CARGOJET INC.

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 12, 2018

CARGOJET INC.
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of Cargojet Inc. (the "**Company**") will be held at the offices of Cassels Brock & Blackwell LLP, 21st Floor, Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2 on Thursday, April 12, 2018 at 1:00 p.m. (Toronto time), for the following purposes:

(a) to receive and consider the audited consolidated financial statements of the Company for the fiscal period ended December 31, 2017 and the report of the auditors thereon;

(b) to elect the directors of the Company;

(c) to appoint the auditors of the Company and to authorize the directors of the Company to fix their remuneration; and

(d) to transact such other business as may properly come before the Meeting or any adjournments thereof.

This notice is accompanied by a form of proxy, a management information circular, the audited consolidated financial statements of the Company and management's discussion and analysis for the fiscal period ended December 31, 2017.

The board of directors of the Company has by resolution fixed the close of business on March 12, 2018 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting or any adjournments thereof.

Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

Duly completed and executed proxies must be received by the Company's transfer agent no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting.

DATED at Mississauga, Ontario this 12th day of March, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

"Ajay Virmani"
Ajay Virmani
President and Chief Executive Officer

CARGOJET INC.

MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxies

This management information circular is furnished in connection with the solicitation of proxies by management of Cargojet Inc. (the "Company") for use at the annual meeting (the "**Meeting**") of holders (the "**Shareholders**") of common voting shares (the "**Common Voting Shares**") and variable voting shares (the "**Variable Voting Shares**" and, together with the Common Voting Shares, the "**Voting Shares**") of the Company to be held at the time and place and for the purposes set forth in the accompanying notice of annual meeting of shareholders. References in this management information circular to the Meeting include any adjournments thereof.

It is expected that the solicitation of proxies will be primarily by mail; however, proxies may also be solicited personally by agents of the Company. Proxies may also be solicited personally or by telephone by the directors, officers or regular employees of the Company and its subsidiaries without special compensation. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

The board of directors of the Company (the "**Board**") has by resolution fixed the close of business on March 12, 2018 as the record date, being the date for the determination of the registered holders of Voting Shares entitled to receive notice of and to vote at the Meeting. Duly completed and executed proxies must be received by the Company's transfer agent at the address indicated on the enclosed envelope no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting.

Unless otherwise stated, the information contained in this management information circular is as of March 12, 2018.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors of the Company. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent the Shareholder at the Meeting may do so by striking out the names of the persons designated therein and by inserting in the blank space provided for that purpose the name of the desired person, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the registered office of the Company's transfer agent indicated on the enclosed envelope no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting.**

A Shareholder delivering the enclosed proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business then the space opposite the item is to be left blank. The Voting Shares represented by the proxy submitted by a Shareholder will be voted or withheld from voting in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the Shareholder or by his or her attorney authorized in writing, and deposited at the registered office of the Company's transfer agent at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting or in any other manner permitted by law.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will vote the Voting Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such**

direction, such Voting Shares will be voted in favour of the election of the directors and the appointment of the auditors as more particularly described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of annual meeting of Shareholders and with respect to other matters which may properly come before the Meeting. At the time of printing of this management information circular, neither the directors nor officers of the Company are aware of any such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to the directors or officers of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Interest of Certain Persons or Companies in Matters to be Acted Upon

To the knowledge of the directors and officers of the Company, except as set out herein and except insofar as they may be Shareholders, no director or officer of the Company, or any proposed nominee for election as a director of the Company, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting.

Voting Securities and Principal Holders of Voting Securities

The beneficial interests in the Company are divided into two classes, designated as Common Voting Shares and Variable Voting Shares. Each Voting Share represents an equal undivided beneficial interest in any net income and free cash flow from the Company and in any assets of the Company remaining in the event of termination or winding up of the Company. Each Voting Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting, unless otherwise varied in accordance with the terms of the Variable Voting Shares as set forth in the articles of arrangement of the Company.

As at March 12, 2018, the following Voting Shares in the capital of the Company were issued and outstanding:

Common Voting Shares	13,090,117
Variable Voting Shares	292,512

The Board has fixed the record date of March 12, 2018 for the purpose of determining Shareholders entitled to receive notice of and to vote at the Meeting. Only persons registered as Shareholders on the books of the Company as of the close of business on the record date are entitled to receive notice of and to vote at the Meeting. The failure of any Shareholder to receive notice of the Meeting does not deprive the Shareholder of the right to vote at the Meeting.

To the knowledge of the directors and officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Voting Shares carrying more than 10% of the voting rights attached to any class of voting securities of the Company other than:

Name		Voting Shares Owned on a Non-Diluted Basis(1)		Voting Shares Owned on a Fully Diluted Basis(1) (2)
Ajay Virmani and The Virmani Family Trust		1,504,253 / 11.2%		1,521,303 / 9.8%

Note:

(1) The information as to Voting Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the Shareholders listed above. Voting Shares excludes any vested or unvested option or restricted share units awarded by the Company.

(2) The calculation of fully diluted voting shares assumes the conversion of the Company's $125,000,000 of outstanding 4.65% convertible debentures (the "**4.65% Convertible Debentures**") converted at the conversion price of $58.65 per Common Voting Share. Ajay Virmani currently holds $1,000,000 of the 4.65% Convertible Debentures.

Executive Compensation

Compensation Discussion and Analysis

Introduction

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of its Founder / President & Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**") and the Company's four most highly compensated executive officers (other than the CEO and CFO) whose total salary and bonus exceeds $150,000 (together with the CEO and CFO, the "**NEOs**"). The operations of the Company are conducted primarily through Cargojet Partnership (the "**Operating Partnership**") and Cargojet Airways Ltd. ("**Cargojet Airways**"). The executive officers are compensated through the Operating Partnership and Cargojet Airways for acting in such capacities.

This compensation discussion and analysis ("**CD&A**") is intended to provide Shareholders with an understanding of the Company's approach to compensation, including a description of the decisions and processes involved, the different components of the Company's compensation program, what the Company paid NEOs for the financial year ended December 31, 2017, and why. The NEOs for the financial year ended December 31, 2017 were:

- Ajay Virmani, Founder / President & Chief Executive Officer
- Jamie Porteous, Executive Vice- President & Chief Commercial Officer ("**CCO**")
- Pauline Dhillon, Executive Vice President Marketing, Public & Government Relations
- John Kim, Chief Financial Officer & Vice-President Governance & Corporate Secretary
- George Sugar, Senior Vice President Flight Operations
- Paul Rinaldo, Senior Vice President Engineering and Maintenance

Executive Compensation Philosophy

The Company's executive compensation practices are designed to attract, motivate and retain a leadership team that will create long-term and sustainable value for Shareholders. Accordingly, the Company's executive compensation program is based on the following principles:

- compensation levels should be fair and competitive with the market;
- compensation should help to retain and motivate executives who are critical to the Company's long-term success;
- compensation should reward overall business performance and should encourage an environment of teamwork and collaboration;
- compensation should align the interests of the Company's executives with those of Shareholders; and
- compensation should not encourage the Company's executives to expose the Company to inappropriate or excessive risk.

In order to achieve these objectives, the compensation paid to executive officers consists primarily of the following three components: (a) base salary; (b) short-term incentive in the form of the short-term incentive plan (the "**STIP**") participation; and (c) long-term incentive in the form of the long-term incentive plan ("**LTIP**") participation.

The Compensation and Nominating Committee (the "**CNC**") is responsible for reviewing the implications of risks associated with the Company's compensation policies and practices and reporting any identified risks that are reasonably likely to have a material adverse effect on the Company. The CNC considers the balance between long term objectives and short term financial goals incorporated into the Company's executive compensation program and whether or not NEO's are potentially encouraged to expose the Company to inappropriate or excessive risk. The Company's executive compensation program has been structured identically among all of the Company's executive officers and the Board has the discretion to award incentives based on long-term objectives that may have an impact on short-term financial targets. Furthermore, the Company's executive compensation program includes a maximum annual payout limit. As at the date of this management information circular, the CNC has not identified any risks that are reasonably likely to have a material adverse effect on the Company.

The Company does not currently have a policy that restricts executive officers or directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity.

Role and Composition of the CNC, and the Role of Management and Independent Advisors

(i) Role and Composition of the CNC

The mandate of the CNC is to review all aspects of compensation paid to the members of the Board, members of the committees of the Board, the Chairman of the Board and the management and employees of the Company and its subsidiaries to ensure that the Company's compensation programs are competitive so that the Company can attract, motivate and retain high caliber individuals and to review and make recommendations to the Board as to such matters. The CNC's mandate also includes the development of the Company's approach to matters of nominations to the Board.

The CNC assists the Board by making recommendations to the Board concerning the appointment, hiring, compensation, benefits and termination of senior officers and all other significant employees of the Company. The CNC reviews on an annual basis the CEO's goals and objectives for the upcoming year and provides an appraisal of the CEO's performance. The CNC also reviews the Company's executive compensation programs every year, evaluating individual NEO compensation including annual base salary, short and long-term incentives, and perquisites. Its aim in doing so is to assess the alignment of the compensation programs with the Company's objectives and market practices.

The CNC administers and makes recommendations regarding the operation of the LTIP and identifies and recommends to the Board individuals qualified to become new directors of the Company.

As of March 12, 2018, the CNC is comprised of Paul Godfrey (Chairman), James Crane, and John Webster, all of whom have relevant direct experience in matters of executive compensation and are "independent" within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "**Governance Disclosure Rule**"). Specifically, the following biographies of the current members of the CNC detail their skills and experiences that are relevant to their responsibilities with respect to executive compensation:

Paul Godfrey:
Mr. Godfrey currently serves as the President and Chief Executive Officer of Postmedia and the Chairman of RioCan Real Estate Investment Trust. First elected to public office in 1964, Mr. Godfrey served as Chairman of the Metropolitan Toronto Council from 1973 to 1984. In 1984, Mr. Godfrey joined the Toronto Sun as Publisher and Chief Executive Officer and served as President and Chief Executive Officer of the Sun Media Corporation from 1992 to 2000. Mr. Godfrey has also served as the President and Chief Executive Officer of the Toronto Blue Jays Baseball Club from 2000 to 2008. Mr. Godfrey previously served as a director of Astral Media Inc., a director of Data & Audio-Visual Enterprises Wireless Inc. which operated under the trade name "Mobilicity" and as Chair of the Ontario Lottery and Gaming Corporation. Mr. Godfrey graduated from the University of Toronto with a Bachelor of Applied Science in Chemical Engineering.

