders of Common Voting Shares, additional DSUs will be granted to holders of DSUs in numbers calculated by dividing the dividends that would have been paid if the DSUs granted as at the record date for the dividend had been Common Voting Shares by the closing price for Common Voting Shares on the trading day immediately prior to the date of payment. Notwithstanding any election by a Director under the plan, the Committee may, in its sole discretion, decline to award DSUs to a Director, in which case the Director would receive his Director compensation in cash.

This table sets out the number of DSUs granted in 2007.

Director	Converted Remuneration	Base Price (\$) ⁽¹⁾	DSUs (#) ⁽²⁾
Bolton	\$7,500	22.51	334
Greene	\$10,000	22.51	445
Jackson	\$7,500	17.23	436
	\$8,750	22.51	389
Matthews	\$11,250	22.51	500
Scace	\$4,375	22.51	195

Notes:

- (1) The closing price of the WestJet Common Voting Shares on the last day of the quarter in which the grant was made.
(2) Equals the Converted Remuneration divided by the Base Price, rounded up to the next whole unit.

Share Ownership Guidelines for Directors

The Board believes it is important that Directors demonstrate their commitment to WestJet's stewardship through share ownership. Therefore Directors, with the exception of the PACT representative Director, are required to own, directly or indirectly, Shares and/or DSUs valued at five times the annual Board retainer within three years of their appointment.

In 2007, all applicable Directors either met such shareholding requirement or had been appointed less than three years. Currently, all Shares owned, whether directly or indirectly, by our Directors are Common Voting Shares.

	Equity Ownership at March 14, 2007		Equity Ownership at March 13, 2008		Net Change in Share Ownership		Equity at Risk (\$) ⁽¹⁾	Equity at Risk as a Multiple of Director Retainer	Meets Share Ownership Requirement
	Common Shares	DSUs	Common Shares	DSUs	Common Shares	DSUs			
Beddoe	6,167,865	0	4,914,778	0	(1,253,087)	nil	88,760,891	4,438	✓
Bolton	5,000	0	5,000	334	nil	334	96,332	4.8	✗ ⁽²⁾
Godfrey	0	0	0	0	nil	nil	0	0	✗ ⁽³⁾
Durfy	14,103	0	16,609	0	2,506	nil	299,959	15	✓
Greene	5,352,675	0	5,352,675	445	nil	445	96,677,347	4,833.9	✓
Hannon	897,645	0	345,384	0	(552,261) ⁽⁴⁾	nil	6,237,635	311.9	✓
Hougan	18,915	0	20,002	0	1,087	nil	361,236	18.1	n/a ⁽⁵⁾
Jackson	6,020	0	11,020	825	5,000	825	213,921	10.7	✓
Matthews	3,406,371	0	3,406,371	500	nil	500	61,528,090	3,076.4	✓
Pollock	11,975	0	11,975	0	nil	nil	216,269	10.8	✓
Scace	15,000	0	15,000	195	nil	195	274,422	13.7	✓

Notes:

- (1) The "Equity At Risk" amount is shown as at March 13, 2008, based on the number of Shares and DSUs held by the Director at a Share price of \$18.06.

- (2) Based on the March 13, 2008, share price, Mr. Bolton must invest at least \$3,668 in WestJet equity before August 1, 2008, in order to meet the minimum share ownership requirements.
- (3) Mr. Godfrey must invest at least \$100,000 in WestJet equity before August 21, 2009, in order to meet the minimum share ownership requirements.
- (4) A portion of this reduction in share ownership is due to the restructuring of Mr. Hannon's family assets, which has resulted in a number of shares no longer being controlled by Mr. Hannon.
- (5) Mr. Hougan is the PACT representative Director, and therefore, he is exempt from the Director minimum shareholding requirements.

Additional Disclosure Relating to Directors

To the knowledge of our executive officers and Directors, none of our Directors is, or has been in the last ten years, a director or executive officer of an issuer that, while that person was acting in that capacity, (a) was the subject of a cease trading order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days, (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, none of such persons has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receive manager or trustee appointed to hold his assets.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favor of an ordinary resolution to appoint the firm of KPMG LLP, Chartered Accountants, Calgary, Alberta, to serve as auditors of the Corporation until the next annual meeting of the shareholders and to authorize the Directors to fix their remuneration as such. KPMG LLP has been the Corporation's auditors since January, 1996.

STATEMENT OF EXECUTIVE COMPENSATION

Since its inception WestJet has established a culture of pride and ownership. This culture has fueled an unparalleled performance in guest service and satisfaction. In 2007, WestJet experienced significant growth as well as changes in senior leadership. Understanding that leadership is a critical ingredient to the long-term viability of the Corporation, WestJet continues to ensure that pay practices at the executive level are prudent and well aligned with the culture and values of the Corporation. The executive compensation plans discussed in the following text include a competitive mix of pay elements including base salary as well as short-term and long-term incentives. These pay elements are strategically balanced to ensure that executives are rewarded for optimal performance and profitability, the preservation and advancement of a culture of ownership and long-term interests of the Corporation and its shareholders. Design and administration of the plan also takes into account a strict level of attention to market competitiveness to ensure both attraction and retention of senior level talent.

Composition and Terms of Reference of the Compensation Committee of the Board

The Compensation Committee of the Board of Directors for 2007 was composed of Messrs. Greene (Chairman), Hannon and Pollock, all of whom are independent directors. The terms of reference for the Compensation Committee provide that the committee will be composed of a minimum of three independent Directors.

- The committee at all times has the right to determine who shall and shall not be present at meetings of the committee.
- The committee is responsible for recommendations to the Board of Directors on matters of compensation philosophy and policies.
- The committee annually reviews and recommends the compensation of members of the executive team (Chief Executive Officer, President and Executive Vice-Presidents), and, with the exception of the Executive Chairman (who only receives a base salary), recommends the grants of options and reviews and recommends the fees and benefits paid to Directors.
- The committee ensures that the annual performance appraisals for members for the executive team are completed.
- On an annual basis the committee ensures that provisions for effective succession are in place for the Corporation and reviewed with the Board of Directors.

Report from the Compensation Committee

WestJet's compensation program is administered by the Compensation Committee of the Board. The Compensation Committee makes recommendations to the Board on the compensation of all executive officers of the Corporation. These recommendations are reviewed and considered by the full Board of Directors for approval. Directors who are also executive officers of the Corporation are excused from the Compensation Committee and Director's meetings during any discussion of their compensation.

WestJet's compensation policies are founded on the principle that employee compensation should be aligned with the performance of the Corporation and therefore with shareholders' interests and that all employees are encouraged to become shareholders. The compensation program is designed to attract, motivate, reward and retain the workforce required to deliver on WestJet's strategic objectives. This principle applies to all WestJet employees. The executive compensation policy is structured to reduce the

fixed cost component of compensation, by generally paying below market salaries while attempting to enhance overall compensation through incentive based plans, which are tied to corporate performance. Thus, during times of strong financial performance, WestJet's total compensation is higher than in times of weaker performance. The compensation system is designed to allow the Corporation to offer a base salary that is manageable and affordable even when cost pressures in the industry are high, allowing WestJet to avoid the need to extract wage concessions from employees during difficult times.

While the attraction, retention and motivation of key executives has never been more important to our ongoing success, WestJet will nonetheless go the extra mile relative to other companies to be sure its executive pay policy and practices are as lean, straightforward and appropriate as possible. An approach that respects WestJet's bond with its employees and customers remains essential as WestJet grows.

In 2007, the executive compensation program at WestJet had the following components:

- Base pay;
- Short-term incentives; and
- Long-term incentives.

Base Pay

To determine base salaries, WestJet maintains a framework of job levels based upon internal comparability and external market data. Salaries of senior executive officers are determined utilizing salary survey information from Canadian companies with similar revenue size as well as information from peer companies in the airline industry. With the transition to new leadership throughout 2007, executive compensation, including base pay, has been reviewed and subject to revisions as more fully described under the heading "New Leadership in 2007" below.

Short-term Incentive Plans

Employee Profit Sharing Plan

All employees, including executive officers, are eligible for the employee profit sharing plan (the "Profit Plan"). The purpose of the Profit Plan is to reward employees at a level which is directly proportional to the profit margin being generated by WestJet from year to year. This approach encourages all employees to focus on the bottom line of WestJet, whether by cost savings or gross revenue generation and rewards employees accordingly. Employees are eligible to participate in the Profit Plan for a calendar year if they are employees for more than three months during the year to which the profits relate and continue to be employed with the Corporation at the time of payment.

The amount of the Corporation's annual contribution under the Profit Plan, if any, is discretionary to the Board of Directors. Contributions become payable only following the Board of Directors' decision to make a contribution to the Profit Plan, such decision to be made within 170 days of a fiscal year end. If the Board of Directors approves a contribution under the Profit Plan, such amount may be up to 20% of the Corporation's annual profits before tax and profit sharing. In the past, the percentage of annual profits the Board of Directors has used for the Profit Plan has been based on the Corporation's operating margins before profit sharing and tax, provided that such percentage shall be no less than 10% and no greater than 20%.

For the fiscal year ended December 31, 2007, the Corporation contributed \$48.6 million to the Profit Plan.

Executive Performance Bonus Plan

The Executive Performance Bonus Plan rewards executive management in increasing sliding scale percentages in any year that WestJet's consolidated margin exceeds levels set by the Board. The amount of the bonus is based upon the margin which is converted to a percentage of annual base salary, with a reduction for the amount received under the Profit Plan.

In 2007, the Executive Performance Bonus Plan was as follows:

Margin (pre- profit share and taxes)	Bonus Target (as % of base salary)⁽¹⁾		
	CEO⁽²⁾	President⁽²⁾	EVPs
Less than 6%	0%	0%	0%
6%	30%	20%	18%
8.5%	60%	50%	30%
14.5%	120% ⁽³⁾	100% ⁽⁴⁾	60% ⁽⁵⁾

Notes:

- (1) The Executive Performance Bonus Plan operates on a sliding scale basis.
- (2) In the event that one person occupies both the President and the CEO position, that person receives only the CEO bonus.
- (3) For every 0.1% increase in margin above 14.5, the CEO receives an additional 1% bonus.
- (4) For every 0.1% increase in margin from 14.6 to 16.5, the President receives an additional 0.9% bonus and for every 0.1% increase in margin above 16.5, the President receives an additional 1% bonus.
- (5) For every 0.1% increase in margin from 14.6 to 16, EVPs receive an additional 0.528% bonus and for every 0.1% increase in margin from 16.1, EVPs receive an additional 0.6% bonus.

Long-term Incentive Plans

In early 2007, the Board approved a long-term compensation program pursuant to which executive officers receive incentives in the form of annual grants equivalent to a specified percentage of base salary at time of grant, half of which were satisfied through the grant of options and half of which were satisfied through the grant of restricted share units ("RSUs") under the Restricted Share Unit Plan (the "2007 RSU Plan") described below.

Stock Option Plans

Executive management participate in stock option plans. The options are granted as a means of aligning shareholder and executive interests and to provide a long-term performance related incentive for executives. Long-term incentive grants are also granted to ensure WestJet is competitive from a total direct compensation perspective. Subject to regulatory requirements, the terms and conditions of options granted under the stock option plans are determined by the Board based on recommendations from the Compensation Committee. Annual grants over a number of years, priced at market value at the date of grant, mitigate the effect of share price fluctuations. Options granted in high share price environments are offset by those granted in years when share prices are lower. Executives receiving options thereby receive them at the average price over time and are therefore motivated to focus on the long-term growth in value of the Corporation and not to be distracted by short term market or sector fluctuations.

Option grants to executives are based on fair market value using the Generalized Black-Scholes option pricing model. In 2007, the Executive Vice-President grants ranged from fair market value of \$57,500 to \$137,555 and the President and Chief Executive Officer's grant had a fair market value of \$275,000.

Options granted in 2007 vest two years from the date of grant and expire four years from the date of grant, except in the case of a November 2007 option grant to the President and Chief Executive Officer of which one third of the options granted vests on each of the first, second and third anniversaries of the date of grant. All the November 2007 options expire five years from the date of grant.

Restricted Share Unit Plan

Under the 2007 RSU Plan, participants are eligible to receive a certain number of RSUs, equivalent to the dollar amount of their current award divided by the weighted average trading price for the Voting Shares for the five trading days prior to the effective date of grant. Each RSU will vest on a fixed vesting date no later than three years from the date of grant and be paid out based on the weighted average trading price for the Voting Shares for the five trading days prior to the vesting date.

Payments under the 2007 RSU Plan are made in cash. The Corporation will not issue any Voting Shares in connection with the RSU Plan.

In 2008, the Corporation does not intend to issue any RSUs under the 2007 RSU Plan provided that the 2008 ESU Plan is approved by the shareholders.

Employee Share Purchase Plan

All employees, including executive management, are encouraged to contribute a portion of their salary, to a maximum of 20%, to an employee share purchase plan (the "Purchase Plan"). WestJet matches each dollar contributed by an employee to the Purchase Plan. The funds are then used to buy Voting Shares on the open market or from treasury during each calendar month, at the Corporation's option. With the matching contribution by the Corporation, employees are always able to acquire WestJet shares at a significant discount to the current market price which encourages them to become "WestJet Owners" and encourage proprietary and longer term thinking regardless of market or share price fluctuations. Under the terms of the Purchase Plan, employees are required to hold the Voting Shares purchased on their behalf pursuant to the Purchase Plan for at least one year before they can sell or transfer or otherwise dispose of them. Currently, approximately 83% of WestJet employees participate in this plan. The Purchase Plan has been very successful in encouraging employees to become shareholders and in promoting the principle that the employee's best interests are compatible with the best interests of all shareholders.

