

**CARGOJET INC.**

**CHARTER OF THE  
COMPENSATION AND NOMINATING COMMITTEE**

## **CHARTER OF THE COMPENSATION AND NOMINATING COMMITTEE**

### **I. Purpose**

The Compensation and Nominating Committee's mandate is to review all aspects of compensation paid to the directors of Cargojet Inc. (the "**Corporation**"), members of the Audit Committee, Corporate Governance Committee and Compensation and Nominating Committee, the Chairman of the Board of Directors of the Corporation, and the management and employees of the subsidiaries of the Corporation to ensure that the Corporation's compensation programs are competitive so that the Corporation can attract, motivate and retain high-caliber individuals and to review and make recommendations to the Board of Directors of the Corporation as to such matters. The Compensation and Nominating Committee's mandate also includes the development of the Corporation's approach to matters of nomination.

### **II. Composition**

The Compensation and Nominating Committee will be comprised of at least three directors of the Corporation, all of whom, subject to any exemptions set out in National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), will be independent. An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship that could, in the view of the Board of Directors of the Corporation, be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to NI 52-110.

### **III. Responsibilities**

Responsibilities of the Compensation and Nominating Committee generally include, but are not limited to, the undertaking of the following tasks:

1. Reviewing the adequacy and form of the compensation of the Directors of the Corporation and senior management, with such compensation realistically reflecting the responsibilities and risks of such positions.
2. Annually reviewing and making recommendations to the Board of Directors of the Corporation, upon the recommendation of members of management, with respect to the Corporation's overall compensation and benefits philosophies and programs for employees, including base salaries, bonuses and other performance incentives and/or long term incentive plans. As part of its review process, the Compensation and Nominating Committee will review other compensation data of comparable entities.
3. Reviewing and approving corporate goals and objectives relevant to compensation of the Chief Executive Officer, evaluating the performance of the Chief Executive Officer in light of those corporate goals and objectives and making recommendations to the Board of Directors of the Corporation regarding the Chief Executive Officer's compensation level based on this evaluation.

4. Annually reviewing and making recommendations to the Board of Directors of the Corporation with respect to the Corporation's compensation and benefit programs for the Chief Executive Officer and other senior management, including base salaries, bonuses and other performance incentives and/or long term incentive plans. In setting the salary of the Chief Executive Officer, the and Compensation and Nominating Committee will take into consideration salaries paid to chief executive officers of comparable entities. The contribution of the Chief Executive Officer towards the Corporation's achievement of business goals and objectives for the previous financial year will form the basis for the Compensation and Nominating Committee's recommendations concerning bonus or other performance recognition awards.
5. Reviewing and making recommendations to the Board of Directors of the Corporation with respect to the implementation or variation of long term incentive plans, compensation and incentive plans and retirement plans.
6. Reviewing the implications of risks associated with the Company's compensation policies and practices and reporting any identified risks to the Board of Directors that are reasonably likely to have a material adverse effect on the Company.
7. Reviewing executive compensation disclosure before it is publicly disclosed.
8. Preparing for the Board of Directors of the Corporation an annual report on executive compensation.
9. Identifying individuals qualified to become new members of the Board of Directors and recommending to the Board of Directors the new director nominees for the next annual meeting of shareholders. In making its recommendations, the Compensation and Nominating Committee will consider:
  - (a) the competencies and skills that the board considers to be necessary for the board, as a whole, to possess;
  - (b) the competencies and skills that the board considers each existing director as the case may be, to possess; and
  - (c) the competencies and skills each new nominee will bring to the board.

#### **IV. Authority**

The Compensation and Nominating Committee has the authority to engage and compensate any outside advisor that it determines necessary to permit it to carry out its duties.

#### **V. Meetings**

The Compensation and Nominating Committee will meet regularly at times necessary to perform the duties described above in a timely manner, but not less than once a year. Meetings may be held at times deemed appropriate by the Compensation and Nominating Committee.

At the discretion of the Compensation and Nominating Committee, meetings may be held with representatives of appropriate members of management.

The Chairman of the Compensation and Nominating Committee will report periodically to the Board of Directors of the Corporation.