James Crane:
Mr. Crane is the President and Chief Executive Officer of Crane Capital Group, Inc. Mr. Crane earned a Bachelor of Science degree in Industrial Safety from Central Missouri State University in 1976. In 1984, Mr. Crane founded Eagle USA Airfreight (EGL, Inc.), a freight forwarding company, and sold it in 2007. In 2008, Mr. Crane formed Crane Worldwide Logistics (CWL), a global provider of customized transportation

and logistics services. Mr. Crane is also the owner of Champion Energy Services, a retail electricity companies in the United States. Mr. Crane is also the controlling investor in the Houston Astros baseball team.

John Webster:

Mr. Webster has been the President and Chief Executive Officer of Scotia Mortgage Corporation since 2006. Mr. Webster has also been the President and Chief Executive Officer of Maple Trust Company since 1989. Maple Trust Company was acquired by Scotia in 2006. He has been the Chief Executive Officer and previously, the Chief Operating Officer, for regulated financial institutions for over twenty years. During such time Mr. Webster has participated in overseeing numerous internal and external audits as a member of senior management and as a board member. Mr. Webster's current and previous directorships include Maple Trust Company, Scotia Mortgage Corporation, Filogix Inc. and Dundee Financial Corporation. Mr. Webster received an Honours BA from Wilfred Laurier University and an LL.B and B.C.L. from McGill University.

(ii) Role of Management in Compensation Decisions

The CFO assists the CEO in developing and presenting to the CNC all of management's recommendations and supporting material pertaining to the compensation of the NEOs and other senior executives. In addition, the CFO works with the Chairman of the CNC to plan the annual agenda and to prepare materials for each meeting of the CNC. The CEO is invited to attend all regular meetings of the CNC, and an in camera session, during which management is not in attendance, is held during each CNC meeting.

(iii) Role of Independent Advisors in Compensation Decisions

Hugessen Consulting Inc. ("**Hugessen**") was retained in 2009 directly by the CNC to provide independent advice, compensation analysis and other information in support of the CNC's decision-making in regard to executive compensation and related matters. All work performed by Hugessen was at the direction of, and pre-approved by, the CNC including occasional work performed in partnership with management. The decisions taken by the CNC remain its responsibility and may reflect factors and considerations in addition to the information and recommendations provided by Hugessen.

Hugessen was also retained in 2014 directly by the CNC to provide independent advice, compensation analysis and other information in support of the LTIP alternatives for consideration including equity instruments, method of payment and size of pool. The Stock Option Plan of the Company (the "**Option Plan**") and the Restricted Share Unit Plan (the "**RSU Plan**") were approved at the Annual and Special Meeting of Cargojet's Shareholders in 2014, and subsequently re-approved with certain amendments in 2017. All work performed by Hugessen was at the direction of, and pre-approved by, the CNC including occasional work performed in partnership with management. The decisions taken by the CNC remain its responsibility and may reflect factors and considerations in addition to the information and recommendations provided by Hugessen.

All of the work performed by Hugessen was completed in 2014. Hugessen has no other mandate with the Company. No fees were charged by Hugessen or paid by the Company to Hugessen in 2015, 2016 or 2017.

Mercer (Canada) Limited ("Mercer") was retained in 2016 by the CNC to provide retirement consulting services under the direction of the CNC.for designated employee, Mr. Ajay Virmani, CEO of the Company. The decisions taken by the CNC remain its responsibility and may reflect factors and considerations in addition to the information and recommendations provided by Mercer.

Components of the Company's Executive Compensation Program

Compensation component	Objectives	Form
Base salary	Provide fixed compensation reflecting the role, skills, and experience of the executive officer.	Cash
Benefits (i.e. perquisites, allowances and pension)	Provide industry standard compensation.	Cash
STIP/bonus	Provide performance-based compensation linked to the achievement of EBITDA objectives and of individual performance objectives.	Cash
LTIP	Provide performance-based compensation linked to the achievement of EBITDA objectives and of individual performance objectives, align the interests of executive officers with those of Shareholders and encourage retention of talented executive officers.	RSUs and Options

The compensation mix varies based on the level of the executive to reflect the impact of more senior roles on overall Company performance. The base salary portion of executive compensation is fixed, while the annual short-term and long-term incentive portions are performance-based and are variable.

The target mix of the primary compensation components for the NEOs for fiscal 2017 is shown in the following table:

NEO	Percentage of Target Total Direct Compensation(1)			Percentage of variable compensation(1)
	Base salary	Short-term incentives	Long-term incentives	
Ajay Virmani	20%	40%	40%	80%
Jamie Porteous	33%	38%	29%	67%
Pauline Dhillon	43%	27%	30%	57%
John Kim	47%	25%	28%	53%
George Sugar	47%	25%	28%	53%
Paul Rinaldo	47%	25%	28%	53%

Note:
(1) Percentages have been rounded to the nearest whole number.

The overall design of the 2017 NEO compensation program is summarized in the following table:

NEO	Annual Salary ($)	STIP Target at Maximum (% of salary)	LTIP Target at Maximum (% of salary)
Ajay Virmani	975,000	200.0%	200.0%
Jamie Porteous	495,000	114.0%	88.0%
Pauline Dhillon	300,000	61.0%	70.0%
John Kim	275,000	53.0%	60.0%
George Sugar	250,000	53.0%	60.0%
Paul Rinaldo	250,000	53.0%	60.0%

Competitive Benchmarking

In order to attract and retain the leadership it needs, the Company seeks to ensure that its executive compensation programs remain competitive with its market. On an annual basis, a market review of compensation levels and practices is undertaken. The Company selects the elements of its compensation programs to ensure a competitive compensation package for its executives, and positions its total compensation levels with reference to the median of compensation levels for executives in comparable roles in its peer group.

In 2009, the Fund asked Hugessen to benchmark the compensation of Ajay Virmani, Dan Mills (the CFO of the Company at the time) and Jamie Porteous. This review included an analysis of the competitiveness of total compensation as well as the components of individual compensation. The group of companies against which the Fund conducted this benchmarking, as approved by the CNC, is listed in the table below.

Benchmarking Peer Group
Trimac Transportation Services LP
Exchange Income Corporation
Discovery Air Inc.
HNZ Group Inc. (Formerly Canadian Helicopters Group Inc.)
Transat A.T. Inc.

In 2017, the CNC benchmarked the total compensation of Ajay Virmani, Jamie Porteous and John Kim against the same group of companies listed in the table above with the addition of Air Canada and WestJet. The next review will be completed by the CNC in 2018.

How the Company Makes Executive Compensation Decisions

(i) Base Salary

Individual executive salaries are typically set with a view towards offering market-competitive fixed compensation in order to attract and retain leaders with the appropriate skill sets. The CNC, following discussions with the CEO makes an annual recommendation to the Board for each NEO's annual salary, taking the following into consideration:

- for the CEO, CFO and Executive Vice-President and Chief Commercial Officer, the position of the NEO's salary versus the salaries for similar roles at market comparators;
- the NEO's experience, knowledge, and performance; and
- the NEO's total compensation (i.e. including incentive compensation at target).

Automatic annual or inflation-based adjustments to executive salaries are not typically made at the Company; however, NEO salaries will continue to be reviewed on an annual basis to ensure alignment with the market. Adjustments may subsequently be made to realign salary levels if the market value of the role has increased.

(ii) Short-Term Incentive Plan

Pay for performance is an important underlying principle of the Company's executive compensation philosophy, with the result that variable compensation can represent a substantial proportion of total compensation. The Company administers the STIP, which is based on the Company meeting specific EBITDA targets and the NEO achieving specific personal performance objectives. Each year, the CNC recommends for approval by the Board the STIP design, including business performance measures, weightings, and targets.

The basis of calculation for each STIP performance measure is documented in the annual business plan, which is approved by the Board. At the end of the fiscal year, management determines the results for each of the STIP performance measures, and these are compared to the established financial and non-financial targets. The STIP award payable to each NEO for each performance measure is then calculated. No STIP award is normally paid for a performance measure if the final result falls below the established threshold.

For 2017, all NEOs participated in the STIP. Mr. Virmani and Mr. Porteous were eligible to earn an STIP of up to 200.0% and 114.0%, respectively, of their annual salary upon the Company meeting an Adjusted EBITDA target of $110.1 million before management bonuses and based upon individual performance targets and personal objectives for the fiscal year ended December 31, 2017. Ms. Dhillon was eligible to earn a STIP of up to 61.0% of her annual salary upon the Company meeting an Adjusted EBITDA target of $110.1 million before management bonuses and the achievement of individual performance targets and personal objectives. The other NEOs were eligible to earn a STIP of up to 53.0% of their annual salary upon the Company meeting an Adjusted EBITDA target of $110.1 million before management bonuses and the achievement of individual performance targets and personal objectives. Payouts were determined between the minimum (0% of annual salary) and target (maximum percentage of annual salary of 200.0% for Mr. Virmani, 114.0% for Mr. Porteous, 61.0% for Ms. Dhillon and 53.0% for other NEOs) on a sliding scale proportionate to the Adjusted EBITDA achieved by the Company and the achievement of performance targets and personal objectives by each NEO. For 2017, each NEO received their STIP awards based on the Company's final Adjusted EBITDA and the achievement of individual performance targets and personal objectives, and accordingly STIPs were paid to the NEOs at their maximum targets.

(iii) Long-Term Incentive Plan

The purpose of the LTIP is to provide eligible participants with compensation opportunities that will enhance the Company's ability to attract, retain and motivate key personnel and reward officers and key employees for achieving financial and personal targets. Pursuant to the LTIP, LTIP awards are comprised of grants from the Company's RSU Plan and Option Plan.

The CNC is responsible for administering and making recommendations concerning the operation of the LTIP. The Board has the power to, among other things: (i) determine those individuals who will participate in the LTIP; (ii) determine the level of participation of each participant; and (iii) determine the time or times when LTIP awards will vest or be paid to each participant.

The basis of calculation for each LTIP performance measure is documented in the annual business plan, which is approved by the Board. At the end of the fiscal year, management determines the results for each of the LTIP performance measures, and these are compared to the established financial and personal targets. The LTIP award payable to each NEO for each performance measure is then calculated. No LTIP award is normally paid for a performance measure if the final result falls below the established threshold.