An employee may use any or all of their allocation under the Profit Plan or Executive Bonus Plan, and, at their discretion, invest in Voting Shares under the Purchase Plan with a matching contribution by the Corporation only to the extent that it, together with the prior contributions under the Purchase Plan in the subject period, do not exceed 20% of the base salary for the subject period.

New Leadership in 2007

In September of 2007, Sean Durfy assumed the role of Chief Executive Officer in addition to his role as President, and Clive Beddoe assumed the role of Executive Chairman. Mr. Durfy was also appointed to the Board in November 2007. It was recognized by the Board of Directors that with these changes WestJet had completed the transition from leadership by the founding entrepreneurs to leadership by professional managers, and that this change required WestJet to shift its executive compensation policy from one relying heavily on the rewards of founders' equity to one offering a competitive mix of cash and equity compensation typical of more established, professionally managed companies, while at the same time respecting WestJet's enviable and extremely valuable relationship and reputation with its people and guests. The Compensation Committee, at the direction of the Board, undertook a comprehensive review

of the Corporation's executive compensation policies and practices. The Committee retained Hugessen Consulting Incorporated ("HCI") to act as an independent consultant to gather competitive market data and advise on the design of a new executive compensation plan that aligns the strategic direction of the organization with the interests of shareholders.

The Compensation Committee must pre-approve any work to be performed by HCI that goes beyond its role in supporting the Committee and will not approve such work that, in its view, would compromise HCI's independence as advisor to the Committee. In 2007, HCI's fees as the Committee's advisor totalled approximately \$164,000.

Through the design process, the Committee agreed that it was appropriate to continue to track several comparator groups for executive compensation purposes, specifically a Canadian group and several airline groups:

- the Canadian comparator group is comprised of leading customer-facing companies in Canada, including appropriate Alberta companies, and will be used as the primary determinant of total direct compensation; and
- North American (non-legacy) regional carriers, a U.S. low cost carrier ("LCC") group and an international LCC group will be considered when determining "pay mix" and equity compensation practices.

After a careful review of WestJet's values and objectives and the practices among the comparator companies, the following 2008 executive compensation plan was established by the Committee and approved by the Board:

- Executive salaries to be set at below median salary levels of the Canadian comparator group:
 - President & CEO: base salary set at approximately 20% below the 50th percentile (median) of the market comparator group; and
 - EVP: base salary is set at approximately 10% below the 50th percentile (median) of the market comparator group;
- Short-term incentive plan ("STIP") and long-term incentive plan ("LTIP") targets:
 - President & CEO: STIP target set at 100% of base salary for achievement of 8.5% operating margin;
 - President & CEO: LTIP target set at 150% of base salary;
 - EVP: STIP target set at 50% of base salary for achievement of 8.5% operating margin;
 - EVP: LTIP target set at 75% of base salary; and
 - Consistent with the 2007 STIP plan, the 2008 STIP plan will operate on a sliding scale basis; and
- Replace the discounted portion of base pay of Chief Executive Officer and Executive Vice-Presidents with equity granted pursuant to the Executive Share Unit Plan to better align compensation with corporate performance:
 - CEO: target set at 100% of base salary; and
 - EVP: target for the CEO and 50% of base salary.

The equity grant will vest only if the pre-determined earnings per share targets have been met. Details are set out under the heading "Approval of the 2008 Executive Share Unit Plan" below. The Compensation Committee and Board reserve discretion over the determination of equity payouts.

Share Ownership Guidelines

The Committee and the Board believe it is important that the senior officers of the Corporation demonstrate their commitment to WestJet's stewardship through share ownership. Commencing in 2008 the Board approved share ownership guidelines whereby senior officers are required to own, directly or indirectly, Voting Shares, including RSUs, Restricted Awards and Performance Awards, valued at the following amounts, within five years of their appointment:

President and Chief Executive Officer	3 x base salary
Executive Vice-Presidents	2 x base salary
Vice-Presidents	1 x base salary

The Compensation Committee regularly reviews officers' actual shareholdings. It also reviews these guidelines for consistency with competitive standards.

Stress-Testing Executive Compensation

While the Corporation's short-term compensation program rewards executives for current or previous year's corporate performance, the ultimate value of the long-term compensation program is dependent on the Corporation's ability to sustain performance over the longer term.

In order to ensure that the Corporation's long-term compensation program is effective in achieving its intent, the Compensation Committee reviewed scenarios that illustrated the impact of various future corporate performance outcomes on the executives' current holdings of Voting Shares and previously awarded and outstanding stock options and RSUs. The Committee determined that the intended relationship between pay and performance was appropriate for the executives and that, in aggregate, the resulting compensation modeled under the various corporate performance scenarios was reasonable, not excessive and delivered the intended differentiation of compensation value based on corporate performance. The Compensation Committee and the Board has full discretion from time to time to review or amend the performance criteria as it relates to the executive compensation plan.

Summary

The Committee and the Board of Directors are satisfied that the Corporation's updated executive compensation policies, programs and levels of compensation are aligned with corporate performance and reflect competitive market practices. The Committee and the Board of Directors are confident that these policies and programs will allow WestJet to attract, retain and motivate talented executives while adding shareholder value.

Submitted By: Ronald G. Greene, Committee Chairman
 Murph N. Hannon
 L.M. (Larry) Pollock

Approval of 2008 Stock Option Plan

The Corporation has various arrangements with its most senior personnel and its pilots whereby they are entitled to an annual grant of options ("Options") to purchase Voting Shares of the Corporation and its subsidiary and affiliated companies. The Options are granted as a means of aligning shareholder and employee interests and to provide a long-term performance related incentive for eligible employees. Long-term incentive grants are also granted to ensure WestJet is competitive from a total direct compensation perspective. Subject to regulatory requirements, the terms and conditions of Options granted under the Option Plans are determined by the Board based on recommendations from the Compensation Committee. Grants are made annually to plan participants at varying levels of participation consistent with the individual's level of responsibility. Annual grants over a number of years, priced at market value at the date of grant, mitigate the effect of share price fluctuations. Options granted in high share price environments are offset by those granted in years when share prices are lower. Employees receiving Options thereby receive them at the average price over time and are therefore motivated to focus on the long-term growth in value of the Corporation and not to be distracted by short term market or sector fluctuations.

In February 2006, the pilots signed a new Pilot Agreement with WestJet, giving them the option to elect a portion of the value of their option grant in the form of base salary. This has resulted in fewer Options being granted to pilots in 2006 and 2007 than in previous years. This, together with the "cashless" exercise of Options discussed below, results in an absolute reduction in the number of Shares being issued pursuant to the exercise of Options granted under the Corporation's stock option plans.

The Corporation previously had two share option plans which permitted the granting of Options. The 2003 Stock Option Plan (the "2003 SO Plan") limited the number of Voting Shares that could be issued on exercise of Options to 1,402,977 Voting Shares, of which 523,881 Voting Shares (0.4% of the Voting Shares outstanding as at March 13, 2008) have been issued on exercise of Options. No Options are outstanding and 879,096 Voting Shares remain available for issuance under reserve. Because no Options remain outstanding under the 2003 SO Plan and because the Corporation will no longer be granting additional Options under such Plan, the Board has conditionally approved discontinuance of the 2003 SO Plan subject to approval of the 2008 Stock Option Plan (the "2008 SO Plan").

The 2007 Stock Option Plan (the "2007 SO Plan") (the 2003 SO Plan, the 2008 SO Plan and the 2007 SO Plan collectively referred to as the "SO Plans") currently limits the number of Voting Shares that may be issued on exercise of Options to 11,583,565 Voting Shares, of which 633,238 Voting Shares (0.5% of the Voting Shares outstanding as at March 13, 2008) have been issued on exercise of Options. Options to purchase up to 11,431,918 Voting Shares (8.8% of the Voting Shares outstanding as at March 13, 2008) are outstanding and no additional Voting Shares remain available for issuance under reserve.

Options granted pursuant to the SO Plans have a term not to exceed five years and vest in such manner as determined by the Board of Directors of the Corporation. The exercise price of Options granted pursuant to the SO Plans is determined by the Board of Directors of the Corporation at the time of grant and currently is equal to the weighted average trading price of the Voting Shares on the Toronto Stock Exchange (the "TSX") (or if not listed on the TSX, then such other stock exchange as the Voting Shares may then be listed and as designated by the Board) for the five trading days immediately prior to the date of grant. Options granted under the SO Plans are not transferable or assignable other than to personal representatives of the estate of the deceased optionee. The number of Voting Shares issuable pursuant to Options granted under the SO Plans shall not exceed, at any time, 10% of the outstanding Voting Shares for all insiders or 5% of the outstanding Voting Shares for any Optionee. In addition, the number of Voting Shares issued pursuant to Options granted under the SO Plans or any other stock compensation

arrangements of the Corporation, within a one year period, shall not exceed 10% of the outstanding Voting Shares for all insiders or 5% of the outstanding Voting Shares for any individual insider.

In the event of a take-over bid, the Corporation may satisfy any outstanding Options by delivering to the Optionee, in Voting Shares, the difference between the exercise price of unexercised Options and the weighted average trading price for the Voting Shares for the five trading days prior to the date of issuance of Voting Shares.

If an optionee ceases to be an officer or employee of the Corporation or of a subsidiary or affiliated company for any reason (other than by reason of death or in accordance with Corporation's policies for voluntary or mandatory retirement), the optionee has a period of 60 days following the time he ceases to be an officer or employee to exercise options held to the extent that the optionee would be entitled to exercise the Options at the date of such cessation. In the event of death or retirement in accordance with the Corporation's policies, all outstanding Options then held by the optionee immediately vest and expire on the earlier of their expiry date or 60 days from the date of death or retirement, subject to any extended periods prescribed by the Corporation.

Our Board of Directors may at any time suspend or terminate the SO Plans and, subject to applicable regulatory approval, may amend or revise the terms of the SO Plans, provided that no amendment or revision may alter the terms of any Options under the SO Plans without the consent of such optionee.

Minimal Share Dilution

In order to minimize the level of dilution resulting from the SO Plans, the Corporation has introduced a "cashless" settlement alternative, whereby the value of the Options at the time of exercise may be settled by the surrendering of the Options for "Substituted Rights" and the immediate conversion of those rights into Voting Shares. The result of the "cashless" settlement is that dilution is significantly decreased by reducing the number of Voting Shares that are issued under the SO Plans. As opposed to issuing a number of Shares equivalent to the number of Options that have been exercised, the number of Voting Shares to be issued is determined by the following formula:

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

where:

- (a) "Current Price" means the closing price of our Voting Shares immediately prior to the exercise of the Options; and
- (b) "Exercise Price" means the exercise price of the stock option.

By way of illustration, an optionee exercising 1,000 Options with an Exercise Price of \$15.00 per Voting Share when the Current Price is \$20.00 per Voting Share would receive, on a "cashless" exercise, 250 Voting Shares $((1,000 \times (20 - 15)) / 20)$. The actual number of Voting Shares issued under such "cashless" exercise is substantially reduced from the number of Voting Shares which WestJet reserved and would otherwise have to issue under the relevant option plan (250 Voting Shares as opposed to 1,000 Voting Shares in the example above).

Since WestJet introduced the "cashless" settlement alternative in 2004, and as at December 31, 2007, 8,174,631 Options, or 80.3% of all Options exercised in such time frame, have been on a "cashless" basis with 2,204,784 Voting Shares being issued. Based on historical activity, the number of Voting Shares

issued approximates 41.3 per cent of the total amount of Options exercised. The chart below lists, on a fiscal year basis, the number of Options exercised on a cash and "cashless" basis with the corresponding number of Voting Shares issued:

	Stock Options Exercised			Voting Shares Issued			Conversion Rate
	Cash Basis	Cashless Basis	Total	Cash Basis	Cashless Basis	Total	
2004	1,509,367	449,635	1,959,002	1,509,367	102,354	1,611,721	82.27%
2005	354,702	3,151,923	3,506,625	354,702	979,089	1,333,791	38.04%
2006	-	433,129	433,129	-	73,589	73,589	16.99%
2007	136,630	4,139,944	4,276,574	136,630	1,049,752	1,186,382	27.74%
Total	2,000,699	8,174,631	10,175,330	2,000,699	2,204,784	4,205,483	41.33%

In the years 2005 to 2007, 7,724,996 Options were exercised on a "cashless" basis, resulting in the issuance of 2,102,430 Voting Shares (conversion rate of 27.2%).

The 2007 SO Plan and the proposed 2008 SO Plan contain terms and conditions which allow the Corporation, upon an optionee's exercise, to require the acceptance of "Substituted Rights" which convert immediately without cost to Voting Shares rather than accepting a cash payment tendered by an optionee. Such a mechanism permits the Corporation to have a degree of control over share issuance dilution.

Approval

We propose to approve a 2008 SO Plan as a substitute for the 2003 SO Plan and 2007 SO Plan on the same terms and conditions as the 2007 SO Plan, except to increase the number of Voting Shares reserved under the 2008 SO Plan to 12,775,903.

The number of Voting Shares reserved for issuance under the 2008 SO Plan, if approved by shareholders, will be 12,775,903 Voting Shares (approximately 9.8% of the Voting Shares outstanding as at March 13, 2008). The actual number of Voting Shares issued on Option exercises from time to time will be substantially lower than the number of Options granted due to the ability of the Corporation to require the optionee's acceptance of "Substituted Rights" under the Plan. Such actual number of Voting Shares issued will be deducted from the number of Shares reserved and available for issuance under the 2008 SO Plan.