For 2017, all NEOs participated in the LTIP. Mr. Virmani and Mr. Porteous were eligible to earn an LTIP of up to 200.0% and 88.0%, respectively, of their annual salary upon the Company meeting an Adjusted EBITDA target of $110.1 million before management bonuses and based upon individual performance targets and personal objectives for the fiscal year ended December 31, 2017. Ms. Dhillon was eligible to earn an LTIP of up to 70.0% of her annual salary upon the Company meeting an Adjusted EBITDA target of $110.1 million before management bonuses and the achievement of individual performance targets and personal objectives. The other NEOs were eligible to earn an LTIP of up to 60.0% of their annual salary upon the Company meeting an Adjusted EBITDA target of $110.1 million before management bonuses and the achievement of individual performance targets and personal objectives. Payouts were determined between the minimum (0% of annual salary) and target (maximum percentage of annual salary of 200.0% for Mr. Virmani, 88.0% for Mr. Porteous, 70.0% for Ms. Dhillon and 60.0% for the other NEOs) on a sliding scale proportionate to the Adjusted EBITDA achieved by the Company and the achievement of performance targets and personal objectives by each NEO. For 2017, each NEO received their LTIP awards based on the Company's final Adjusted EBITDA and the achievement of individual performance targets and personal objectives, and accordingly LTIPs were paid to the NEOs at their maximum targets.

(iv) Restricted Share Unit Plan

The Company received initial Shareholder approval for the RSU Plan at its Annual and Special Meeting of Shareholders in 2014. It was considered to be in the best interest of the Company to adopt a new RSU Plan to secure for the Company and its Shareholders the benefits of incentives inherent in share ownership by the directors, employees and consultants of the Company and its subsidiaries who, in the judgment of the Board, are largely responsible for its future growth.

The Company sought and received the approval of Shareholders to amend the RSU Plan at its Annual and Special Meeting of Shareholders in 2017 to remove certain restrictions from the category of eligible participants under the RSU Plan so as to provide for the ability to grant restricted share units ("**RSUs**") to eligible participants regardless of their jurisdiction of residence.

The following is a summary of the amended RSU Plan, which has been approved by the Shareholders and the TSX.

The RSU Plan provides that RSUs may be granted by the Board or a committee of the Board which administers the RSU Plan (the "**Committee**") to eligible employees, officers, directors and consultants of the Company as discretionary payment in consideration of past or future services to the Company. The Board will take into account previous grants when considering new grants.

The number of RSUs awarded will be credited to the participant's account effective on the grant date of the RSUs. An RSU represents a right to receive one Common Voting Share or Variable Voting Share, as applicable, issued from treasury on the later of: (i) the date which is the first day after a restricted period as determined by the Committee (the "**Restricted Period**"); and (ii) a date determined by an eligible participant that is after the Restricted Period but is not later than the participant's retirement date or termination date (a "**Deferred Payment Date**"). Participants seeking to set a Deferred Payment Date may do so by giving the Company at least 60 days' notice prior to the expiration of the Restricted Period. The Committee may also make the vesting of RSUs subject to performance conditions to be achieved by the Company, the participant or a class of participants.

In the event that the expiry of the applicable Restricted Period (or on the Deferred Payment Date, as applicable) falls within, or within two trading days after the end of, a trading blackout period imposed by or on the Company (the "**Blackout Period**"), the expiry date of such Restricted Period (or on the Deferred Payment Date, as applicable) shall be automatically extended to the close of the 10th trading day following the end of the Blackout Period.

The number of Common Voting Shares or Variable Voting Shares, or any combination thereof, to be reserved for issuance under the RSU Plan shall be that number that is equal to 3.2% of the issued and outstanding Voting Shares from time to time. As of the date hereof, this represents 428,244 Voting Shares. The maximum number of Common Voting Shares or Variable Voting Shares, or any combination thereof, issuable to insiders, at any time, pursuant to the RSU Plan and any other security-based compensation arrangements of the Company is 10% of the total number of Voting Shares then outstanding. The maximum number of Common Voting Shares or Variable Voting Shares, or any combination thereof, issuable to insiders, within any one year period, pursuant to the RSU Plan and any other security-based compensation arrangements of the Company is 10% of the total number of Voting Shares then outstanding. The RSU Plan is an "ever green" plan as contemplated under the *TSX Guide to Security Based Compensation Arrangements*. Any increase in the issued and outstanding Voting Shares will result in an increase in the available number of Common Voting Shares and Variable Voting Shares, or any combination thereof, issuable under the RSU Plan. Any issuance of Voting Shares from treasury, including issuances of Common Voting Shares or Variable Voting Shares, as applicable, pursuant to the settlement of RSUs, shall automatically replenish the number of Common Voting Shares or Variable Voting Shares, as applicable, issuable under the RSU Plan. When an RSU is settled, cancelled or terminated, a Common Voting Share or Variable Voting Share, as applicable, shall automatically be available for the grant of a new RSU under the RSU Plan. Grants of RSUs and grants under all other security-based compensation arrangements of the Company to non-employee directors should not exceed an annual equity value of $150,000 to each non-employee director (based on the grant date fair value of the RSUs).

RSUs are not assignable. Subject to any provisions with respect to vesting of RSUs in a participant's employment agreement with the Company, in the event of a participant's retirement or termination during a Restricted Period, any RSUs automatically terminate, unless otherwise determined by the Committee. If a participant's retirement or termination occurs after the Restricted Period and prior to any Deferred Payment Date, any RSUs shall be settled by the Company issuing the applicable Common Voting Shares or Variable Voting Shares, as applicable. Subject to any provisions with respect to vesting of RSUs in a participant's employment agreement with the Company, in the event of death or disability, such RSUs shall be immediately settled and Common Voting Shares or Variable Voting Shares, as applicable, issued.

In the event a cash dividend is paid to shareholders of the Company on the Voting Shares while a RSU is outstanding, the Committee may, in its sole discretion, elect to credit each participant with additional RSUs. In such case, the number of additional RSUs will be equal to the aggregate amount of dividends that would have been paid to the participant if the RSUs in the participant's account on the record date had been Voting Shares divided by the market price of a Voting Shares on the date on which dividends were paid by the Company. If the foregoing shall result in a fractional RSU, the fraction shall be disregarded.

Subject to any provisions with respect to vesting of RSUs in a participant's employment agreement with the Company, in the event of a change of control of the Company (as such term is defined in the RSU Plan), all RSUs shall be immediately settled with Common Voting Shares or Variable Voting Shares, as applicable, notwithstanding the Restricted Period and any applicable Deferred Payment Date.

The Committee may from time to time in the absolute discretion of the Committee (without Shareholder approval) amend, modify and change the provisions of the RSU Plan, including, without limitation:

(i) amendments of a house keeping nature; and

(ii) changes to the Restricted Period of any RSU.

However, other than as set out above, any amendment, modification or change to the provisions of the RSU Plan which would:

(i) materially increase the benefits of the holder under the RSU Plan to the detriment of the Company and its Shareholders;

(ii) increase the number of Common Voting Shares and Variable Voting Shares, or any combination thereof, or the maximum percentage of Voting Shares, other than by virtue of Section 5.06 and 5.08 of the RSU Plan, which may be issued pursuant to the RSU Plan;

(iii) reduce the range of amendments requiring Shareholder approval contemplated under the RSU Plan;

(iv) permit RSUs to be transferred other than for normal estate settlement purposes;

(v) change insider participation limits and the director limits in Section 2.06 of the RSU Plan which would result in Shareholder approval to be required on a disinterested basis; or

(vi) materially modify the requirements as to eligibility for participation in the RSU Plan;

shall only be effective upon such amendment, modification or change being approved by the Shareholders. In addition, any such amendment, modification or change of any provision of the RSU Plan shall be subject to the approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

The following table provides a summary of RSU's awarded and outstanding:

Restricted Share Unit Plan	Number of shares to be issued upon satisfaction of outstanding RSUs	Dilution Rate (Total number of RSUs outstanding divided by the total number of shares outstanding) %	Number of RSUs remaining available for future issuance under the Restricted Share Unit Plan
RSUs Granted in 2015	13,993	0.1%	n/a
RSUs Granted in 2016	9,007	0.1%	n/a
RSUs Granted in 2017	40,276	0.3%	n/a
Totals	63,276	0.5%	364,968

(v) Stock Option Plan

The Company received initial Shareholder approval for the Option Plan at its Annual and Special Meeting of Shareholders in 2014. The Company sought and received the approval of Shareholders to amend the Option Plan at its Annual and Special Meeting of Shareholders in 2017 to remove certain restrictions from the category of Eligible Persons (as defined below) under the Option Plan so as to provide for the ability to grant Options (as defined below) to Eligible Persons regardless of their jurisdiction of residence.

The following is a summary of the amended Option Plan, which has been approved by the Shareholders and the TSX.

Under the Option Plan, the Board may from time to time grant directors, officers, employees or consultants of the Company and any of its subsidiaries (collectively, "**Eligible Persons**") options to acquire Common Voting Shares or Variable Voting Shares, as applicable, ("**Options**") in such numbers, for such terms and at such exercise prices as may be determined by the Board. The purpose of the Option Plan is to attract, retain and motivate persons as directors, officers, employees and consultants of the Company and its subsidiaries and to advance the interests of the Company by providing such persons with the opportunity, through Options, to acquire a proprietary interest in the Company. The Board takes into account previous grants when considering new grants.

The Option Plan is an "ever green" plan as contemplated under the *TSX Guide to Security Based Compensation Arrangements*. As a result, should the Company issue any Voting Shares in the future, the aggregate number of Common Voting Shares and Variable Voting Shares issuable under the Option Plan will increase accordingly. Common Voting Shares or Variable Voting Shares in respect of which Options are exercised, expired or cancelled shall become available for the grant of subsequent Options under the Option Plan. The maximum aggregate number of Common Voting Shares or Variable Voting Shares, or any combination thereof, that may be reserved for issuance for all purposes under the Option Plan is 5% of the issued and outstanding Voting Shares at the time of grant. As of the date hereof, this represents 669,131 Voting Shares.

The maximum aggregate number of Common Voting Shares or Variable Voting Shares, or any combination thereof, that may be issuable to insiders of the Company pursuant to the Option Plan and any other security-based compensation arrangements of the Company is 10% of the Voting Shares then outstanding. The maximum aggregate number of Common Voting Shares or Variable Voting Shares, or any combination thereof, that may be issued to insiders of the Company within any one year period pursuant to the Option Plan and any other security-based compensation arrangements of the Company is 10% of the Voting Shares then outstanding. Grants of Options to non-employee directors should not exceed an annual equity value of $100,000 to each non-employee director (based on the grant date fair value of the Options). Grants of Options and grants under all other security-based compensation arrangements of the Company to non-employee directors should not exceed an annual equity value of $150,000 to each non-employee director (based on the grant date fair value of the Options).

No fractional Common Voting Shares or Variable Voting Shares may be purchased or issued under the Option Plan.

The Board has the authority under the Option Plan to establish the Option price at the time each Option is granted. The Option price may not be lower than the five day volume weighted average trading price (as determined in accordance with the rules of the TSX) of the Common Voting Shares or the Variable Voting Shares, as applicable, on the TSX ending on the trading day immediately preceding the grant date of the Option.

The Option Plan provides for the cashless exercise of an Option pursuant to which an optionee would be entitled to receive that number of Common Voting Shares or Variable Voting Shares, as applicable, upon surrender of the Option equal to the excess of the five day volume weighted average trading price (as determined in accordance with the rules of the TSX) of the Common Voting Shares or Variable Voting Shares, as applicable, on the Exchange ending on the trading day immediately preceding the date of exercise (the "**Market Price**") over the exercise price per Common Voting Shares or Variable Voting Shares, as applicable, multiplied by the number of Common Voting Shares or Variable Voting Shares, as applicable, represented by the Option being surrendered divided by the Market Price of the Common Voting Shares or Variable Voting Shares, as applicable, rounded down to the nearest whole Common Voting Shares or Variable Voting Shares, as applicable.

The term and vesting period of the Options granted under the Option Plan will be determined by the Board, but may not exceed five years from the date of grant. Options are not generally transferable other than by will or the laws of descent and may be exercised during the lifetime of the optionee only by the optionee. Notwithstanding the foregoing, in the event that the expiry date of an Option falls within, or within two days of the end of, a trading blackout period imposed by or on the Company (the "**Blackout Period**"), the expiry date of such Option will automatically be extended to the 10th business day following the end of the Blackout Period.

The Company provides no financial assistance to facilitate the purchase of Common Voting Shares or Variable Voting Shares, as applicable, to directors, officers or employees who hold Options granted under the Option Plan.

Subject to the terms of an optionee's employment agreement with respect to a Change of Control (as such term is defined in the Option Plan), and unless otherwise determined by the Board prior to such Change of Control, if a Change of Control occurs, all Options then outstanding shall automatically vest, so that, notwithstanding the other terms of the Option Plan, such Options may be exercised in whole or in part by the optionee and upon the exercise of an Option under the Option Plan, the holder thereof shall be entitled to receive any securities, property or cash (or a combination thereof) which the optionee would have received upon such Change of Control if the optionee had exercised his Option immediately prior to the applicable record date or event, as applicable, and the exercise price shall be adjusted, as applicable, by the Board, unless the Board otherwise determines the basis upon which such Option shall be exercisable, and any such adjustments shall be binding for all purposes of the Option Plan.

If an optionee ceases to be an Eligible Person, each Option held by such optionee will cease to be exercisable on the earlier of (i) the date which is 90 days following the date on which such optionee ceases to be an Eligible Person (or such longer period as may be prescribed by law or as may be determined by the Board in its sole discretion), or (ii) the original Option expiry date. If an optionee dies, the legal representative of the optionee may exercise the optionee's Options within one year after the date of the optionee's death but only up to and including the original Option expiry date. Notwithstanding the foregoing, in the event the optionee is terminated for cause, the Option shall immediately terminate.

Under the Option Plan, the Board may from time to time amend or revise the terms of the Option Plan. Certain amendments require Shareholder approval, including, among other things, changes to the maximum aggregate number or percentage of Common Voting Shares and Variable Voting Shares issuable under the Option Plan, amendments to provide for financial assistance, the reduction of Option exercise prices, or extending Option expiry dates beyond their original terms, and any amendments to the amendment provisions of the Option Plan.

All other amendments to the Option Plan not specified to require Shareholder approval under the Option Plan may be made by the Board without obtaining Shareholder approval, including (without limitation) amendments of a house-keeping nature.

The following table provides a summary of Options that have been granted and remain outstanding:

Stock Option Plan	Number of shares to be issued upon exercise of outstanding Options	Weighted Average Exercise Price ($)	Dilution Rate (Total number of Options outstanding divided by the total number of shares outstanding) %	Number of Options remaining available for future issuance under the Stock Option Plan
Options Granted in 2015	84,699	$25.4654	0.6%	n/a
Options Granted in 2016	135,748	$32.3663	1.0%	n/a
Options Granted in 2017	-	-	nil	n/a
Totals	220,447	$29.7149	1.6%	448,684

Perquisites & Benefits

The Company takes a conservative approach to perquisites. Mr. Virmani and Mr. Porteous are provided with an annual car allowance and home office allowance, health and other benefits. For 2017, the aggregate annual perquisites and benefits amounted to $209,446 for Mr. Virmani and $110,400 for Mr. Porteous. For 2017, Ms. Dhillon, Mr. Kim, Mr. Sugar and Mr. Rinaldo were each provided an annual car allowance of $48,000.

2017 Performance and Compensation Decisions

The Company believes strongly in paying its executives based on the Company's performance. At the beginning of 2017, management and the CNC agreed in regard to the STIP and LTIP on a targeted Adjusted EBITDA of $110.1 million before management bonuses for the year ending December 31, 2017. Actual EBITDA before management bonuses of $117.7 million was above the Adjusted EBITDA target of $110.1 million and the Board awarded the maximum bonus to the CEO. As authorized by the Board, the CEO determined to what extent the NEOs were entitled to their target awards under their STIP and LTIP plans (see "Executive Compensation – Summary Compensation Table").

Employment Agreements

Each of Ajay Virmani and Jamie Porteous entered into employment agreements on June 9, 2005 for an indefinite term, to reflect employment terms that became effective in June 2004. The employment agreements were updated in 2014, and again in 2017 in the case of Mr. Virmani, as part of the annual review process by the CNC and any entitlements on termination or change of control are set out under the heading "Termination and Change of Control Benefits".

Founder / President & Chief Executive Officer Pension Plan

The Board approved an Individual Pension Plan ("**IPP**") and Supplemental Pension Plan ("**SRP**") for the Founder / President & Chief Executive Officer effective December 31, 2016. The Board considered the exceptional growth achieved by the Company under the CEO's leadership and recognized that Cargojet had reached a substantially higher level of market capitalization over the past several years. The Board determined that the CEO was essential to the past and future success of Cargojet. In light of Cargojet's success, the Board completed a comprehensive compensation analysis of the competitive and comparative companies in the industry. To recognize the CEO's many years of service with the Company, his founding of Cargojet, and his leadership in the building and success of the Company, and as an incentive for retention, the Board approved the IPP and SRP for the CEO.

The IPP is a registered, defined contribution pension plan that requires the Company to make monthly contributions to the IPP in an amount equal to the lesser of (i) the Money Purchase Limit (as defined in Section 147.1 of *Income Tax Act* (Canada)) for the year and (ii) 18% of the CEO's compensation, as defined for this purpose in the *Income Tax Act* (Canada), from the Company for the month, until such time as such contributions in respect of the year equals the lesser of (i) the Money Purchase Limit for the year and (ii) 18% of the CEO's compensation from the Company for the year. The Money Purchase Limit, and therefore the Company's maximum required contribution under the IPP, was $26,230 for 2017 and for 2018 will be

$26,500. The amount contributed by the Company will be made to an account with London Life Insurance Company and will be invested in accordance with instructions provided by the Company and applicable laws. Under the IPP, the amount of the pension payable to the CEO on his retirement or death will be an amount that can be purchased from the net balance in the IPP account. The CEO may elect to take the pension in monthly intervals in accordance with the *Pension Benefits Standards Act* for the remainder of his lifetime or over a guaranteed period not exceeding 15 years. If the CEO dies, his spouse will be entitled to 60% of the amount payable to the CEO in respect of his pension under the IPP.

The SRP is an unfunded, non-registered supplemental defined benefit pension arrangement. The benefits under the SRP will be offset by the actuarial equivalent of the IPP account balance. In combination with the IPP, the SRP will provide the CEO with an annual pension equal to 2% of his 3-year final average earnings for each year of credited service. Credited service under the SRP includes service from the CEO's date of hire, and pensionable earnings include employment income as reported on the Canada Revenue Agency Form T4 *Statement of Remuneration Paid,* excluding (i) LTIP earnings; (ii) other securities-based earnings; and (iii) earnings in respect of a partial calendar year. The SRP pension is payable upon cessation of the CEO's employment and vests as to 80% if his employment ceases on December 31, 2017, as to 90% if his employment ceases on December 31, 2018 and as to 100% if his employment ceases on December 31, 2019. For dates between those listed, vesting will be on a proportional basis at a rate of 1/120th per month.

The SRP does not provide benefit for pre-retirement death, however, his spouse would receive 60% of the amount he was receiving, or would have received under the SRP if he commenced the pension on the date of his death, for the rest of her life.

See the following tables in respect of the SRP and the IPP which reflect the current status of each plan as at December 31, 2017:

SRP

Name and Principal Position	Number of years credited service (1)	Annual benefits payable ($) (2)		Opening present value of defined benefit obligation ($) (3)	Compen-satory changes ($) (4)	Non-compen-satory changes ($) (5)	Closing present value of defined benefit obligation ($) (6)
		At year end	At age 65				
Ajay Virmani Founder / President & Chief Executive Officer	16.25	631,800	980,600	8,705,000	930,000	852,000	10,487,000

Notes:

(1) The number of years credited service reflects Mr. Virmani's actual tenure with the Company as at December 31, 2017.

(2) Annual benefits payable are calculated as the amount equal to two percent of Mr. Virmani's 3-year final average earnings for each year of credited service. Annual benefits are subject to vesting provisions based on termination of employment dates as follows:

i. December 31, 2017: 80% of annual benefit is vested
ii. December 31, 2018: 90% of annual benefit is vested
iii. December 31, 2019: 100% of annual benefit is vested

(3) The pension plan was established on December 31, 2016. The opening present value of defined benefit obligation represents the value of pension benefits for company service rendered prior to December 31, 2016 and is based on actuarial assumptions as at December 31, 2016. The actual assumptions include the following:

a. Discount Rate: 3.9% per year
b. Increase in pensionable earnings: 2.75% per year
c. Inflation: 2.0% per year
d. Longevity post retirement: CPM2014 mortality table with generational mortality improvements using CPM-B Improvement Scale.
e. Retirement age: 65 years

(4) Compensatory changes represent the value of pension benefits accrued during the Company's most recently completed financial year due to the accumulation of company service and changes in salaries or terms of the pension plan. It includes services costs, differences between actual and estimated earnings and any plan changes

that have retroactive impact. All compensatory changes for the Company's most recently completed financial year represent the accrual of pension benefits for past service.

(5) Non-compensatory changes include changes to the pension plan assumptions including the discount rate and inflation rate.