Shareholders will be asked at the Meeting to consider an ordinary resolution, and if thought advisable, to ratify and approve the 2008 SO Plan. The 2008 SO Plan, if approved, will replace the 2003 SO Plan and the 2007 SO Plan and govern the Options issued under that Plan. There currently remains reserved for issuance under the 2003 SO Plan 879,096 Voting Shares and under the 2007 SO Plan 10,950,327 Voting Shares.

Approval of the 2008 SO Plan requires approval of shareholders by ordinary resolution, being a majority of the votes cast by shareholders on the resolution.

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

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

1. the Stock Option Plan - 2008, attached as Appendix "A" to the Corporation's Proxy Circular dated March 13, 2008, be and is hereby approved, in substitution for the Corporation's Stock Option Plan - 2007; and
2. any officer or Director of the Corporation be and is hereby authorized and directed to execute, deliver and file all such documents and other instruments and to otherwise do and perform all such acts and things as are personally determined to be necessary or desirable for the implementation of this resolution.

If the 2008 SO Plan is not approved by Shareholders of the Corporation, the 2003 SO Plan and the 2007 SO Plan will continue to be in effect and the Board may be required to determine alternate means of compensation for certain officers and employees in the event that the SO Plans do not permit the grant of sufficient Options for such purpose. Management does not believe that the current SO Plans permit the grant of sufficient Options for compensation purposes.

If the 2008 SO Plan is approved, 12,775,903 Voting Shares will be reserved for issuance under such Plan, which, together with the 200,000 Voting Shares reserved for issuance under the 2008 Executive Share Unit Plan (as described below), totals 12,975,903 Voting Shares reserved for issuance, which equals 10% of the Corporation's 129,759,034 issued and outstanding Voting Shares.

A copy of the 2008 SO Plan is attached as Appendix "A" to this Proxy Circular.

Approval of 2008 Executive Share Unit Plan

As part of a comprehensive review of the Corporation's executive compensation plan for 2008 described in more detail below under the heading "New Leadership in 2007", the Board of Directors adopted the 2008 Executive Share Unit Plan (the "2008 ESU Plan"). Shareholders will be asked at the Meeting to consider, and if thought advisable, approve the 2008 ESU Plan by an ordinary resolution.

The 2008 ESU Plan authorizes the Corporation's Board to grant awards ("Unit Awards") of restricted units ("Restricted Awards") and performance units ("Performance Awards") to Executives (as defined in the 2008 ESU Plan) of the Corporation with such Unit Awards to be settled in the form of Voting Shares of the Corporation.

The principal purposes of the 2008 ESU Plan are to retain and attract qualified Executives, to promote a proprietary interest in WestJet by such persons and to encourage such persons to remain in the employ of WestJet and put forth maximum efforts for the success of the business of WestJet, and to focus management of WestJet on operating and financial performance and long-term shareholder returns.

Under the terms of the 2008 ESU Plan, WestJet Executives may be granted Restricted Awards or Performance Awards. Each Restricted Award will vest in accordance with applicable Time Vesting conditions (relating to the continued service with WestJet or controlled entity of WestJet such as a subsidiary, partnership or trust (a WestJet Entity) and which may be graduated by percentages of a Unit Award, including a percentage in excess of 100%) and the holder will be entitled to exercise such Award so as to be issued the number of Voting Shares pursuant to such vesting conditions designated in the Restricted Award. Each Performance Award will vest in accordance with applicable Performance Vesting conditions, and the holder will be entitled to exercise such Award so as to be issued the number of Voting Shares pursuant to such vesting conditions designated in the Performance Award. For this purpose, Performance Vesting conditions mean any performance-related conditions in respect of vesting, which may include performance of WestJet or a WestJet Entity, WestJet shareholder return or otherwise

and which maybe graduated by percentages of a Unit Award, including a percentage in excess of 100%. Pursuant to the 2008 ESU Plan, the WestJet Board may in its sole and absolute discretion impose additional or different vesting conditions to the Time Vesting or Performance Vesting conditions.

The 2008 ESU Plan provides that the maximum expiry date for a Unit Award grant shall not exceed five years from the Grant Date, subject to extension in the event of a leave of absence (not to exceed one year from the Unit Award expiry date) or in the event of a blackout period imposed upon a grantee, in which case such expiry date shall be extended to the date which is ten business days from the date that the blackout period ends. For this purpose, a blackout period is a period of time imposed by the Board pursuant to WestJet's insider trading and disclosure policies on certain designated persons during which those persons may not trade in any securities of WestJet.

The 2008 ESU Plan provides that the maximum number of Voting Shares that are reserved for issuance from time to time pursuant to Unit Awards shall be 200,000 (approximately 0.2% of the Voting Shares outstanding as at March 13, 2008). The aggregate number of Voting Shares issuable to any single WestJet executive pursuant to outstanding Unit Awards shall not exceed 2% of the issued and outstanding Voting Shares, calculated on an undiluted basis. In addition, the number of Voting Shares issuable to insiders (as defined by the TSX for this purpose) at any time, under all security based compensation arrangements of WestJet, shall not exceed 10% of the issued and outstanding Voting Shares and the number of Voting Shares issued to insiders, within any one year period, under all security based compensation arrangements of WestJet, shall not exceed 10% of the issued and outstanding Voting Shares.

The 2008 ESU Plan provides for an adjustment to the number of Voting Shares to be issued pursuant to Unit Awards by an amount equal to a fraction having as its numerator the amount of the aggregate dividends per Voting Share during the term of the Unit Awards and having as its denominator the fair market value of the Voting Shares on the day prior to issue. For this purpose, fair market value is the weighted average trading price of the Voting Shares on the TSX for the five trading days immediately preceding such date. WestJet at present does not pay dividends.

In the event of both (a) a Change of Control (as defined in the 2008 ESU Plan), and (b) the termination without cause of an Executive subsequent to such Change of Control, all outstanding Unit Awards then held by the Executive immediately vest in full on the basis of a 100% percentage and expire on the earlier of their expiry date or 60 days from the date of the Executive's termination.

Pursuant to the 2008 ESU Plan, unless otherwise determined by the Board or unless otherwise provided in a Unit Award agreement pertaining to a particular grant or any written employment agreement, if a grantee ceases to be an Executive as a result of termination for cause or voluntary resignation (excluding retirement), effective as of the earlier of the expiry date applicable to the Unit Award and the date that is 60 days after the Cessation Date (the date of the termination of employment of the Executive, regardless of any notice) all outstanding Unit Award agreements under which Unit Awards have been made to such grantee, whether Performance Awards or Restricted Awards, shall be immediately terminated and all rights to receive Voting Shares thereunder shall be forfeited by the grantee and no right shall exist to exercise Unit Awards that have not vested prior to the Cessation Date. If a grantee ceases to be an Executive as a result of being terminated without cause, effective as of the earlier of the Expiry Date and the date that is 60 days after the Cessation Date, and notwithstanding any other severance entitlements or entitlement to notice or compensation in lieu thereof, all outstanding Unit Awards then held by the grantee, whether Performance Awards or Restricted Awards, shall forthwith vest and may be exercised by the grantee before or on the earlier of the expiry date or 60 days from the Cessation Date.

If a grantee ceases to be an Executive as a result of such grantee's retirement, death or disability, effective as of the earlier of the Expiry Date and the date that is two years after the Cessation Date (as defined in the 2008 ESU Plan) all outstanding Unit Award agreements under which Unit Awards have been made to such grantee, whether Performance Awards or Restricted Awards, shall be immediately terminated and all rights to receive Voting Shares thereunder shall be forfeited by the grantee.

Except in the case of death, the right to receive Voting Shares pursuant to a Unit Award granted to a WestJet Executive may only be exercised by such Executive personally. No assignment, sale, transfer, pledge or charge of a Unit Award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Unit Award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Unit Award shall terminate and be of no further force or effect, provided that the grantee may transfer or assign the rights of a Unit Award to minor children or minor grandchildren or the spouse of the grantee, or a trust or holding company of which the grantee is a trustee or director and the beneficiaries or shareholders of which are a combination of the grantee, grantee's spouse or grantee's minor children or minor grandchildren, in accordance with such requirements as the Board of Directors may from time to time determine.

WestJet has the right to amend from time to time the terms and conditions of the WestJet 2008 ESU Plan or any Unit Awards granted under it, or terminate the WestJet 2008 ESU Plan, by resolution of the WestJet Board without shareholder approval. However, the 2008 ESU Plan or any Unit Award granted under it, may not be amended without Shareholder approval to (a) increase the number of Voting Shares under the 2008 ESU Plan issuable on exercise of Unit Awards, (b) extend the expiry date of any outstanding Unit Award, (c) permit a grantee to transfer or assign Unit Awards other than as permitted under the 2008 ESU Plan, (d) increase the number of Voting Shares that may be issued to insiders above the restrictions set forth in the Plan, (e) extend the maximum expiry date under the 2008 ESU Plan beyond five years, (f) add additional categories of grantees, or (g) amend the amendment provisions of the 2008 ESU Plan to delete any of the foregoing matters requiring Shareholder approval. No amendment of the Plan or Unit Awards granted pursuant to the 2008 ESU Plan may be made without the consent of the grantee, if it adversely alters or impairs the rights of the grantee in respect of any Unit Award previously granted to such grantee under the 2008 ESU Plan.

At its meeting on February 12, 2008, the Board approved grants of Unit Awards to the following Executives:

Name	Performance Award Units	Restricted Award Units	Market Value of Voting Shares on the Date of Grant (\$/Voting Share)	Number of Voting Shares Reserved	Expiry Date
Sean Durfy President and Chief Executive Officer	25,707	19,281	19.45	57,842	February 21, 2013
Vito Culmone Executive Vice-President, Finance and Chief Financial Officer	8,355	6,267	19.45	18,800	February 21, 2013

Kenneth McKenzie Executive Vice-President, Operations	7,970	5,977	19.45	17,932	February 21, 2013
Robert Cummings Executive Vice-President, Guest Experience & Marketing	7,970	5,977	19.45	17,932	February 21, 2013
Dr. Hugh Dunleavy Executive Vice-President, Commercial Distribution	7,970	5,977	19.45	17,932	February 21, 2013
Frederick Ring Executive Vice-President, Corporate Projects	7,970	5,977	19.45	17,932	February 21, 2013
Ferio Pugliese Executive Vice- President, People	6,427	4,821	19.45	14,462	February 21, 2013

Under the terms of the 2008 Unit Award agreements, Restricted Awards vest on the third anniversary of the date of grant and expire no later than the fifth anniversary of the date of grant.

Under the 2008 Unit Award Agreements for Performance Awards, the number of Voting Shares to be issued to the Executive pursuant to the Performance Awards shall be multiplied by a multiplier based on the Performance Vesting conditions, relative to year-over-year improvements on the Corporation's earnings per share (based on a three year compounded annual growth rate). If the improvement is less than 6%, the multiplier is zero; if the improvement is 6%, the multiplier is 0.5; if the improvement is 12%, the multiplier is 1; and if the improvement is 16% or greater, the multiplier is 1.5.

Approval of the 2008 ESU Plan requires approval of Shareholders by ordinary resolution, being a majority of the votes cast by Shareholders on the resolution.

In the event the 2008 ESU Plan is not approved by Shareholders at the Meeting, WestJet will consider the provision of comparable compensation to the Executives in the form of cash or by other appropriate arrangements.

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

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

1. the 2008 Executive Share Unit Plan, attached as Appendix "B" to the Corporation's Information Circular dated March 13, 2008, be and is hereby approved; and
2. any officer or Director of the Corporation be and is hereby authorized and directed to execute, deliver and file all such documents and other instruments and to

otherwise do and perform all such acts and things as are personally determined to be necessary or desirable for the implementation of this resolution.

If the 2008 ESU Plan is approved, 200,000 Voting Shares will be reserved for issuance under such Plan, which, together with the 12,775,903 Voting Shares reserved for issuance under the 2008 SO Plan described above, totals 12,975,903 Voting Shares reserved for issuance, which equals 10% of the Corporation's 129,759,034 issued and outstanding Voting Shares.

A copy of the 2008 Executive Share Unit Plan is attached as Appendix "B" to this Information Circular.

Chief Executive Officer Total Compensation – Three-Year Look-Back

	Total 2005- 2007 (\$)	2007⁽¹⁾ (\$)		2006 (\$)	2005 (\$)
		Jan-Aug	Sept-Dec		
CASH					
Base Salary	972,699	261,539	168,846	381,999	160,315
Cash Bonus	0	0	0	0	0
Profit Share	97,141	19,996	48,430	24,925	3,790
Total Cash	1,069,840	281,535	217,276	406,924	164,105
EQUITY					
Stock Options ⁽²⁾	1,622,709	250,000	75,000	471,827	825,882
Employee Share Purchase Plan	193,476	52,292	33,767	76,215	31,202
RSUs ⁽³⁾	325,000	250,000	75,000	0	0
Total Equity	2,141,185	552,292	183,767	548,042	857,084
2007 Totals		833,827	401,043		
TOTAL	3,211,025	1,234,870		954,966	1,021,189
Annual Average	1,070,342				
Year End Market Capitalization (in millions)		2,917		1,936	1,589
Change Over 2005-2007 in Year End Market Capitalization	84%				

Notes:

- (1) Amounts shown relate to the person occupying the Chief Executive Officer position during the applicable months; the amounts in the "Jan-Aug" column relate to Clive Beddoe and the amounts in the "Sept-Dec" column relate to Sean Durfy.
- (2) Estimated fair value of Stock Options using the Generalized Black-Scholes option pricing model.
- (3) Fair value of RSUs at the time of grant.