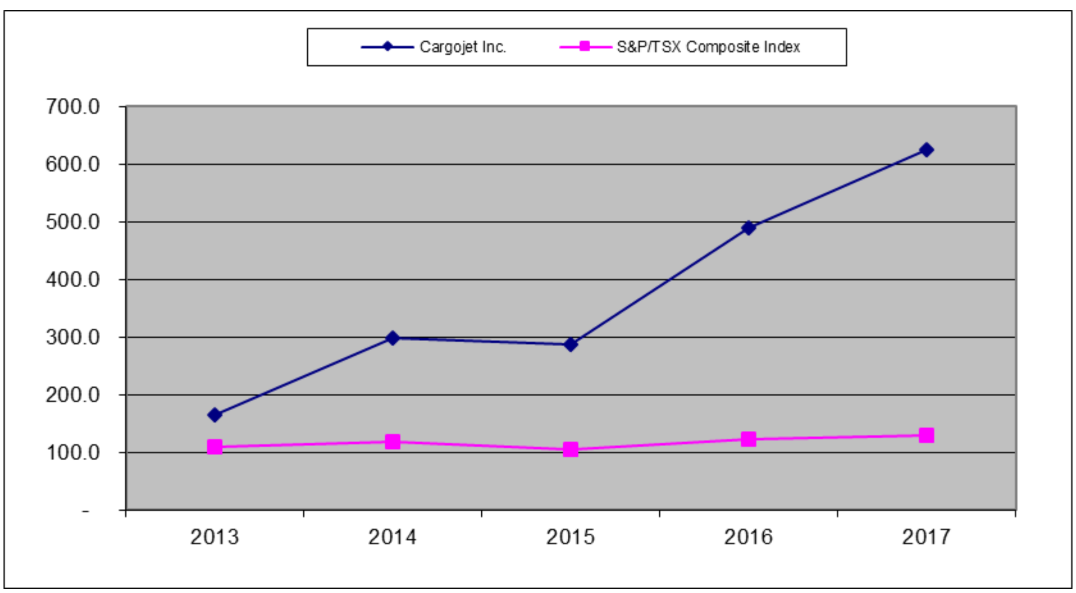
(6) The closing present value of defined benefit obligation at the end of the Company's most recently completed financial year represents the value of pension benefits for company service rendered prior to December 31, 2017 and is based on actuarial assumptions as at December 31, 2017. The actuarial assumptions include the following:
a. Discount Rate: 3.5% per year
b. Increase in pensionable earnings: 2.0% per year
c. Inflation: 2.0% per year
d. Longevity post retirement: CPM2014 mortality table with generational mortality improvements using CPM-B Improvement Scale.
e. Retirement age: 65 years

IPP

Name and Principal Position	Accumulated value at start of year ($)	Compensentory ($)	Accumulated value at end of year ($)
Ajay Virmani Founder / President & Chief Executive Officer	-	26,230	26,230

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return for $100 invested in Voting Shares on January 1, 2013 against the cumulative total shareholder return of the S&P/TSX Composite Index for the five most recently completed financial years of the Company, assuming the reinvestment of all distributions and dividends, as applicable.



	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017
Cargojet Inc.	164.5	298.8	288.0	490.4	624.4
S&P/TSX Composite Index	109.6	117.7	104.6	123.0	130.4

During the period from January 1, 2013 to December 31, 2017, the Company's cumulative total shareholder return increased by 624.4% compared to the S&P/TSX Index increase of 130.4%. During this same period, the annual base salaries of the NEOs increased on average by 147%. Total compensation (excluding benefits) during this period increased by 366%.

Summary Compensation Table

The following table provides information for the financial year ended December 31, 2017 regarding compensation paid to or earned by the NEOs.

Name and Principal Position	Year	Salary ($)	Share Based Awards ($)(2)	Option Based Awards ($)(2)	Non-Equity Annual Incentive Plans (STIP) ($)(4)	Pension Value ($)(1)	All other compen-sation ($)(5)	Total compen-sation ($)
Ajay Virmani(3)	2017	975,000	1,950,000	-	1,950,000	1,808,430	211,200	6,894,630
Founder, President & Chief	2016	911,346	1,312,500	100,000	1,312,500	8,705,000	153,600	12,494,946
Executive Officer	2015	700,000	3,000,250	612,500	787,500	-	553,600	5,653,850
Jamie Porteous (3)	2017	495,000	433,125	-	563,063	13,005	110,400	1,614,593
Executive Vice President	2016	495,000	433,125	100,000	563,063	13,005	260,400	1,864,593
and Chief Commercial Officer	2015	495,000	148,500	396,000	482,625	12,465	307,275	1,841,865
Pauline Dhillon	2017	300,000	210,000	-	183,750	13,005	48,000	754,755
Executive Vice President	2016	250,000	150,000	-	178,125	10,096	48,000	636,221
Marketing, Public & Government Relations	2015	250,000	43,750	43,750	87,500	1,442	98,000	524,442
John Kim	2017	275,000	165,000	-	144,375	11,000	48,000	643,375
Chief Financial Officer and Vice-President	2016	275,000	165,000	-	144,375	11,000	48,000	643,375
Governance and Corporate Secretary	2015	275,000	48,125	48,125	96,250	11,000	110,500	589,000
George Sugar	2017	250,000	150,000	-	131,250	12,500	48,000	591,750
Senior Vice President	2016	250,000	150,000	-	131,250	12,500	48,000	591,750
Flight Operations	2015	250,000	32,813	32,813	65,625	12,500	85,500	479,250
Paul Rinaldo	2017	250,000	150,000	-	131,250	12,500	48,000	591,750
Senior Vice President	2016	250,000	150,000	-	131,250	12,500	48,000	591,750
Engineering and Maintenance	2015	250,000	32,813	32,813	65,625	12,500	85,500	479,250

Notes:

(1) The entire amount for Mr. Virmani's 2016 pension value represents the accrual of future pension benefits for his 15.25 years of past service as at the financial year ended December 31, 2016 and is a non-cash charge. The entire amount for Mr. Virmani's 2017 pension value represents the accrual of future pension benefits for his services for the financial year ended December 31, 2017 and is a non-cash charge. No amounts will be paid to Mr. Virmani until he retires (see SRP table on page 14).
Pension value amounts for the other NEOs are the amounts contributed by the Company to the Company's Deferred Profit Sharing Plan.

(2) Details of Share Based and Option Based Awards are provided in a following table. Mr. Virmani's award was adjusted to $1,312,500 from $875,000 as per the terms of his incentive agreement. Mr. Porteous was paid $150,000 in cash in 2018 in lieu of RSUs awarded in 2016.

(3) No compensation was paid to Messrs. Virmani or Porteous in their capacities as a director. Mr. Virmani's annual salary was increased to $975,000 effective January 1, 2017.

(4) Details of all other compensation are provided in the following table.

Name and Principal Position	Year	Automobile Allowance ($)(1)	Home Office Allowance ($)	Health Club and Other Memberships ($)	Other Bonuses ($)(2)	Total All Other Compensation ($)
Ajay Virmani	2017	120,000	43,200	48,000	-	211,200
President and Chief	2016	120,000	21,600	12,000	-	153,600
Executive Officer	2015	120,000	21,600	12,000	400,000	553,600
Jamie Porteous	2017	84,000	14,400	12,000	-	110,400
Executive Vice President	2016	84,000	14,400	12,000	-	260,400
and Chief Commercial Officer	2015	84,000	14,400	12,000	196,875	307,275
Pauline Dhillon	2017	48,000	-	-	-	48,000
Executive Vice President	2016	48,000	-	-	-	48,000
Marketing, Public & Government Relations	2015	48,000	-	-	50,000	98,000
John Kim	2017	48,000	-	-	-	48,000
Chief Financial Officer and Vice-President	2016	48,000	-	-	-	48,000
Governance and Corporate Secretary	2015	48,000	-	-	62,500	110,500
George Sugar	2017	48,000	-	-	-	48,000
Senior Vice President	2016	48,000	-	-	-	48,000
Flight Operations	2015	48,000	-	-	37,500	85,500
Paul Rinaldo	2017	48,000	-	-	-	48,000
Senior Vice President	2016	48,000	-	-	-	48,000
Engineering and Maintenance	2015	48,000	-	-	37,500	85,500

Notes:

(1) Automobile allowances are paid to NEOs per their respective employment agreements for the capital or lease cost of the vehicle and all related operating costs including, fuel, repairs, parking, and insurance.

(2) NEO's were awarded a one-time bonus for the successful transition and initial implementation of a major new customer contract. It was partially paid in 2014 and partially in 2015 based on achieving certain milestones and performance targets. In 2015, the CEO, CCO, Executive Vice President Marketing, Public and Government Relations, CFO, Senior Vice President Flight Operations and Senior Vice President Engineering and Maintenance received cash bonuses of $400,000, $196,875, $50,000, $62,500, $37,500 and $37,500, respectively. In 2014, the CEO, CCO, Executive Vice President Marketing, Public and Government Relations, CFO, Senior Vice President Flight Operations and Senior Vice President Engineering and Maintenance received cash bonuses of $250,000, $140,625,$50,000, $62,500, $50,000 and $50,000, respectively.

Details of Share Based and Option Based Awards

Name and Principal Position	Year	LTIP Awards RSU's (1)	Other Awards RSU's (3)	Total Share Based Awards	LTIP Awards Options (2)	Other Awards Options (3)(4)	Total Option Based Awards
Ajay Virmani	2017	1,950,000	-	1,950,000	-	-	-
President and Chief	2016	1,312,500	-	1,312,500	-	100,000	100,000
Executive Officer	2015	262,500	2,737,750	3,000,250	262,500	350,000	612,500
Jamie Porteous	2017	433,125	-	433,125	-	-	-
Executive Vice President	2016	433,125	150,000	583,125	-	100,000	100,000
and Chief Commercial Officer	2015	148,500	-	148,500	148,500	247,500	396,000
Pauline Dhillon	2017	210,000	-	210,000	-	-	-
Executive Vice President	2016	150,000	-	150,000	-	-	-
Marketing, Public & Government Relations	2015	43,750	-	43,750	43,750	-	43,750
John Kim	2017	165,000	-	165,000	-	-	-
Chief Financial Officer and Vice-President	2016	165,000	-	165,000	-	-	-
Governance and Corporate Secretary	2015	48,125	-	48,125	48,125	-	48,125
George Sugar	2017	150,000	-	150,000	-	-	-
Senior Vice President	2016	150,000	-	150,000	-	-	-
Flight Operations	2015	32,813	-	32,813	32,813	-	32,813
Paul Rinaldo	2017	150,000	-	150,000	-	-	-
Senior Vice President	2016	150,000	-	150,000	-	-	-
Engineering and Maintenance	2015	32,813	-	32,813	32,813	-	32,813

Notes:

(1) The LTIP RSU awards for 2017 will be granted in 2018 at least 10 trading days after the release of the Company's financial results. The final mix of RSUs and Options will be determined at the time the award is granted. The mix of share based and option based LTIP awards for 2017 has been estimated as 100% share based and 0% option based.