Chief Executive Officer – Equity At Risk

As 2007 was a year of transition in the Chief Executive Officer position, we have included information for both Clive Beddoe and Sean Durfy in this year-over-year look-back. Clive Beddoe was the Chief Executive Officer of the Corporation from March 14, 2007 (the date of the Corporation's last Proxy Circular) to September 4, 2007. Sean Durfy has been the Chief Executive Officer of the Corporation since September 4, 2007.

CLIVE BEDDOE:

Equity Ownership at March 14, 2007			Equity Ownership at September 4, 2007			Net Change in Ownership			Equity at Risk ⁽¹⁾ (\$ / Multiple of 2007 Base Salary)
Common Shares	Options	RSUs	Common Shares	Options	RSUs	Common Shares	Options	RSUs	
6,167,865	432,213	0	6,252,031	390,848	16,779	84,166	(41,365)	16,779	100,551,712 / 284.2

Note:

- (1) The "Equity At Risk" amount is shown as at September 4, 2007 based on the number of Shares and RSUs held by the Chief Executive Officer and a Share price of \$16.04 and excludes the value of Stock Options.

SEAN DURFY:

Equity Ownership at September 4, 2007			Equity Ownership at March 13, 2008			Net Change in Ownership			Equity at Risk ⁽¹⁾ (\$ / Multiple of 2007 Base Salary)
Common Shares	Options	RSUs	Common Shares	Options	RSUs	Common Shares	Options	RSUs	
12,551	157,278	13,423	16,609	167,754	17,295	4,058	10,476	3,872	612,306 / 1.4

Note:

- (1) The "Equity At Risk" amount is shown as at March 13, 2008 based on the number of Shares and RSUs held by the Chief Executive Officer and a Share price of \$18.06 and excludes the value of Stock Options.

2007 Summary Compensation Table

The following table sets forth the annual and long term compensation paid to the Chief Executive Officer and the Chief Financial Officer, including each individual who has acted in either of those capacities in 2007, and the three next most highly compensated executive officers of the Corporation in 2007, in addition to any individual who would qualify as such except for the fact that he or she was no longer employed with the Corporation at the end of 2007 (each, a "Named Executive Officer" or "NEOs") for each of the last three fiscal years:

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation		All Other Compensation (\$)	Total Compensation (\$)
		Salary (\$)	Bonus (\$) ⁽¹⁾	Other Annual Compensation (\$) ⁽²⁾	Securities Granted Under Options (\$) ⁽⁴⁾ / (#)	Res-tricted Share Units (\$) ⁽³⁾		
Clive J. Beddoe ⁽⁵⁾ Executive Chairman	2007	353,846	61,381	59,214	250,000 / 44,248	250,000	nil	974,441
	2006	381,999	24,925	76,215	471,827 / 109,983	nil	nil	954,966
	2005	160,315	3,790	31,202	825,882 / 175,780	nil	nil	1,021,189
Sean Durfy ⁽⁵⁾ President and Chief Executive Officer	2007	430,385	167,880	86,059	275,000 / 45,875	275,000	nil	1,234,324
	2006	347,828	238,667 ⁽⁹⁾	69,215	315,072 / 73,536	nil	nil	970,782
	2005	225,000	5,300	34,710	146,026 / 27,397	nil	nil	411,036
Vito Culmone ⁽⁶⁾ Executive Vice-President, Finance and Chief Financial Officer	2007	265,000	45,103	81,899 ⁽⁷⁾	104,395 / 18,901	81,250	nil	577,647
Janice Paget ⁽⁸⁾ Vice-President, Finance Projects & Finance Effectiveness	2007	203,369	53,349	33,663	68,777 / 12,173	nil	nil	359,158
	2006	176,345	35,993	29,217	63,513 / 14,805	nil	nil	305,068
	2005	115,385	3,475	22,647	63,885 / 11,986	nil	nil	205,392
Derek Payne ⁽⁸⁾ Vice-President, Finance & Corporate Services	2007	199,121	51,762	32,811	68,777 / 12,173	nil	nil	352,471
	2006	171,355	34,777	30,560	69,797 / 16,189	nil	nil	306,489
	2005	102,346	3,093	20,443	45,635 / 8,562	nil	nil	171,517
Donald Bell ⁽¹¹⁾ Executive Vice-President, Culture	2007	177,115	14,919	31,375	137,555 / 24,346	nil	500,000 ⁽¹²⁾	860,964
	2006	316,825	20,786	62,997	145,178 / 33,841	nil	nil	545,786
	2005	174,808	5,323	34,957	247,361 / 52,418	nil	80,000 ⁽¹⁰⁾	474,891 ⁽¹⁶⁾
Kenneth McKenzie ⁽¹³⁾ Executive Vice-President, Operations	2007	332,176	92,098	59,406	60,000 / 10,620	95,000	nil	638,680
	2006	199,562	12,617	39,765	110,602 / 25,681	nil	nil	362,546
	2005	90,500	1,103	11,000	36,505 / 6,849	nil	nil	139,108

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			Total Compensation (\$)
		Salary (\$)	Bonus (\$) ⁽¹⁾	Other Annual Compensation (\$) ⁽²⁾	Securities Granted Under Options (\$) ⁽⁴⁾ / (#)	Res-tricted Share Units (\$) ⁽³⁾	All Other Compensation (\$)	
Robert Cummings ⁽¹⁴⁾	2007	330,583	90,859	59,035	57,500 / 10,177	97,500	nil	635,477
Executive	2006	193,046	12,344	6,328	100,869 / 23,528	nil	nil	312,587
Vice-President, Guest Experience & Marketing	2005	115,385	1,681	1,681	96,919 / 17,799	nil	nil	215,666
Dr. Hugh Dunleavy ⁽¹⁵⁾	2007	330,583	90,171	59,035	57,500 / 10,177	97,500	nil	634,789
Executive	2006	201,072	12,768	37,817	100,869 / 23,528	nil	nil	352,526
Vice-President, Commercial Distribution	2005	136,908	2,726	18,830	106,793 / 22,039	nil	nil	265,257

Notes:

- (1) Represents amounts received pursuant to the Employee Profit Sharing Plan and the Executive Bonus Plan.
- (2) Represents amounts contributed by the Corporation pursuant to the Employee Share Purchase Plan.
- (3) Represents grants of RSUs made under the Corporation's 2007 RSU Plan. The number of RSUs granted to the NEOs on January 1, 2007, including year-end values based on "market value" of the Corporation's Voting Shares on December 31, 2007 of \$22.40 (determined using the weighted average trading price for the Voting Shares for the five trading days prior to December 31, 2007), are as follows:

NEO	# of RSUs	Year-end Values
Clive Beddoe	16,779	\$375,850
Sean Durfy	17,295	\$387,408
Vito Culmone	5,453	\$122,147
Kenneth McKenzie	6,376	\$142,822
Robert Cummings	6,544	\$146,586
Dr. Hugh Dunleavy	6,544	\$146,586

- The RSUs do not vest until January 1, 2010. No dividends or dividend equivalents will be paid on the RSUs.
- (4) Estimated fair value of Stock Options using the Generalized Black-Scholes option pricing model.
 - (5) Mr. Durfy was appointed President of the Corporation on September 7, 2006 and Chief Executive Officer of the Corporation on September 4, 2007. Previous to those respective dates, Clive Beddoe was WestJet's President and Chief Executive Officer.
 - (6) Vito Culmone joined WestJet as Executive Vice-President, Finance and Chief Financial Officer on March 1, 2007. In lieu of a deferred bonus payable by a nominally priced option, the Corporation established a trust of which Mr. Culmone is a beneficiary and which acquired 8,135 Shares (approximately \$120,000 in value at the time of original agreement). The trustee distributed these Shares to Mr. Culmone on or about February 28, 2008, at which time the Shares were valued at \$20.05 each. In addition, the Corporation has paid Mr. Culmone a bonus of \$14,378 on February 28, 2008, to off-set the tax payable for the capital gain he received on those Shares.
 - (7) This amount includes a relocation allowance payment made to Mr. Culmone by the Corporation in the amount of \$44,399.
 - (8) From June 15, 2006 to February 28, 2007, Ms. Paget and Mr. Payne acted as Co-Chief Financial Officers.
 - (9) This amount also includes the value of Shares distributed to Mr. Durfy pursuant to a trust established upon the commencement of his employment with WestJet. In lieu of a deferred bonus payable by a nominally priced option, the Corporation established this trust of which Mr. Durfy was a beneficiary and which acquired 10,772 Shares (approximately \$120,000 in value at the time of original agreement). The trustee distributed these shares to Mr. Durfy on or about April 1, 2006, at which time the Shares were valued at \$10.84 each.
 - (10) Mr. Bell offered the Corporation an opportunity to purchase and cancel 16,681 Options, at an exercise price of \$11.99, in consideration of payment by the Corporation in cash for a fixed price of \$80,000. The cancellation offer was accepted by the Corporation and the Options were cancelled.
 - (11) Mr. Bell resigned from the Corporation on July 2, 2007 and is included because he would have been one of the highest compensated officers except that he was not serving as an officer of WestJet at December 31, 2007.
 - (12) Mr. Bell received a payment of \$500,000 upon his resignation from the Corporation.

- (13) Mr. McKenzie was appointed Executive Vice-President, Operations on September 7, 2006. He joined WestJet in April 2005 and from then until September 2006 was Vice-President, Operational Development and Flight Operations.
- (14) Mr. Cummings was appointed Executive Vice-President, Guest Experience & Marketing on September 7, 2006. He joined WestJet in March 2005 and from then until September 2006 was Vice-President, Marketing.
- (15) Dr. Dunleavy was appointed Executive Vice-President, Commercial Distribution on September 7, 2006. He joined WestJet in January 2005 and from then until September 2006 was Vice-President, Revenue Systems.
- (16) Does not include the \$67,558 estimated fair value of the 16,681 Options that were purchased from the Corporation (see Note 10), but does include the \$80,000 that Mr. Bell was paid for those Options.

2007 Option Grants

Name	Voting Shares Under Options Granted	% of Total Options Granted to Employees in Financial Year	Exercise Price ⁽¹⁾ (\$/Voting Share)	Market Value of Voting Shares on the Date of Grant (\$/Voting Share)	Expiration Date
Clive J. Beddoe Executive Chairman	44,248	2.62%	16.43	16.43	May 8, 2011
Sean Durfy President and Chief Executive Officer	35,399 10,476	2.09% 0.62%	16.43 19.37	16.43 19.37	May 8, 2011 Nov. 14, 2012
Vito Culmone Executive Vice-President, Finance and Chief Financial Officer	4,520 14,381	0.27% 0.85%	14.75 16.43	14.75 16.43	Feb. 28, 2011 May 8, 2011
Janice Paget Vice-President, Finance Projects & Finance Effectiveness	12,173	0.72%	16.43	16.43	May 8, 2011
Derek Payne Vice-President, Finance & Corporate Services	12,173	0.72%	16.43	16.43	May 8, 2011
Donald Bell Executive Vice-President, Culture	24,346	1.44%	16.43	16.43	May 8, 2011
Kenneth McKenzie Executive Vice-President, Operations	10,620	0.63%	16.43	16.43	May 8, 2011
Robert Cummings Executive Vice-President, Guest Experience & Marketing	10,177	0.60%	16.43	16.43	May 8, 2011
Dr. Hugh Dunleavy Executive Vice-President, Commercial Distribution	10,177	0.60%	16.43	16.43	May 8, 2011

Note:

- (1) Determined using the weighted average trading price for the Voting Shares for the five trading days prior to the date of grant.

Aggregated Option Exercises During 2007 And Year-End Option Values

Name	2007 Options Exercised		Unexercised Options Outstanding at December 31, 2007			
	Voting Shares Acquired on Exercise ⁽²⁾	Aggregate Value Realized	Number of Options		Value of in-the-money Options ⁽¹⁾	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Clive J. Beddoe Executive Chairman	85,613	\$468,303	119,219	271,629	\$1,010,498	\$2,417,497
Sean Durfy President and Chief Executive Officer	-	n/a	20,946	146,808	\$235,852	\$1,214,934
Vito Culmone Executive Vice-President, Finance and Chief Financial Officer	-	n/a	-	18,901	-	\$120,433
Janice Paget Vice-President, Finance Projects & Finance Effectiveness	4,299	\$71,776	-	38,964	-	\$322,801
Derek Payne Vice-President, Finance & Corporate Services	3,575	\$58,988	7,921	36,924	\$52,437	\$310,432
Donald Bell Executive Vice-President, Culture	8,578	\$141,537	27,351	85,584	\$212,672	\$717,080
Kenneth McKenzie Executive Vice-President, Operations	-	n/a	-	43,150	-	\$383,672
Robert Cummings Executive Vice-President, Guest Experience & Marketing	-	n/a	-	51,504	-	\$438,405
Dr. Hugh Dunleavy Executive Vice-President, Commercial Distribution	-	n/a	-	55,744	-	\$500,051

Notes:

- (1) The "market value" of the Corporation's Voting Shares on December 31, 2007 was \$22.40 (determined using the weighted average trading price for the Voting Shares for the five trading days prior to December 31, 2007).

- (2) The Option Plans of WestJet permit "cashless" exercises of options based on intrinsic value at the time of exercise. Ms. Paget exercised 19,069 Options on a "cashless" basis to acquire 4,299 Voting Shares. Mr. Payne exercised 11,148 Options on a "cashless" basis to acquire 3,575 Voting Shares. Mr. Bell exercised 26,754 Options on a "cashless" basis to acquire 8,578 Voting Shares.

Cost of Management Ratio

The cost of management ratio reports the aggregate cash compensation for the CEO, CFO, and the next three most highly compensated NEOs (named executive officers) of those identified in the "Summary of Compensation" table above (based on salary, bonus and other annual compensation) for each of the last three years, expressed as a percentage of net income after tax.

	<u>2007⁽³⁾</u>	<u>2006⁽⁴⁾</u>	<u>2005⁽⁵⁾</u>
Aggregate NEO cash compensation ⁽¹⁾	\$2,514,924	\$2,330,819	\$1,105,055
As a percentage of net income after tax ⁽²⁾	1.3%	2.0%	4.6%

Notes:

- (1) Aggregate NEO cash compensation is defined as the aggregate of base salary, bonus, and other annual compensation as reported on pages 35-36.
- (2) Net income after tax (in accordance with Canadian GAAP) as reported on page 42 of the Corporation's 2007 Annual Report for the years 2006 and 2007 and page 37 of the Corporation's 2006 Annual Report for 2005.
- (3) The NEOs included for 2007 are Beddoe, Durfy, Culmone, McKenzie and Cummings.
- (4) The NEOs included for 2006 are Beddoe, Paget, Durfy, Russ Hall and Fred Ring.
- (5) The NEOs included for 2005 are Beddoe, Alexander (Sandy) J. Campbell, Durfy, Bell and Ring.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2007.

Plan Category		Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding Options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Option Plans ⁽¹⁾	12,226,232	\$13.66	-
	Employee Share Purchase Plan ⁽²⁾	n/a	n/a	1,013,205
Equity compensation plans not approved by securityholders		-	n/a	-
TOTAL		12,226,232	\$13.66	-

Notes:

- (1) The 2003 and 2007 SO Plans of the Corporation provided for a "cashless" exercise of Options at the election of the employee in the case of the 2003 SO Plan, and at the election of the employee or the Corporation in the case of the 2007 SO Plan. See "Approval of 2008 Stock Option Plan", above, regarding details of the "cashless" exercise. In cases of a "cashless" exercise, a lesser number of Voting Shares will always be issuable than the number of Options exercised. The Corporation will utilize its ability to require a "cashless" exercise when deemed necessary in order to

manage the available Voting Shares issued under its Option Plans. From the approval of the 2003 and 2007 SO Plans on May 1, 2007, until March 13, 2008, 3,436,317 Options were exercised and resulted in the issuance of 907,534 Voting Shares.

- (2) The Shares issued pursuant to the Employee Share Purchase Plan are either (i) issued from treasury at the weighted average trading price of the Common Shares on the TSX for the five trading days preceding the issuance; or (ii) purchased through open market purchases. WestJet's current policy is for the Purchase Plan administrator to purchase such Shares on the open market. See also "Employee Share Purchase Plan" on p. 22.

Executive Employment Termination

WestJet has agreements in place with the President and Chief Executive Officer and Executive Vice-Presidents that provide for the payment of certain severance benefits if a change of control (being the acquisition of 33% of Voting Shares by a third party, except in the case of one Executive Vice-President, which is set at 50%) followed by a resignation at the election of the executive or termination without cause occurs. Pursuant to these agreements, the executive will receive a lump sum severance payment equal to base pay that would have been earned by the individual through the end of the severance period and an amount equal to 25% of the Base pay calculated above as compensation for loss of employment benefits and participation in the Purchase Plan. A bonus amount based upon the margin achieved in prior periods will be calculated and paid in the calendar year of termination (prorated based on days worked in the year of termination). In addition, the President and Chief Executive Officer is entitled to ten return flights per year for ten years for himself and his immediate family in the event of termination without cause.

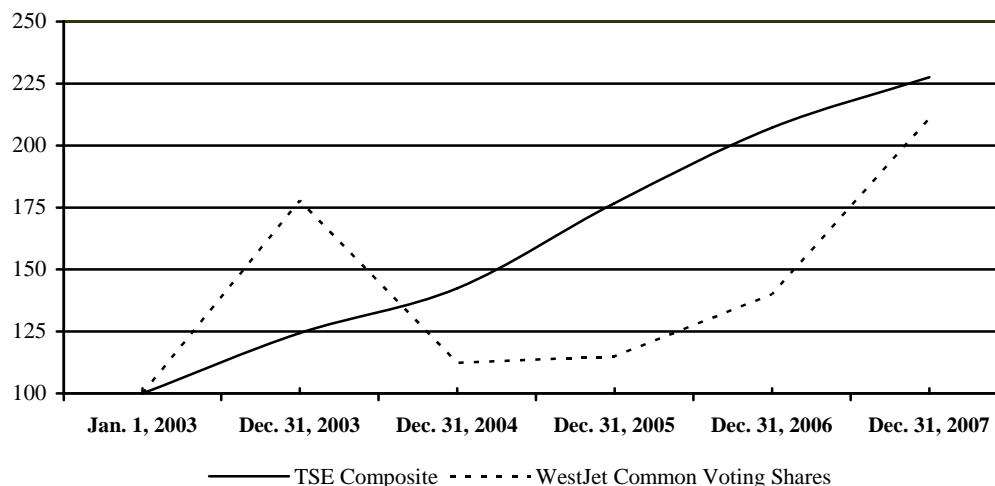
In the case of the President and Chief Executive Officer, the severance period is 24 months and in the case of the Executive Vice-Presidents, the severance period is 18 months.

In addition to the above, the Corporation's various compensation plans may provide for the accelerated vesting of entitlements in certain circumstances (see "Approval of 2008 Stock Option Plan" and "Approval of 2008 Executive Share Unit Plan" above).

Performance Graphs

The following chart illustrates WestJet's total shareholder return for Common Voting Shares from January 1, 2003 to December 31, 2007 considering a \$100 investment versus the return of the S&P/TSX Composite Index (formerly the TSE 300 Composite Index) for the same period.

Comparison of Cumulative Total Return – Common Voting Shares



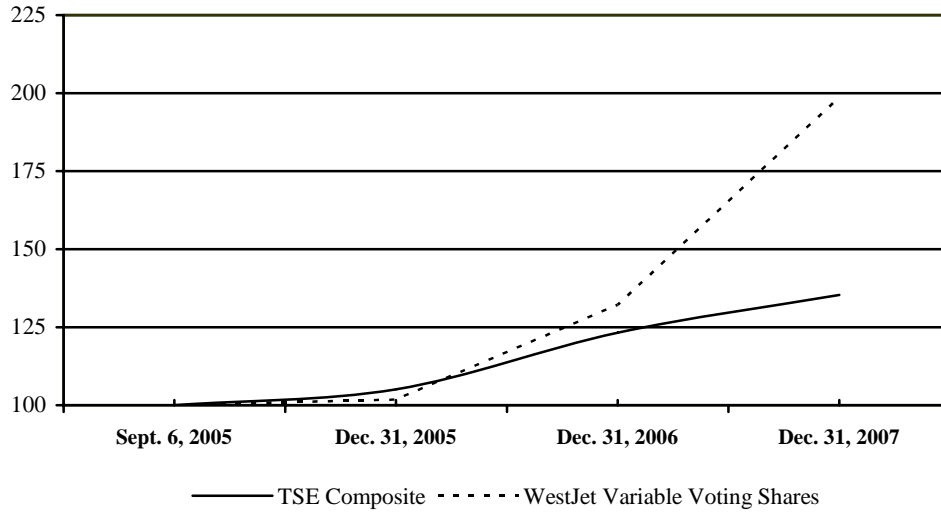
	Jan 1, 2003	Dec 31, 2003	Dec 31, 2004	Dec 31, 2005	Dec 31, 2006	Dec 31, 2007
S&P/TSX Composite	100.00	124.37	142.37	176.72	207.23	227.60
WestJet Common Voting Shares ⁽¹⁾	100.00	177.79	112.37	114.90	139.93	210.97

Note:

- (1) The Common Voting Shares replaced the common shares which existed prior to the share reclassification undertaken by WestJet in August 2005.

The following chart illustrates WestJet's total shareholder return for Variable Voting Shares from September 6, 2005 to December 31, 2007 considering a \$100 investment versus the return of the S&P/TSX Composite Index (formerly the TSE 300 Composite Index) for the same period.

Comparison of Cumulative Total Return – Variable Voting Shares



	Sept 6, 2005	Dec 31, 2005	Dec 31, 2006	Dec 31, 2007
S&P/TSX Composite	100.00	105.10	123.24	135.36
WestJet Variable Voting Shares ⁽¹⁾	100.00	101.85	132.16	198.68

Note:

(1) The Variable Voting Shares were created as part of the abovementioned share reclassification. The Variable Voting Shares began trading on the TSX on September 6, 2005.

CORPORATE GOVERNANCE

The Board of Directors of WestJet is responsible for the supervision of management and the overall stewardship and governance of the Corporation and acts in accordance with the Articles and By-laws of WestJet, the Mandate adopted for the Board (attached as Appendix C-1), the Corporation's Code of Business Conduct (the "Code") and in the best interests of the Corporation and its shareholders. In addition, the Board, directly, and through its various committees, ensures that it has in place and complies with evolving Canadian corporate governance requirements including those established under the Multilateral Instrument 52-110 (Audit Committee) ("MI 52-110"), National Policy 58-201 (Corporate Governance Guidelines) ("NP 58-201") and National Instrument 58-101 (Disclosure of Corporate Governance Practices) ("NI 58-101"). The Board reviews and gives final approval to all decisions of a material nature, including the annual budget, the long term corporate plan, aircraft acquisitions, leases and retirements, capital expenditures above certain monetary thresholds, borrowings and financings.

The Board maintains ultimate responsibility for WestJet's strategic planning process, succession planning and the integrity of the Corporation's internal control and management information systems.

The Board of Directors of the Corporation is responsible for ensuring that management identifies principal business risks and implements systems to manage those risks. The Board regularly reviews operational reports, significant risk areas, insurance coverage, foreign currency, interest rates, and jet fuel price exposures and sensitivities, maintenance compliance, flight safety, information system security and environmental matters. The Board also is apprised of credit risk issues and corporate policies and controls over trade receivables, bad debts, the incidence of credit card chargebacks and returned cheques from customers. WestJet's use of all derivative instruments and other financial risk management techniques for the purposes of risk management is monitored by the Board as to cost, appropriateness, and accounting and financial statement implications.

WestJet's Board brings a broad base of business experience and knowledge to the Corporation. The Board has invited the Corporation's employee association, PACT, to nominate a representative to join the Corporation's Board. Subject to Board approval, management presently intends to put forward a PACT nominee as one of the proposed Directors each year. The Board is presently comprised of 11 members.

The Board of Directors does not have a Chairman independent from management. Rather, it has a Lead Director and a procedure for the "independent" Directors to operate independent of management. The Board has adopted a fixed in camera agenda item for each Board meeting, during which independent Directors, under the direction of the Lead Director, meet without any members of management or non-independent Directors present.

In 2007, there were six meetings of the Board, including one conference call meeting.

Throughout 2007, the Board of Directors continued to take steps to ensure that good corporate governance practices are employed at WestJet for the protection of all stakeholders. The Board oversaw reviews of the Code, existing Board and Committee mandates and position descriptions for its Chairman and Lead Director. The Board also approved a position description for the Corporation's President and Chief Executive Officer.

Committees

The Board of Directors has an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. Each Committee reports to the Board with their recommendations for final approval. The Board and Committees meet without non-independent Directors and members of management at every Board or Committee meeting held.

The Audit Committee was comprised of four Directors for 2007, Messrs. Matthews (Chairman), Pollock, Scace and Bolton, all of whom are independent. In accordance with its Charter, the Audit Committee reviews and approves interim consolidated financial statements, approves the scope and timing of the annual audit by the Corporation's independent external auditors and reviews and recommends to the Board the approval of the annual audited consolidated financial statements. The Committee also reviews and assesses with the independent external auditors the Corporation's internal financial control systems and corporate approval procedures. The Audit Committee meets at least four times each year, which meetings include discussions with the auditors in the absence of management. In 2007, the Audit Committee met four times.

The Corporate Governance and Nominating Committee is responsible for proposing new nominees to the Board and for assessing the effectiveness of the Board, Committees or the contribution of individual Board members. This Committee regularly reviews various governance matters relating to the Board and the Corporation, including the composition of existing Committees and the requirements for the creation of any other appropriate Committees of the Board. The Corporate Governance and Nominating Committee consists of four Directors who are all independent: Messrs. Jackson (Chairman), Matthews, Bolton and Scace. The Committee met two times in 2007.

For 2007, Messrs. Greene (Chairman), Hannon and Pollock, all independent directors, were members of the Compensation Committee. The Committee reviews Director and senior officer compensation policies and salaries, all Option, RSU, DSU, Restricted Award and Performance Award grants, administration of the Corporation's Option Plans, Profit Plan and Executive Bonus Plan, all for making recommendations to the Board. The Compensation Committee met seven times during 2007.

Directors

The Corporate Governance and Nominating Committee reviews the make-up of the Board and Committee appointments of all Directors at least annually and makes recommendations to the full Board on these matters.