The dollar amounts of the 2015 and 2016 awards represent the fair value of RSUs on the date they were granted. The grant date for the RSUs was at least 10 trading days after the release of Cargojet's financial results. The value of each RSU was determined based on the volume weighted average price of the Company's common shares on the Toronto Stock Exchange for the 5 trading days preceding the grant date. RSUs vest annually. Two-thirds of these granted awards have vested as of March 12, 2018.

(2) The dollar amounts of the 2015 LTIP option awards represent the fair value of Options on the date they were granted. The grant date for the Options was March 28, 2016. The value of each Option was determined by the using the Black-Scholes valuation method which is the industry standard method to value options. The following assumptions were used:

- Risk free rate: 0.63%
- Dividend yield: 2.5%
- Expected volatility: 32.4%

(3) As further recognition of the contributions of the CEO to the successful transition of a major new customer contract and the implementation of significant cost reduction initiatives in 2015, and to ensure the retention of the CEO's services for the next several years, the Board awarded the CEO 100,000 RSU's that vested 1/3 in 2015, 1/3 in 2016 and 1/3 in 2017. These RSUs had a fair value of $2,737,750 on the date they were granted. The CEO was also awarded $350,000 of Options in 2015 that were granted in 2016, and $100,000 of Options in 2016 that were granted in 2016. These amounts were in addition to the CEO's STIP and LTIP awards.

As further recognition of the contributions of the CCO to the successful transition of a major new customer contract and the implementation of significant cost reduction initiatives in 2015, the Board awarded the CCO $247,500 of Options in 2015 that were granted in 2016, $100,000 of Options in 2016 that were granted in 2016, and $150,000 paid in cash in 2018 in lieu of RSUs that were awarded in 2016. These amounts were in addition to the CCO's STIP and LTIP awards.

(4) The dollar amounts of the 2016 option awards represents the fair value of Options on the date they were granted. The grant date for the Options was November 17, 2016. The value of each Option was determined by the using the Black-Scholes valuation method which is the industry standard method to value options. The following assumptions were used:

- Risk free rate: 1.75%
- Dividend yield: 1.41%
- Expected volatility: 32.96%

The dollar amounts of the 2015 option awards represents the fair value of Options on the date they were granted. The grant date for the Options was March 28, 2016. The value of each Option was determined by the using the Black-Scholes valuation method which is the industry standard method to value options. The following assumptions were used:

- Risk free rate: 0.63%
- Dividend yield: 2.5%
- Expected volatility: 32.4%

Incentive Plan Awards

The following tables provide information regarding the value on pay-out or vesting of incentive plan awards for the financial year ended December 31, 2017:

Outstanding Share-based and Option-based Awards

	Option-based Awards				Share-based Awards			
Name	**Number of Unexercised Options**	**Option Exercise Price**	**Option Expiry Date**	**Value of Unexercised in-the-money Optons**	**Number of RSUs that have not vested**	**Market Value of RSUs that have not vested**	**RSU Award Date**	**Market Value of vested RSUs that have not been distributed**
Ajay Virmani	15,060	$25.47	Jun 15, 2020	$ 499,760	2,945	$ 172,724	Jun 03, 2015	$ -
	37,600	$26.50	Mar 28, 2021	$ 1,208,893	3,302	$ 193,662	Jun 15, 2015	$ -
	9,610	$47.22	Nov 17, 2019	$ 109,843	18,491	$ 1,084,497	Mar 21, 2016	$ -
Jamie Porteous	9,036	$25.47	Jun 15, 2020	$ 299,856	1,767	$ 103,635	Jun 15, 2015	$ -
	24,310	$26.50	Mar 28, 2021	$ 781,601	1,868	$ 109,558	Mar 21, 2016	$ -
	9,610	$47.22	Nov 17, 2019	$ 109,843	6,102	$ 357,882	Jun 27, 2017	$ -
Pauline Dhillon	13,177	$25.47	Jun 15, 2020	$ 437,273	859	$ 50,380	Jun 15, 2015	$ -
	8,057	$26.50	Mar 28, 2021	$ 259,044	550	$ 32,258	Jun 27, 2017	$ -
	-	$0.00	Nov 17, 2019	$ -	2,113	$ 123,927	Jun 27, 2017	$ -
John Kim	14,495	$25.47	Jun 15, 2020	$ 481,011	944	$ 55,366	Jun 15, 2015	$ -
	8,863	$26.50	Mar 28, 2021	$ 284,958	605	$ 35,483	Mar 21, 2016	$ -
	-	$0.00	-	$ -	2,325	$ 136,361	Jun 27, 2017	$ -
George Sugar	4,393	$25.47	Jun 15, 2020	$ 145,780	859	$ 50,380	Jun 15, 2015	$ -
	2,015	$26.50	Mar 28, 2021	$ 64,785	412	$ 24,164	Mar 21, 2016	$ -
	-	$0.00	-	$ -	2,113	$ 123,927	Jun 27, 2017	$ -
Paul Rinaldo	4,393	$25.47	Jun 15, 2020	$ 145,780	859	$ 50,380	Jun 15, 2015	$ -
	2,015	$26.50	Mar 28, 2021	$ 64,785	412	$ 24,164	Mar 21, 2016	$ -
	-	$0.00	-	$ -	2,113	$ 123,927	Jun 27, 2017	$ -

Notes:

(1) The Company's Common Voting Shares, trading under the symbol "CJT" on the TSX, closed at $58.65 per share on December 31, 2017.

(2) There were no vested but undistributed Common Voting Shares as at December 31, 2017.

(3) The market value of unexercised in-the-money Options was calculated as the difference between exercise strike price and the closing price of the Company's Common Voting Shares, trading under the symbol "CJT" on the TSX on December 31, 2017 multiplied by the number of unexercised in-the-money Options.

(4) The market value of the RSUs that have not vested was calculated as the closing price of the Company's Common Voting Shares, trading under the symbol "CJT" on the TSX on December 31, 2017 multiplied by the number of RSUs that have not vested.

Incentive Plan Awards Vested or Non-equity Incentives Earned During the Year

Name	**Number of options vested during the year (1)**	**Value of option-based awards vested during the year (1)**	**Number of common voting shares vested during the year**	**Value of share-based awards vested during the year**	**Value of non-equity incentive plan compensation earned during the year**
Ajay Virmani	52,660	$1,353,527	49,656	$ 2,310,983	$ 1,950,000
Jamie Porteous	33,345	$666,090	6,817	$ 321,394	$ 563,063
Pauline Dhillon	7,078	$145,747	2,517	$ 118,505	$ 183,750
John Kim	7,786	$255,323	2,771	$ 130,460	$ 144,375
George Sugar	6,406	$159,653	2,375	$ 111,958	$ 131,250
Paul Rinaldo	6,406	$141,171	2,375	$ 111,958	$ 131,250

Notes:

(1) Details of vested Options provided in the following table.

Name	Number of Vested Options	Option Exercise Price	Option Expiration Date	Option Vesting Date	Closing Price of Cargojet Shares at Vesting Date	Value of Vested In-the-money Options
Ajay Virmani	15,060	$25.47	Jun 15, 2020	Mar 22, 2016	$27.18	$ 398,199
	37,600	$26.50	Mar 28, 2021	Mar 28, 2016	$27.00	$ 955,327
	-	$47.22	Nov 17, 2019	Nov 17, 2016	$49.49	$ -
Jamie Porteous	9,036	$25.47	Jun 15, 2020	Mar 22, 2016	$27.18	$ 187,307
	24,309	$26.50	Mar 28, 2021	Mar 28, 2016	$27.00	$ 478,784
	-	$47.22	Nov 17, 2019	Nov 17, 2016	$49.49	$ -
Pauline Dhillon	4,392	$25.47	Jun 15, 2020	Mar 22, 2016	$27.18	$ 145,747
	2,686	$26.50	Mar 28, 2021	Mar 28, 2016	$27.00	$ 86,359
John Kim	4,832	$25.47	Jun 15, 2020	Mar 22, 2016	$27.18	$ 160,348
	2,954	$26.50	Mar 28, 2021	Mar 28, 2016	$27.00	$ 94,975
George Sugar	4,392	$25.47	Jun 15, 2020	Mar 22, 2016	$27.18	$ 110,886
	2,014	$26.50	Mar 28, 2021	Mar 28, 2016	$27.00	$ 48,767
Paul Rinaldo	4,392	$25.47	Jun 15, 2020	Mar 22, 2016	$27.18	$ 98,215
	2,014	$26.50	Mar 28, 2021	Mar 28, 2016	$27.00	$ 42,957

Notes:

(1) The market value of vested in-the-money Options was calculated as the difference between exercise strike price and the closing price of the Company's Common Voting Shares, trading under the symbol "CJT" on the TSX on December 31, 2017 multiplied by the number of vested in-the-money Options.

Pension Plan Benefits – Deferred compensation plans

The Company offers a Deferred Profit Sharing Plan ("DPSP") to all permanent full-time and part-time employees. The Company matches employee contributions made in the year to the employee's group RRSP. For employees with more than five years of continuous service the rate is 4% and for employees with more than ten years of continuous service the rate is 5%. DPSP contributions become vested upon the completion of two years of plan membership.

Termination and Change of Control Benefits

Pursuant to their respective employment agreements, a NEO may resign by providing not less than six months written notice, with certain exceptions. All NEO employment agreements provide that if the NEO is terminated without cause, he or she is entitled to a lump sum severance payment less any required deductions. In the event that the NEO is terminated for cause, he or she is entitled to receive his or her compensation (including unused vacation pay) to the date of notice of termination.

Additionally, pursuant to their respective employment agreements, Messrs. Virmani and Porteous are bound by non-competition provisions during the period of their employment and for a period of two years after the termination of their employment for cause or voluntarily by the NEO, or for a period of one year after the termination of their employment without cause, with certain exceptions. Additionally, the employment agreements of Messrs. Virmani and Porteous include a non-solicitation provision during the term of employment of Messrs. Virmani and Porteous and for a period of two years following the termination of his employment, with or without cause.