A skills matrix that sets out the various skills and areas of expertise determined to be essential to ensure appropriate strategic direction and oversight is used to assist with Board recruitment. Character and behavioural qualities including credibility, integrity and communication skills are also taken into account when recruiting new directors.

The Committee also maintains an informal evergreen list of potential Board directors. The list is comprised of people who the Committee feels would be appropriate to be asked to join the Board if or when there is a Board vacancy to be filled and who complement the current skills matrix. The Board has also used a third party advisor to assist in recruitment of new Directors, but relies primarily on recommendations from its current Board members after review of the competencies and skills of nominees it believes are required for the Board.

All newly appointed Directors receive orientation and education regarding WestJet's operations from the Corporation's senior management and the Chairman. The Corporate Secretary of WestJet maintains a

Board Governance Manual made available to all Directors. The Board encourages its Directors to attend talks, seminars, workshops and conferences to update and enhance their skills and knowledge to enable them to carry out their roles effectively as directors in discharging their responsibilities towards corporate governance, operational and regulatory issues. The Directors are reimbursed for their reasonable expenses in connection with attending any such professional development activities. WestJet's management also provides pertinent materials, including, for example, materials relating to corporate governance trends, to Directors from time to time for their review.

All Directors, with the exception of the PACT representative Director, are required to own or control Voting Shares valued at five times the annual Board retainer within three years of their appointment.

The Corporation maintains liability insurance, including such coverage for Directors.

The Corporation's policy is that there is no specific age at which a Director must retire.

The Board of Directors conducts an annual review of the Chief Executive Officer for the purposes of assessing his performance during the preceding year and to establish corporate objectives for the forthcoming year.

Biannually, the Board conducts a Board and Committee assessment process in which each Director responds to a detailed survey, which is summarized and presented to the Board. If any weaknesses are identified, they are dealt with by the Board. In alternate years, beginning in 2007, the Board conducts a peer evaluation process, based upon interviews with each of the Directors, conducted by the Chairman.

Other Governance Matters

The Board has adopted a Disclosure, Confidentiality and Trading Policy for the Corporation which provides guidance on disclosure of material information, maintaining confidentiality and restrictions on trading of securities of the Corporation. This policy was recently updated and approved by the Board to include a specific exception to the general prohibition against "equity monetizing transactions" for all Directors and employees of the Corporation. The amended policy also includes a general exception whereby Directors and employees may enter into "equity monetizing transactions" where: i) such transaction does not involve unvested stock options or securities held in order to comply with minimum shareholding requirements, is not undertaken in a "black-out" period and is reported in accordance with applicable securities legislation and in the Corporation's next Proxy Circular; ii) to the extent that the transaction involves the sale of a call option or similar derivative instrument, the proceeds of such sale are used to buy a put option or similar derivative instrument thus creating a "collaring" of the security and are not paid to the Director or employee; and iii) the general terms of the transaction are approved by the Chairman of the Board or the President and Chief Executive Officer, or in the case of the Chairman of the Board or the President and Chief Executive Officer, by the Chairman of the Corporate Governance and Nominating Committee, prior to the execution of the transaction.

WestJet's Code of Business Conduct consists of policies relating to the ethical and legal standards of conduct to be followed by employees and agents of the Corporation. The Code is designed to define individual and corporate responsibility and was adopted by the Board in August, 2002 and is reviewed and updated regularly, including most recently in March, 2008. All Directors, executives and senior management are required to annually re-read the Code and sign an acknowledgment stating that they have read the Code and that they agree to comply with it. The Code can be made available upon written request or may be found with the Corporation's other filings on SEDAR at www.sedar.com. In order to ensure compliance, all persons subject to the Code are requested to acknowledge their understanding of it, and are subject to sanctions for violation of the Code. In addition, persons subject to the Code are

encouraged to report violations, and may do so through the Corporation's Confidential and Anonymous Hotline.

The Disclosure, Confidentiality and Trading Policy, the Code of Business Conduct and the Corporation's Confidential and Anonymous Hotline Policy and Procedure (Reporting Policy) adopted by the Board all serve to encourage and promote a culture of ethical business conduct.

Shareholder and investor relations of the Corporation are handled by the Corporation's investor relations representatives. The Corporation communicates with the public and its stakeholders through a number of channels including its website and press releases. Shareholders and investors may direct questions to the Corporation's investor relations representatives who will respond to such questions appropriately. To the extent information is required from another department, that department will be directed to deal promptly with any such inquiry or to provide appropriate information to the investor relations representative for further attention.

In connection with Audit Committee Disclosure required under MI 52-110, please see "Audit Committee Disclosure" in the Corporation's Annual Information Form filed on SEDAR at www.sedar.com.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of Directors or executive officers of the Corporation, nor of any nominees for Director, nor any shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Voting Shares of the Corporation, or any other Informed Person (as defined in National Instrument 51-102 (Continuous Disclosure Requirements)) or any known associate or affiliate of such persons in any transaction since the commencement of the Corporation's last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest of any Director or nominee for director, or senior officer or any one who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

ADDITIONAL INFORMATION

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

On February 26, 2007, WestJet filed a notice with the TSX to make a normal course issuer bid to purchase outstanding Shares on the open market. As approved by the TSX, WestJet was authorized to purchase up to 2,000,000 Voting Shares (approximately 1.5% of the Voting Shares then outstanding) during the period of February 28, 2007 to February 27, 2008 (the "2007 NCIB"). The 1,263,500 Shares WestJet purchased under the 2007 NCIB were purchased on the open market through the facilities of the TSX at the prevailing market price at the time of the transaction. Shares acquired under the bid were cancelled.

On March 12, 2008, WestJet filed another notice with the TSX to make a normal course issuer bid to purchase outstanding Shares on the open market. As approved by the TSX, WestJet is authorized to purchase up to 2,500,000 Voting Shares (approximately 1.93% of the Voting Shares outstanding as at March 13, 2008) during the period of March 17, 2008 to March 16, 2009, or until such earlier time as the

bid is completed or terminated at the option of WestJet (the "2008 NCIB"). Any Shares WestJet purchases under the 2008 NCIB will be purchased on the open market through the facilities of the TSX at the prevailing market price at the time of the transaction. Shares acquired under the 2008 NCIB will be cancelled. WestJet believes that, from time to time, the market price of its Shares may not reflect their underlying value. At such times, the purchase of Shares for cancellation will be advantageous to shareholders by increasing the value of Shares remaining. The purchase of Shares will also offset the dilutive affect of the issuance of Shares pursuant to the exercise of Options.

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, 2007 and the related Management's Discussion and Analysis. Copies of the Corporation's consolidated financial statements and related Management's Discussion and Analysis and its "Notice of Intention to make a Normal Course Issuer Bid" are available upon request from the Corporation at investor_relations@westjet.com or by writing the Corporate Secretary at 5055 – 11th Street N.E., Calgary, Alberta T2E 8N4.

OTHER MATTERS

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

APPENDIX "A"

WESTJET STOCK OPTION PLAN – 2008

1. Purpose of Plan

The purpose of this WestJet Airlines Ltd. ("WestJet Airlines") stock option plan (which together with the WestJet Stock Option Plan 2007, subsumed hereunder, is hereinafter referred to as the "Plan") is to develop the interest of officers and key employees of WestJet Airlines, WestJet (an Alberta partnership), and any subsidiary or partnership controlled directly or indirectly by any of the foregoing (collectively or individually, as applicable, "WestJet") and others providing services to WestJet in the growth and development of WestJet by aligning their interests with those of the shareholders of WestJet Airlines and providing them with the opportunity to acquire an increased proprietary interest in WestJet Airlines.

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

2. Eligibility

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

3. Administration

The Plan will be administered by the compensation committee of the Board of Directors of WestJet Airlines (the "Board") or, if no compensation committee is appointed, by the Board (the "Administrator") pursuant to rules of procedure fixed by the Board.

4. Granting of Options

The Administrator may from time to time grant options ("Options") to purchase Common Shares to the Optionees and fix the number of Common Shares subject to option to each Optionee.

5. Common Share Maximum

The maximum number of Common Shares which may be issued under the Plan is 12,775,903 of Common Shares (the "Common Share Maximum"), subject to adjustment as set forth in clause 11, and subject to the following limitations:

Limitations on Reservations of Common Shares

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

Limitations on Issuances of Common Shares

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

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

The Common Share Maximum may be increased by the Administrator and, if required by the stock exchanges upon which the Common Shares are listed, with the approval of the shareholders of WestJet Airlines.

6. Expiry Date

All Options granted pursuant to the Plan will expire on the date (the "Expiry Date") as determined by the Administrator at the date of grant provided that no Option may be exercised beyond five years from the date of grant. In addition and subject to any extended periods prescribed by WestJet's policies then in effect for voluntary or mandatory retirement, all Options will expire no later than 60 days after the Optionee ceases to hold an office or be employed by WestJet or, in the case of an employee of a company providing management function to WestJet, ceases to be employed by such company or such company is no longer retained by WestJet.

If, before the expiry of an Option in accordance with the terms thereof, an Optionee ceases to be an employee or officer by reason of the death of the Optionee, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the legal personal representative(s) of the Optionee's estate at any time before the earlier of the Expiry Date or the 60th day following the death of the Optionee. Notwithstanding the foregoing, the Administrator may, in its sole discretion and notwithstanding what is provided in the Option agreement in respect of any Options granted, extend the period of time that Options may be exercised following death, provided such period does not extend beyond the Expiry Date of such Options.

If the Expiry Date for any Option falls within a Blackout Period or within ten (10) business days from the expiration of a Blackout Period (such Options to be referred to as "Restricted Options"), the Expiry Date of such Restricted Options shall be extended to the date that is the tenth (10th) business day following the end of the Blackout Period.

For the purposes of this clause, "Blackout Period" means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option.

7. Exercise Price

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

8. Vesting

The Administrator may, in its sole discretion, determine the time during which options will vest and the method of vesting. Further the Administrator may, at its sole discretion at any time or in the Option agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted.

9. Exercise/Exchange of Option

Subject to the provisions of the Plan:

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

10. Settlement of Substituted Right

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

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

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

Following the settlement of the Substituted Right, WestJet Airlines shall cause a certificate representing such Common Shares to be issued in the name of the Optionee (or as the Optionee may direct) to be sent by pre-paid mail or delivered to the Optionee.

11. Alterations in Shares

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

12. Option Agreement

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

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

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

14. Amendment or Discontinuance of Plan

Subject to the restrictions set out in this Section 14, the Administrator may amend or discontinue the Plan at any time without shareholder approval; subject to the approval of any stock exchange on which the Common Shares are listed for trading. Without the prior approval of the shareholders, as may be required by the Exchange, the Administrator may not:

- (a) make any amendment to the Plan to increase the number of Common Shares issuable pursuant to the Plan or lower the limitations prescribed by subclauses 5(a) to (d), inclusive;
- (b) reduce the exercise price of any outstanding Options;

- (c) extend the term of any outstanding Option beyond the original Expiry Date of such Option;
- (d) change the eligible participants;
- (e) make any amendment to the Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or
- (f) amend this clause 14.

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

15. Common Shares Duly Issued

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

16. Non-assignability

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

17. Effective Date

This Plan is effective from April 29, 2008.

APPENDIX "B"

WESTJET EXECUTIVE SHARE UNIT PLAN – 2008

The Board of Directors of WestJet Airlines Ltd. ("**WestJet**") has adopted this Executive Share Unit Plan (the "**Plan**") governing the issuance of Unit Awards (as defined herein) of WestJet to Executives (as defined herein).

1. Purposes

The principal purposes of the Plan are as follows:

- (a) to retain and attract qualified Executives that WestJet and WestJet Entities require;
- (b) to promote a proprietary interest in WestJet by such Executives and to encourage such persons to remain in the employ or service of WestJet and WestJet Entities and put forth maximum efforts for the success of the affairs of WestJet; and
- (c) to focus management of WestJet and WestJet Entities on operating and financial performance and total long-term shareholder return.

2. Definitions

As used in this Plan, the following words and phrases shall have the meanings indicated:

- (a) "**Adjustment Ratio**" means, with respect to any Unit Award, the ratio used to adjust the number of Voting Shares to be issued on the applicable Issue Date pertaining to such Unit Award for Dividends and, in respect of each Unit Award, shall be equal to one plus the amount, rounded to the nearest five decimal places, equal to a fraction having as its numerator the arithmetic total of each Dividend, expressed as an amount per Voting Share, declared on each Dividend Record Date following the grant date of the initial Unit Award, and having as its denominator the Fair Market Value of the Common Shares on the trading day immediately preceding the Issue Date;
- (b) "**Black-Out Extension Term**" means ten (10) Business Days from the date that any Black-Out Period ends;
- (c) "**Black-Out Period**" means a period of time imposed by the Board pursuant to the Insider Trading and Disclosure Policy of WestJet upon certain designated persons during which those persons may not trade in any securities of WestJet;
- (d) "**Board**" means the board of directors of WestJet as it may be constituted from time to time;
- (e) "**Business Day**" means a day other than a Saturday, Sunday or a day when banks in the City of Calgary, Alberta are not generally open for business;
- (f) "**Cessation Date**" means the date of the Executive's termination of, or resignation from, active employment with WestJet or a WestJet Entity, as the case may be, regardless of whether adequate or proper advance notice of termination or resignation shall have been provided in respect of such cessation of being an Executive. For greater certainty, a transfer of employment or services between WestJet and a WestJet Entity or between WestJet Entities shall not be considered an interruption or termination of the employment of an Executive for any purpose of the Plan;

(g) **"Change of Control"** means:

- (i) a successful "take-over bid" (as defined in the *Securities Act* (Alberta), as amended, or any successor legislation thereto) pursuant to which the "offeror" beneficially owns in excess of 33% of the outstanding Total Shares;
- (ii) the issuance to, or acquisition by any person, or group of persons acting in concert, directly or indirectly, including through an arrangement or other form of reorganization, of Total Shares or Common Shares which in the aggregate total 33% or more of the then issued and outstanding Total Shares;
- (iii) the sale of all or substantially all of the assets of WestJet;
- (iv) the liquidation, winding-up or dissolution of WestJet; or
- (v) an event that the Board determines that a Change of Control has occurred for the purposes of this Plan,

provided that notwithstanding the application of any of the foregoing, a "Change of Control" shall be deemed to not have occurred:

- (vi) pursuant to an arrangement or other form of reorganization of WestJet where the holders of the outstanding voting securities or interests of WestJet immediately prior to the completion of the reorganization will hold directly or indirectly more than 90% of the outstanding voting securities or interests of the continuing entity upon completion of the reorganization;
- (h) **"Common Shares"** means the common voting shares of WestJet;
- (i) **"Dividend"** means a dividend paid by WestJet in respect of the Voting Shares, whether of cash, Common Shares, Variable Voting Shares or other securities or other property, expressed as an amount per Voting Share;
- (j) **"Dividend Payment Date"** means any date that a Dividend is distributed to Shareholders;
- (k) **"Dividend Record Date"** means the applicable record date in respect of any Dividend used to determine the Shareholders entitled to receive such Dividend;
- (l) **"Executive"** means officers of WestJet and any WestJet Entity and any other employees of WestJet or a WestJet Entity determined by the Board;
- (m) **"Exchange"** means the TSX and such other stock exchange(s) on which the Common Shares are then listed and posted for trading from time to time;
- (n) **"Expiry Date"** means the date determined by the Committee (not to exceed five (5) years from the Grant Date), subject to extension in accordance with Section 6(b)(i) or Section 6(b)(ii)), in connection with each Restricted Award or Performance Award made pursuant to the Plan upon which Voting Shares awarded thereunder shall be issued to the Grantee of such Unit Award if they have not been exercised by the Grantee;

- (o) "**Fair Market Value**" with respect to a Voting Share, as at any date means the weighted average of the Common Shares traded on the TSX (or, if the Common Shares are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board in its sole and absolute discretion) for the five (5) trading days on which the Common Shares traded on the said exchange immediately preceding such date. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Common Shares as determined by the Committee in its sole discretion, acting reasonably and in good faith. If initially determined in United States dollars, the Fair Market Value shall be converted into Canadian dollars at an exchange rate selected and calculated in the manner determined by the Board from time to time acting reasonably and in good faith;
- (p) "**Grant Date**" means the Grant Date for a Unit Award;
- (q) "**Grant Value**" means the dollar amount for a Unit Award as contemplated by Section 4 hereof;
- (r) "**Grantee**" has the meaning set forth in Section 4 hereof;
- (s) "**Insider**" has the meaning set forth in the applicable rules of the Exchange for this purpose;
- (t) "**Issue Date**" means, with respect to any Unit Award, the date upon which Voting Shares covered thereunder shall be issued to the Grantee of such Unit Award;
- (u) "**Leave of Absence**" means a period of time designated as a "leave of absence" by the Board which is in excess of three months;
- (v) "**Leave Extension Term**" means that portion of the duration of the period of the Leave of Absence that is in excess of three (3) months plus ten (10) Business Days from the date that any Leave of Absence ends provided the Leave Extension Term shall not exceed one year from the Expiry Date;
- (w) "**Performance Award**" means an award under the Plan designated as a "Performance Award" in the Unit Award Agreement pertaining thereto pursuant to which Voting Shares shall be issued on the Issue Dates determined in accordance with Section 6(e) hereof, based upon achieving Performance Vesting and subject to adjustment pursuant to the provisions of Section 6(b)(iii);
- (x) "**Performance Vesting**" means any performance-related conditions in respect of the Vesting of Unit Awards determined by the Board from time to time, which may include, performance of WestJet, any WestJet Entity, WestJet shareholder return or otherwise, and which may be graduated by percentages of a Unit Award, including a percentage in excess of 100%;
- (y) "**Restricted Award**" means an award under the Plan designated as a "Restricted Award" in the Unit Award Agreement pertaining thereto pursuant to which Voting Shares shall be issued on the Issue Dates determined in accordance with Section 6(e) hereof, based upon achieving Time Vesting and subject to adjustment pursuant to the provisions of Section 6(b)(iii);
- (z) "**Shareholder**" means a holder of Common Shares or Variable Voting Shares;
- (aa) "**Time Vesting**" means any conditions relating to continued service with WestJet or a WestJet Entity for a period of time in respect of the Vesting of Unit Awards determined by the Board;

which may be graduated by percentages of a Unit Award, including a percentage in excess of 100%;

- (bb) "**Total Shares**" means the aggregate number of issued and outstanding Common Shares and Variable Voting Shares;
- (cc) "**TSX**" means the Toronto Stock Exchange;
- (dd) "**Unit Award**" means a Restricted Award or Performance Award made pursuant to the Plan;
- (ee) "**Unit Award Agreement**" has the meaning set forth in Section 6 hereof;
- (ff) "**Variable Voting Shares**" means the variable voting shares of WestJet;
- (gg) "**Vested**" means the applicable Time-Vesting, Performance-Vesting and/or any other conditions for Vesting in relation to a whole or a percentage of the number of Voting Shares covered by a Unit Award determined by the Board in connection with each Restricted Award or Performance Award made pursuant to the Plan, as the case may be, have been met and "**Vesting**" has a comparable meaning;
- (hh) "**Vesting Date**" means a date on which the applicable Time-Vesting, Performance Vesting conditions and/or any other conditions for a Unit Award becoming Vested are met;
- (ii) "**Voting Shares**" means Common Shares and Variable Voting Shares, and, with respect to a Unit Award, either Common Shares or Variable Voting Shares, as applicable; and
- (jj) "**WestJet Entities**" means, collectively, any of WestJet's subsidiaries, partnerships, trusts or other controlled entities.

3. Administration

The Plan shall be administered by the Board.

The Board shall have the authority in its sole and absolute discretion to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan subject to and not inconsistent with the express provisions of this Plan and of Section 10 hereof, including, without limitation, the authority:

- (a) to grant Unit Awards (including determining whether the Unit Awards subject to a grant will relate to Common Shares or Voting Variable Shares);
- (b) to determine the Grant Date for Unit Awards, if not the date on which the Committee determines to grant such Unit Awards;
- (c) to determine the Executives to whom, and the time or times at which Unit Awards shall be granted and shall become issuable;
- (d) to determine the Grant Value for each Unit Award and accordingly the number of Voting Shares to be covered by each Unit Award in accordance with Section 4 hereof;
- (e) to determine Performance Vesting, Time Vesting and/or other Vesting conditions;

- (f) to prescribe, amend and rescind rules and regulations relating to the Plan;
- (g) to interpret the Plan;
- (h) to determine the terms and provisions of Unit Award Agreements (which need not be identical) entered into in connection with Unit Awards; and
- (i) to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Board may delegate to a committee of the Board, one or more of its members, WestJet or WestJet Entity officers or employees, or one or more agents such duties as it may deem advisable, and the committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the committee or such person may have under the Plan.

For greater certainty and without limiting the discretion conferred on the Board pursuant to this Section, the Board's decision to approve the grant of a Unit Award in any period shall not require the Board to approve the grant of a Unit Award to any Executive in any other period; nor shall the Board's decision with respect to the size or terms and conditions of a Unit Award in any period require it to approve the grant of a Unit Award of the same or similar size or with the same or similar terms and conditions to any Executive in any other period. The Board shall not be precluded from approving the grant of a Unit Award to any Executive solely because such Executive may previously have been granted a Unit Award under this Plan or any other similar compensation arrangement of WestJet or a WestJet Entity. No Executive has any claim or right to be granted a Unit Award.

4. Eligibility and Award Determination

In determining the Executives to whom Unit Awards may be granted ("**Grantees**") and the Grant Value for (and accordingly the number of Voting Shares to be covered by) each Unit Award (subject to adjustment in accordance with Time Vesting or Performance Vesting), the Board may take into account such factors as it shall determine in its sole and absolute discretion.

The number of Voting Shares to be covered by each Unit Award shall be determined by dividing the Grant Value for such Unit Award by the Fair Market Value of a Common Share as at the Grant Date, rounded up to the next whole number.

5. Reservation of Voting Shares

Up to 200,000 Voting Shares may be issued pursuant to this Plan. If any Unit Award granted under this Plan shall expire, terminate or be cancelled for any reason without the Voting Shares issuable thereunder having been issued in full, any such Voting Shares shall be available for the purposes of the granting of further Unit Awards under this Plan.

No one Executive may be granted any Unit Award which, together with all Unit Awards then held by such Grantee, would entitle such Grantee to receive a number of Voting Shares which is greater than 2% of the Total Shares. In addition: (i) the number of Voting Shares issuable to Insiders at any time, under all security based compensation arrangements of WestJet, shall not exceed 10% of Total Shares; and (ii) the number of Voting Shares issued to Insiders, within any one year period, under all security based compensation arrangements of WestJet, shall not exceed 10% of the Total Shares.

6. Terms and Conditions of Unit Awards

Each Unit Award granted under the Plan shall be subject to the terms and conditions of the Plan and evidenced by a written agreement between WestJet and the Grantee (a "**Unit Award Agreement**") which agreement shall comply with, and be subject to, the requirements of the TSX and the following terms and conditions (and with such other terms and conditions as the Committee, in its discretion, shall establish):

- (a) **Number and Type of Unit Awards** – The Board shall determine the number of Voting Shares to be awarded to a Grantee pursuant to the Unit Award (subject to adjustment in accordance with Time Vesting or Performance Vesting) in accordance with the provisions set forth in Section 4 of the Plan and shall designate such award as either a "Restricted Award" or a "Performance Award", as applicable, in the Unit Award Agreement relating thereto.
- (b) **Vesting Dates, Expiry Dates and Adjustment of Unit Awards**
 - (i) **Restricted Awards** – With respect to any Restricted Award the Board shall determine the Time Vesting and, subject to Section 6(f) hereunder, the Expiry Dates (and, for greater certainty, the Board may in its sole and absolute discretion at the time of grant of a Unit Award impose additional or different conditions to the determination of Unit Awards becoming Vested and Expiry Dates in respect of or the issue of Voting Shares pursuant to any Restricted Award including, without limitation, performance conditions) provided, however, that:
 - (A) if a Grantee is on a Leave of Absence on an Expiry Date, such Expiry Date shall be extended to the last day of the Leave Extension Term; and
 - (B) if, on an Expiry Date, a Black-Out Period has been imposed upon a Grantee, such Expiry Date shall be extended to the last day of the Black-Out Extension Term.
 - (ii) **Performance Awards** – With respect to any Performance Award the Board shall determine the Performance Vesting and, subject to Section 6(f) hereunder, the Expiry Dates (and, for greater certainty, the Board may in its sole and absolute discretion at the time of grant of a Unit Award impose additional or different conditions to the determination of the Unit Awards being Vested, the Performance Vesting and Expiry Dates in respect of or the issue of Voting Shares pursuant to any Performance Award including, without limitation, performance conditions) provided, however, that:
 - (A) if a Grantee is on a Leave of Absence on an Expiry Date, such Expiry Date shall be extended to the last day of the Leave Extension Term; and
 - (B) if a Black-Out Period, or an Expiry Date, has been imposed upon a Grantee, such Expiry Date shall be extended to the last day of the Black-Out Extension Term.
 - (iii) Notwithstanding any other provision of this Plan, but subject to the limits described in Sections 5 and any other applicable requirements of the Exchange or other regulatory authority, the Board hereby reserves the right to make any additional adjustments to the number of Voting Shares to be issued pursuant to any Unit Award (including adjustments determined by reference to or as a result of the achievement of Performance Vesting conditions) if, in the sole discretion of the Board, such adjustments are appropriate in the

circumstances having regard to the principal purposes of the Plan and the terms of the Unit Award.