Additionally, pursuant to their respective employment agreements, Ms. Dhillon and Messrs. Kim, Sugar and Rinaldo are bound by non-competition provisions during the period of their employment and for a period of one year after the termination of their employment for cause or voluntarily by Ms. Dhillon and Messrs. Kim, Sugar and Rinaldo, or for a period of one year after the termination of their employment without cause, with certain exceptions. Additionally, the employment agreements of each of Ms. Dhillon and Messrs. Kim, Sugar and Rinaldo include a non-solicitation provision during the term of employment of Ms. Dhillon and Messrs.

Kim, Sugar and Rinaldo and for a period of one year following the termination of his employment, with or without cause.

The following table provides details regarding the estimated incremental payments from the Company to each NEO on termination without cause, assuming a triggering event occurred on December 31, 2017.

Name	Severance Period (# of months)	Base Salary ($)	STIP and LTIP ($)	All Other Compensation ($)	Total Incremental Payment ($) [1]
Ajay Virmani	36	2,919,231	8,901,700	643,831	12,464,761
Jamie Porteous	24	990,000	1,125,415	229,574	2,344,989
Pauline Dhillon	12	300,000	Nil	Nil	300,000
John Kim	12	275,000	Nil	Nil	275,000
George Sugar	12	250,000	Nil	48,000	298,000
Paul Rinaldo	12	250,000	Nil	Nil	250,000
Totals		4,984,231	10,027,114	921,405	15,932,750

Note:

(1) All payments are gross of any withholding taxes and other required deductions

Each NEO will continue to receive benefits, with certain exceptions, for one year following such termination without cause.

Each NEO will also receive lump sum severance payment and benefits if within one year after a "Change of Control" (as defined in the applicable employment agreement) he or she is terminated without cause or resigns for "Good Reason" (as defined in the applicable employment agreement). The following table provides details regarding the estimated incremental payments from the Company to each of the NEOs on a change of control assuming a triggering event occurred on December 31, 2017:

Name	Severance Period (# of months)	Base Salary ($)	STIP and LTIP ($)	All Other Compensation ($)	Total Incremental Payment ($) [1]
Ajay Virmani	36	2,919,231	8,901,700	643,831	12,464,761
Jamie Porteous	24	990,000	1,125,415	229,574	2,344,989
Pauline Dhillon	24	600,000	Nil	Nil	600,000
John Kim	20	458,333	Nil	Nil	458,333
George Sugar	24	500,000	Nil	96,000	596,000
Paul Rinaldo	24	500,000	Nil	Nil	500,000
Totals		5,967,564	10,027,114	969,405	16,964,083

Note:

(1) All payments are gross of any withholding taxes and other required deductions

Director Compensation

Compensation for the Canadian independent directors of the Company, Mr. Webster and Mr. Godfrey, was $75,000 (2016 - $55,000) per director per year, $1,875 per director per meeting for attending meetings of the Board and $1,875 per director per meeting for attending committee meetings of the Board. The lead director of the Board received an additional retainer of $37,000 (2016 - $25,000), the chairman of the Audit Committee received additional remuneration of $20,000 (2016 - $10,000), and the chairman of the CNC received additional remuneration of $15,000 (2016 - $7,000).

Compensation for the US independent director of the Company, Mr. Crane, was US$75,000 (2016 – US$55,000) per year, US$1,875 per meeting for attending meetings of the Board and US$1,875 per meeting for attending committee meetings of the Board. As Chairman of the Corporate Governance Committee, James Crane received additional remuneration of US$15,000 per year.

The Company also reimbursed directors for out-of-pocket expenses for attending meetings. No director compensation was paid to directors who were members of management of the Company or its subsidiaries.

As more particularly described below, Mr. Crane was also compensated with US$100,000 in lieu of the Options granted in November 2016 to the other directors. Other than this payment, none of the directors were compensated in their capacity as director of the Company or any of its subsidiaries, as applicable during the financial year ended December 31, 2017 pursuant to any other arrangement or in lieu of any standard compensation arrangement.

In 2014, the Company implemented share ownership guidelines for its independent directors. Independent directors are required to maintain an investment in Cargojet shares equal to 3 times their annual retainer. Independent directors have until March 31, 2019 to comply with these guidelines. As at March 12, 2018, Paul Godfrey and James Crane have met the required level of investment in Cargojet shares.

Beginning in 2014, Cargojet's Canadian independent directors became eligible to receive annual RSU grants in the amount of $30,000 per director per year (James Crane received a cash award in lieu thereof in the amount of US$30,000 to purchase variable voting shares of the Company in 2015 and 2016 and US$100,000 in 2017 in lieu of the options granted in November 2016 to the other directors). Accordingly, in 2017 the Company granted a total of 2,103 RSU's to the independent directors based on the volume weighted average closing price of Common Voting Shares for the five trading days prior to the date of the RSU grant. The RSU's vested immediately.

The following table provides information regarding compensation paid to the directors for acting in such capacity during the financial year ended December 31, 2017.

Director Compensation Table

Name(1)	Fees earned ($)(2)	Share-based awards ($)(3)	Option-based awards ($)	Non-equity incentive plan compen-sation ($)	Pension value ($)	All other compen-sation ($)(4)	Total ($)
John Webster	162,000	30,000	-	-	-	-	192,000
Paul Godfrey	120,000	30,000	-	-	-	-	150,000
Jim Crane (5)	157,458	39,504	-	-	-	126,730	323,692

Notes:

(1) No compensation was paid to Messrs. Virmani and Porteous in their capacities as directors of the Company. For a summary of compensation paid in their capacities as executive officers of the Company, see "Summary Compensation Table".

(2) Fees earned include all fees earned during the fiscal year.

(3) 634 Common Voting Shares were granted to each of Mr. John Webster and Mr. Paul Godfrey, and 835 Variable Voting Shares were granted to Mr. Crane. There are no unvested shares or other share based compensation as at March 12th, 2018.

(4) Mr. Crane was paid an amount of USD $100,000 in cash in lieu of the options granted in 2016 to other Directors, such amount representing the fair value of the options on the date they were granted..

(5) Director fees paid to Mr. Crane were in USD. The amount shown represents the CAD equivalent at the exchange rate of $1.28 CAD to $1.00 USD.

Incentive Plan Awards Vested or Non-equity Incentives Earned During the Year

Name	Number of Options vested	Value of Option-based awards vested	Number of Common Voting Shares vested in 2016	Value of Share-based awards vested	Value of non-equity incentive plan compensation earned during the year
John Webster (1)	nil	nil	634	$ 30,000	$ -
Paul Godfrey (1)	nil	nil	634	$ 30,000	$ -
Jim Crane(1)	nil	nil	835	$ 39,504	$ -

Notes:

(1) The value of share-based awards vested was calculated using $47.32 per share which was the average price of the shares sold in the open market at the time the shares were distributed to the Directors for the remittance of withholding taxes.

Indebtedness of Directors, Executive Officers and Employees

As at March 12, 2018, no current or former director, executive officer or employee of the Company or any of its subsidiaries, as applicable, is indebted to the Company or any of its subsidiaries, nor has the indebtedness of any of them to another entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

Liability Insurance

The Company provides insurance for the benefit of the directors and officers of the Company against liability incurred by them in such capacities. The current annual policy limit is $40.0 million, including with Side A Difference in Conditions (DIC) excess liability coverage of $10.0 million, and contains a policy deductible of $50,000 and a deductible of $100,000 for securities claims only. For the policy year of August 1, 2017 to August 1, 2018, the Company paid an annual premium of $73,970 for this insurance. Under the policy, each entity has reimbursement coverage to the extent that it has indemnified the trustees or the directors and officers of such entity.

Interests of Informed Persons in Material Transactions

No informed person of the Company, proposed nominee for election as a director of the Company, or any associate or affiliate of such persons, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

Statement of Corporate Governance Practices

Corporate Governance

National Policy 58-201 – *Corporate Governance Guidelines* (the "**Governance Guidelines**") and the Governance Disclosure Rule were adopted by the securities regulatory authorities in Canada. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its security holders for the purpose of electing directors, specified disclosure of its corporate governance practices must be included in its management information circular. In addition, effective December 31, 2014, the Governance Disclosure Rule was amended to require issuers to make specific disclosure with respect to term limits for directors and its policies and practices regarding the representation of women on the Board and in executive positions.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and Shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks, which the Company faces. The directors are kept informed of the Company's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Company's corporate governance practices have been and continue to be in compliance with applicable Canadian requirements. The Company continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

The following is a description of the Company's corporate governance practices, which has been prepared by the Corporate Governance Committee of the Board and has been approved by the Board.

The Board

As of the date hereof, the Board is comprised of five directors being: Paul Godfrey, John Webster, and James Crane, who are independent within the meaning of the Governance Guidelines, and Ajay Virmani, the Founder / President & Chief Executive Officer and Jamie Porteous, the Executive Vice President and Chief Commercial Officer, who are not independent on the basis that they are executive officers of the Company. A majority of the directors, being three of the five directors, are considered to be independent directors. Mr. Crane replaced Mr. Virmani as the Chairman of the Board effective March 8, 2018 and Mr. Webster is the lead director. Both the Chairman of the Board and the lead director are independent directors. The lead director works closely with and in an advisory capacity to the Chairman of the Board. His primary focus is to be satisfied that the Board is organized properly, functions effectively and operates independently of management.

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- a non-executive Chairman of the Board has been appointed;
- a non-executive lead director of the Board has been appointed;
- a majority of the Board members are non-management members; and
- independent committees are appointed from time to time, when appropriate.

Position Descriptions

Written position descriptions have been developed by the Board for the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of each committee of the Board and the CEO.

The roles and responsibilities of the CEO are set out in the position description and employment agreement of Mr. Virmani, which was reviewed and approved by the Board with the assistance of the CNC.

Meetings of the Board

From January 1, 2017 to December 31, 2017, the Board held four meetings at which all directors of the Company were in attendance.

The independent directors comprise the committees of the Board and, in such roles, hold in camera sessions without management at their committee meetings to review the business operations, corporate governance, compensation, and financial results.

Other Public Company Directorships/Committee Appointments

The following table provides details regarding directorships held by the Directors in other reporting issuers.

Director	Other Reporting Issuer Directorships	Other Reporting Issuer Committee Appointments
John Webster	None	None
Paul Godfrey	Postmedia Network Inc.	None
	RioCan Real Estate Investment Trust	Chairman of the Board, Member of Audit, Nominating and Governance, Human Resource and Compensation, and Investment Committees
James R. Crane	Nabors, Inc.	Member of the Compensation and Technical and Safety Committees
	Western Gas	Member of the Audit and Special Committees
Ajay Virmani	None	None
Jamie Porteous	None	None

Board Charter

The Board is responsible for fostering the short and long-term success of the Company and is accountable to the Shareholders. The Board discharges its responsibilities directly and through the Audit Committee of the Company and the committees of the Board, currently consisting of the CNC and the Corporate Governance Committee.