- (iv) Notwithstanding any other provision of this Plan, the Board may, in its sole discretion, determine that a Unit Award is Vested in relation to all or a percentage of the Voting Shares covered thereby for all or any Unit Awards at any time and from time to time.
- (c) ***Change of Control Double Trigger*** - In the event of both (a) any Change of Control prior to the Vesting Dates, and (b) the Grantee's employment is, subsequent to such Change of Control, terminated without cause (regardless of whether or not a Grantee is on a Leave of Absence), all Voting Shares awarded pursuant to any Restricted Awards or any Performance Awards to a Grantee that have not yet been issued as of such time shall be Vested in accordance with Section 6(f)(ii) hereunder.
- (d) ***Issuance of Voting Shares*** – Subject to Section 5, the number of Voting Shares that are issuable to the Grantee on the Issue Date shall be issued from treasury by WestJet, as fully paid and non-assessable shares in consideration of past services valued by the Board at no less than the Fair Market Value of the number of Voting Shares covered by the Unit Award at the Grant Date. Immediately prior to each Issue Date, the number of Voting Shares to be issued on such Issue Date shall, if applicable, be adjusted by multiplying such number by the Adjustment Ratio applicable in respect of such Unit Award. No fractional Voting Shares will be issued and all fractional entitlements shall be rounded to the nearest whole number.
- (e) ***Delivery of Voting Shares***
 - (i) As soon as practicable following a Vesting Date and upon receipt of a notice from the Grantee of exercise of all or a portion of the Voting Shares covered by such Award Unit which are Vested; or
 - (ii) Immediately prior to the Expiry Date, as it may be extended in accordance with Section 6(b)(i) and Section 6(b)(ii),such day being the Issue Date, WestJet shall cause the certificates representing the issued Voting Shares to be delivered to the Grantee (or as the Grantee may direct) subject to Section 7 hereof, and sent by prepaid mail or delivered to the Grantee.
- (f) ***Termination of Relationship as Executive*** – Unless otherwise determined by the Board or unless otherwise expressly set forth in a Unit Award Agreement pertaining to a particular Unit Award or any written employment or consulting agreement governing a Grantee's role as an Executive, the following provisions shall apply in the event that a Grantee ceases to be an Executive:
 - (i) ***Termination*** – If a Grantee ceases to be an Executive for any reason whatsoever, other than the death, disability, retirement (as contemplated under (iii)) or termination without cause of such Grantee, all outstanding Unit Award Agreements under which Unit Awards have been made to such Grantee shall be terminated and all rights to receive Voting Shares thereunder shall be forfeited by the Grantee effective as of the earlier of (a) the date that is sixty (60) days from the Cessation Date and (b) the Expiry Date otherwise relating to such Unit Award.
 - (ii) ***Termination Without Cause*** – If a Grantee's employment is terminated by WestJet without cause, all Unit Awards held by such Grantee shall be Vested in full on the basis of a

100% percentage and the Expiry Date for such Unit Awards shall be the earlier of (a) sixty (60) days from the Cessation Date and (b) the Expiry Date otherwise relating to such Unit Award.

- (iii) ***Death, Disability or Retirement*** – Upon the death or disability of a Grantee, or if a Grantee ceases to be an Executive upon retirement in accordance with WestJet Policy 4-20 or any similar replacement policy then in effect for voluntary or mandatory retirement, all Unit Awards held by such Grantee shall be Vested in full on the basis of a 100% percentage, and the Expiry Date for such Unit Awards shall be the earlier of (a) two (2) years from the Cessation Date and (b) the Expiry Date otherwise relating to such Unit Award.

 - (g) ***Rights as a Shareholder*** – Until the Voting Shares granted pursuant to any Unit Award have been issued in accordance with the terms of the Plan, the Grantee to whom such Unit Award has been made shall not possess any incidents of ownership of such Voting Shares including, for greater certainty and without limitation, the right to receive cash Dividends on such Voting Shares and the right to exercise voting rights in respect of such Voting Shares. Such Grantee shall only be considered a Shareholder in respect of such Voting Shares when such issuance has been entered upon the records of the duly authorized transfer agent of WestJet.

 - (h) ***Treatment of Non-Cash Dividends*** – In the case of a non-cash Dividend, including Common Shares, Variable Voting Shares or other securities or other property, the Board may, in its sole and absolute discretion, determine that this non-cash Dividend be provided to the Unit Award holder on the same basis as a holder of a Voting Share with the same Dividend Record Date and Dividend Payment Date, regardless of the Unit Award vesting date, and, in such event, no adjustment to the Adjustment Ratio will be provided to the Unit Award holder. The Board may provide this non-cash Dividend to the Unit Award holder in the same form as the non-cash Dividend received by a holder of a Voting Share or a cash equivalent amount determined in the sole and absolute discretion of the Board.
- In the alternate case, where the Unit Award holder does not participate in a non-cash Dividend as described above, the Committee will, in its sole and absolute discretion, determine the cash value of such non-cash Dividend to be applied to the Adjustment Ratio.
- (i) ***Effect of Certain Changes*** – In the event:
 - (i) of any change in the Common or Variable Voting Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
 - (ii) that any rights are granted to Shareholders to purchase Common or Variable Voting Shares at prices substantially below Fair Market Value; or
 - (iii) that, as a result of any recapitalization, merger, consolidation or other transaction, the Common or Variable Voting Shares are converted into or exchangeable for any other securities,

then, in any such case, the Board shall make such adjustments to the Plan, to any Unit Awards and to any Unit Award Agreements outstanding under the Plan as may be appropriate in the circumstances (including changing the Voting Shares covered by each Unit Award into other securities on the same basis as Voting Shares are converted into or exchangeable for such

securities in any such transaction) to prevent dilution or enlargement of the rights granted to Grantees hereunder.

7. Withholding Taxes

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

8. Non-Transferability

The right to receive Voting Shares pursuant to a Unit Award granted to an Executive may only be exercised by such Executive personally, and except as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of a Unit Award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Unit Award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Unit Award shall terminate and be of no further force or effect, provided that (a) the rights of a Grantee in respect of the Unit Award are transferable upon death of the Grantee, and (b) the Grantee may transfer or assign the rights of a Unit Award hereunder to minor children or grandchildren or a spouse of the Grantee, or a trust or a holding company of which the Grantee is a trustee or director, and the beneficiaries or shareholders of which are any combination of the Grantee, Grantee's spouse or the Grantee's minor children or grandchildren, in accordance with such requirements as the Board may from time to time determine.

9. Merger and Sale, etc.

In the event that WestJet enters into any transaction or series of transactions whereby WestJet or all or substantially all of WestJet's undertaking, property or assets would become the property of any other trust, body corporate, partnership or other person (a "**Successor**") whether by way of takeover bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, WestJet and the Successor shall execute such instruments and do such things as are necessary, if any, to establish that upon the consummation of such transaction the Successor will have assumed all the covenants and obligations of WestJet under this Plan and the Unit Award Agreements outstanding on consummation of such transaction in a manner that substantially preserves and does not impair the rights of the Grantees thereunder in any material respect (including the right to receive shares, securities, cash or other property of the Successor in lieu of Voting Shares upon the subsequent vesting of Unit Awards). Any such Successor shall succeed to, and be substituted for, and may exercise every right and power of WestJet under this Plan and such Unit Award Agreements with the same effect as though the Successor had been named as WestJet herein and therein and thereafter, WestJet shall be relieved of all obligations and covenants under this Plan and such Unit Award Agreements and the obligation of WestJet to the Grantees in respect of the Unit Awards shall terminate and be at an end and the Grantees shall cease to have any further rights in respect thereof including, without limitation, any right to acquire Voting Shares upon vesting of the Unit Awards.

10. Amendment and Termination of Plan

This Plan and any Unit Awards granted pursuant to the Plan may be amended, modified or terminated by the Board without approval of Shareholders subject to any required approval of the TSX. Notwithstanding the foregoing, the Plan or any Unit Award may not be amended without Shareholder approval to:

- (a) increase the number of Voting Shares issuable on exercise of outstanding Unit Awards at any time pursuant to Section 5 hereof;
- (b) extend the Expiry Date of any outstanding Unit Awards;
- (c) permit a Grantee to transfer or assign Unit Awards to a new beneficial holder other than as set forth in Section 8;
- (d) increase the number of Voting Shares that may be issued to Insiders above the restriction contained in Section 5;
- (e) extend the maximum permitted Expiry Date under the Plan beyond five (5) years;
- (f) adding additional categories of Grantees; or
- (g) amend this Section 10 to delete any of (a) through (f) above.

In addition, no amendment to the Plan or Unit Awards granted pursuant to the Plan may be made without the consent of the Grantee, if it adversely alters or impairs the rights of any Grantee in respect of any Unit Award previously granted to such Grantee under the Plan.

11. Miscellaneous

- (a) ***Effect of Headings*** – The section and subsection headings contained herein are for convenience only and shall not affect the construction hereof.
- (b) ***Compliance with Legal Requirements*** – WestJet shall not be obliged to issue any Voting Shares if such issuance would violate any law or regulation or any rule of any government authority or stock exchange. WestJet, in its sole discretion, may postpone the issuance or delivery of Voting Shares under any Unit Award as the Board may consider appropriate, and may require any Grantee to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Voting Shares in compliance with applicable laws, rules and regulations. WestJet shall not be required to qualify for resale pursuant to a prospectus or similar document any Voting Shares awarded under the Plan, provided that, if required, WestJet shall notify the Exchange and any other appropriate regulatory bodies in Canada of the existence of the Plan and the granting of Unit Awards hereunder in accordance with any such requirements.
- (c) ***No Right to Continued Employment*** – Nothing in the Plan or in any Unit Award Agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ or service of WestJet or any WestJet Entities, to be entitled to any remuneration or benefits not set forth in the Plan or a Unit Award Agreement or to interfere with or limit in any way the right of WestJet or any WestJet Entity to terminate Grantee's employment or service arrangement with WestJet or any WestJet Entity.

- (d) ***Ceasing to be a WestJet Entity*** – Except as otherwise provided in this Plan, Unit Awards granted under this Plan shall not be affected by any change in the relationship between or ownership of WestJet and a WestJet Entity. For greater certainty, all Unit Awards remain valid and exercisable in accordance with the terms and conditions of this Plan and are not affected by reason only that, at any time, any corporation, partnership or trust ceases to be a WestJet Entity.
- (e) ***Expenses*** – All expenses in connection with the administration of this Plan shall be borne by WestJet.

12. Governing Law

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

13. Effective Date

This Plan shall take effect on February 4, 2008 subject to the acceptance of the Plan by the TSX and any other relevant regulatory authorities and approval of the Shareholders.

APPENDIX "C"

WESTJET AIRLINES LTD. (the "Corporation")

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the "Board") of the Corporation is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. In general terms, the Board will:

- A. in consultation with the chief executive officer of the Corporation (the "CEO"), define the principal objective(s) of the Corporation;
- B. supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objective(s) as defined by the Board;
- C. discharge the duties imposed on the Board by applicable laws; and
- D. for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will perform the following duties:

Strategic Direction, Operating, Capital and Financial Plans

- 1. Require the CEO to present annually to the Board a longer range strategic plan and a shorter range business plan for the Corporation's business, which plans must:
 - (a) be designed to achieve the Corporation's principal objectives,
 - (b) identify the principal strategic and operational opportunities and risks of the Corporation's business, and
 - (c) be approved by the Board as a pre-condition to the implementation of such plans;
- 2. approve the annual operating and capital plans;
- 3. monitor and review progress towards the achievement of the Corporation's goals established in the strategic, operating and capital plans and to revise and alter its direction through management in light of changing circumstances;
- 4. identify the principal risks of the Corporation's business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks;
- 5. approve issuances of additional common shares or other securities to the public;

Management and Organization

- 6. appoint the CEO and determine the terms of the CEO's employment with the Corporation;

7. in consultation with the CEO, develop a position description for the CEO;
8. evaluate the performance of the CEO at least annually;
9. in consultation with the CEO, establish the limits of management's authority and responsibility in conducting the Corporation's business;
10. ratify the CEO's appointment of all senior officers of the Corporation at the next quarterly meeting of the Board following such appointment, so long as the CEO consults with members of the Board prior to such appointment;
11. receive annually from the CEO the CEO's evaluation of the performance of each senior officer who reports to the CEO;
12. In consultation with the CEO, develop a system under which succession to senior management positions will occur in a timely manner;
13. approve any proposed significant change in the management organization structure of the Corporation;
14. approve all retirement plans for officers and employees of the Corporation;
15. in consultation with the CEO, establish a communications policy for the Corporation;
16. generally provide advice and guidance to management;

Finances and Controls

17. monitor the appropriateness of the Corporation's capital structure;
18. ensure that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
19. in consultation with the CEO, establish the ethical standards to be observed by all officers and employees of the Corporation and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards;
20. require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by the Corporation and its officers and employees;
21. require that the CEO institute, and maintain the integrity of, internal control and information systems, including maintenance of all required records and documentation;
22. review and approve material contracts to be entered into by the Corporation;
23. recommend to the shareholders of the Corporation a firm of chartered accountants to be appointed as the Corporation's auditors;
24. take all necessary actions to gain reasonable assurance that all financial information made public by the Corporation (including the Corporation's annual and quarterly financial statements) is accurate and complete and represents fairly the Corporation's financial position and performance;

Governance

25. in consultation with the Chairman of the Board, develop a position description for the Chairman of the Board and if the Chairman of the Board is the CEO, a position description of a Lead Director;
26. facilitate the continuity, effectiveness and independence of the Board by, amongst other things,
 - (a) selecting nominees for election to the Board,
 - (b) appointing a Chairman of the Board who is not a member of management or if that person is a member of management, appointing a Lead Director;
 - (c) appointing from amongst the independent directors an audit committee, a compensation committee and such other committees of the Board as the Board deems appropriate,
 - (d) defining the mandate of each committee of the Board,
 - (e) ensuring that processes are in place and are utilized to assess the size of the Board, the effectiveness of the Chairman of the Board, the Lead Director, the Board as a whole, each committee of the Board and each director,
 - (f) reviewing the orientation and education program for new members to the Board to ensure that it is adequate and effective, and
 - (g) establishing a system to enable any director to engage an outside adviser at the expense of the Corporation;
27. review annually the adequacy and form of the compensation of directors.

Delegation

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

Meetings

The Board shall meet at least four times per year and/or as deemed appropriate by the Chairman of the Board.

Minutes of each meeting shall be prepared.

The CEO or his designate(s) may be present at all meetings of the Board.

Vice-Presidents and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Chairman of the Board or the Board.