A copy of the Charter of the Board setting out the Board's mandate, responsibilities and the duties of its members is attached as Schedule "A" to this management information circular.

Orientation and Continuing Education

The Board is responsible for ensuring that new directors are provided with an orientation and education program which will include written information about the duties and obligations of the director, the business and operations of the Company, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. To facilitate ongoing education of the directors, the Board, through consultation with their committees will: (a) periodically canvas the directors to determine their training and education needs and interests; (b) arrange ongoing visitation by the directors to the Company's facilities and operations; (c) arrange the funding for the attendance of the directors at seminars or conferences of interest and relevance to their position as a director; and (d) encourage and facilitate presentations by outside experts to the Board or its committees on matters of particular importance or emerging significance.

Code of Ethics

The Board has adopted a Code of Ethics (the "**Code**") for the directors, officers and employees of the Company and its subsidiaries and affiliates. The Company's Human Resources Department has responsibility for monitoring compliance with the Code by ensuring all directors, officers and employees receive and become thoroughly familiar with the Code and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to the Company's Human Resources Department. The directors monitor compliance of the Code by obtaining reports from the Company's

Human Resources Department as to any matters reported under the Code. A copy of the Code is available on SEDAR under the Company's profile at *www.sedar.com*.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Company has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from their supervisor or the CEO regarding any potential conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

Compensation and Nominations

The Board, with the assistance of the CNC, which is composed entirely of independent directors, determines appropriate compensation for the directors. The process by which appropriate compensation is determined is through periodic and annual reports from the CNC on the Company's overall compensation and benefits philosophies with such compensation realistically reflecting the responsibilities and risks of such positions.

The CNC's responsibilities also include reviewing and making recommendations to the Board regarding any equity or other compensation plan and regarding the total compensation package of the CEO and other executive officers of the Company, considering and approving the recommendations of the CEO regarding the total compensation and benefits philosophies and programs for senior management and employees and annually preparing a report on executive compensation for the Board.

The CNC is also responsible from time to time for identifying individuals qualified to become new members of the Board and recommending to the Board the new director nominees for the next annual meeting of shareholders. In making its recommendations, the CNC will, as applicable, 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.

Audit Committee

Information regarding the Company's Audit Committee is contained in the Company's annual information form (the "**AIF**") dated March 12, 2018 under the heading "Audit Committee". The AIF is available on SEDAR under the Company's profile at *www.sedar.com*.

Board Assessments

The current practice of the Board is for the Board to make ongoing, informal assessments of the performance of the Board, its committees and individual directors.

Director Term Limits

The Company has not adopted term limits for directors on the Board or other mechanisms of Board renewal as the Board currently assesses each director in order to ensure that the Board is balanced between highly experienced directors with long-term knowledge and those with a fresh perspective. The Board will periodically consider whether term limits or other mechanisms of Board renewal should be adopted and will implement changes when necessary.

Diversity Policy

The Company recognizes the importance and benefit of creating and maintaining a culture of workplace diversity. In keeping with this commitment, the Company has adopted a Diversity Policy which sets out the guidelines by which the Company will endeavor to establish and maintain diversity throughout the Company.

Management of the Company will strive to promote a work environment that values and utilizes the contributions of women and men, equally, with a variety of backgrounds, experiences and perspectives. The Board will consider diversity as one of the factors in the selection criteria of new Board members and senior executive appointments. The Board monitors the effectiveness of the Diversity Policy through ongoing discussions with management and review of diversity within the Company at both the Board and employee level.

Women on the Board and in Executive Offices

While the Company has adopted a Diversity Policy, it has not adopted a separate written policy specifically relating to the identification and nomination of women directors. Pursuant to the Diversity Policy, however, the Board does take into consideration the representation of women when making executive officer appointments or making recommendations regarding women nominees to the Board or in executive positions. The Board intends to consider whether it should adopt specific policies and practices regarding the representation of women on the Board and in executive positions, including the setting of targets for such representation. As at the date hereof, no women are members of the Board and six women hold executive positions, representing approximately 27.0% of such positions.

Majority Voting Policy

In 2013, the Board adopted a policy stipulating that forms of proxy for the vote at a shareholders' meeting where directors are to be elected will enable the shareholder to vote in favour of, or to withhold from voting, separately for each nominee. Each director should be elected by the vote of a majority of the shares represented in person or by proxy at any meeting for the election of directors. The policy provides that if any nominee for director receives, from the shares voted at the meeting in person or by proxy, a greater number of shares withheld than shares voted in favour of his or her election, then the director must promptly tender his or her resignation to the Board, to take effect on acceptance by the Board. The Compensation and Nominating Committee will consider the offer to resign and make a recommendation to the Board after reviewing the matter, and the Board will act on the Compensation and Nominating Committee's recommendation within 90 days following the shareholders' meeting. The Board's decision to accept or reject the resignation offer will promptly be disclosed to the public by press release. The nominee will not participate in any Compensation and Nominating Committee or Board deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

Particulars of Matters to be Acted Upon

Election of Directors

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote in favour of the election, as directors of the Company, of the nominees whose names are set forth below. All of the nominees are currently directors. Each director will hold office for a term expiring at the close of the next annual meeting of Shareholders, unless his or her office is vacated earlier due to death, removal, resignation or ceasing to be duly qualified. The Company does not contemplate that any of the nominees will be unable to serve as a director, but should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

The following table and the notes thereto set forth the names of the persons proposed to be nominated for election as directors, their principal occupations or employment, the periods during which they have served as director and the approximate number of Voting Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them.

Name and Province/Country of Residence	Position with the Company	Principal Occupation	No. of Voting Shares Beneficially Owned, Controlled or Directed(1)	Principal Amount of Debentures Beneficially Owned, Controlled or Directed(1)	Director of the Company or Trustee of the Fund Since
John P. Webster (2)(4)(5) Ontario, Canada	Director	President and Chief Executive Officer of Scotia Mortgage Corporation	5,369	Nil	2005
Paul V. Godfrey Ontario, Canada(2)(3)(4)	Director	President and Chief Executive Officer of Postmedia Network	24,369	Nil	2009
James R. Crane(2)(3)(4)(6) Texas, United States of America	Director	Chairman, President and Chief Executive Officer of Crane Capital Group, Inc.	101767	Nil	2015
Ajay Virmani Ontario, Canada	President and Chief Executive Officer	President and Chief Executive Officer	1,504,253	$1,000,000	2005
Arlene Dickinson Ontario, Canada	Director Nominee	Chief Executive Officer of Venture Communications Ltd.	1,500	Nil	Director Nominee

Notes:
(1) The information as to Voting Shares and principal amount of debentures beneficially owned or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the proposed nominees. See also “Voting Securities and Principal Holders of Voting Securities” above.
(2) Member of the CNC. Mr. Godfrey is Chairman of the CNC.
(3) Member of the Corporate Governance Committee. Mr. Crane is Chairman of the Corporate Governance Committee.
(4) Member of the Audit Committee. Mr. Webster is Chairman of the Audit Committee.
(5) Lead director of the Board.
(6) Chairman of the Board.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Company (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, except as follows:

Paul Godfrey was President and Chief Executive Officer of the National Post Inc., which was part of CanWest when it voluntarily entered into Companies' Creditors Arrangement Act ("**CCAA**") protection and successfully obtained an order from the Ontario Superior Court of Justice (Commercial Division) commencing proceedings under the CCAA on October 6, 2009. The National Post was outside creditor protection under the CCAA proceedings, and on October 31, 2009 was transferred from the media conglomerate's holding company Canwest Media Inc. to a new subsidiary of the publishing group. The National Post was acquired by Postmedia Network in July 2010.

Paul Godfrey served on the board of directors of Mobilicity (formerly known as Data & Audio Visual Enterprises Mobilicity), from November 20, 2008 to April 30, 2013. Mobilicity sought and received CCAA protection on September 30, 2013.

No proposed director has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Appointment of Auditors of the Company

The auditors of the Company are Pricewaterhouse Coopers LLP ("**PwC**").

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote for the appointment of PwC as the auditors of the Company, to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the directors.

Additional Information

Current financial information for the Company is provided in the Company's comparative financial statements and management's discussion and analysis for the most recently completed financial year. This information and additional information relating to the Company can be found on the SEDAR website under the Company's profile at www.sedar.com and on the Company's website at www.cargojet.com.

Copies of the Company's AIF, annual report (including management's discussion and analysis), financial statements, and this management information circular may be obtained upon request to the Company's Investor Relations group. The Company may require the payment of a reasonable charge if the request is made by a person who is not a Shareholder.

Directors' Approval

The contents of this management information circular and the sending thereof have been approved by the Board.
Mississauga, Ontario
March 12, 2018

SCHEDULE “A”

CHARTER OF THE BOARD OF DIRECTORS

I. Purpose

The Board of Directors of Cargojet Inc. (the “**Corporation**”) is ultimately responsible for the stewardship of the Corporation and the operation of the business of the Corporation. The Board of Directors will discharge its responsibilities directly and through committees currently consisting of an Audit Committee, a Compensation and Nominating Committee and a Corporate Governance Committee. The Board of Directors will also be responsible for adopting and periodically reviewing the Corporation’s Timely Disclosure, Confidentiality and Insider Trading Policy. The Board of Directors shall meet regularly to review the business operations, governance and financial results of the Corporation. Meetings of the Board of Directors shall include regular meetings without management to discuss specific aspects of the operations of the Corporation.

II. Composition

The Board of Directors shall be constituted at all times of a majority of individuals who, 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 which 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

The Board of Directors’ responsibilities include, without limitation to its general mandate, the following specific responsibilities:

1. Appointing an independent chairman who will be responsible for the leadership of the Board of Directors and for specific functions to ensure the independence of the Board of Directors.

2. The assignment to committees of directors of the Corporation, the general responsibility for developing the Corporation’s approach to: (i) financial reporting and internal controls; (ii) corporate governance issues; and (iii) issues relating to compensation of directors, officers and employees;

3. With the assistance of the Audit Committee:

   (a) recommending the appointment of auditors and assessing the independence of the auditors;

   (b) ensuring the integrity of the Corporation’s internal control and management information systems;

   (c) identifying the principal risks of the Corporation’s business and ensuring that appropriate systems are in place to manage these risks;

   (d) approving interim and annual financial statements of the Corporation; and

   (e) reviewing the Charter of the Audit Committee, at least annually.

4. With the assistance of the Compensation and Nominating Committee:

(a) approving the compensation of directors, senior management and all other significant employees;

(b) ensuring that an appropriate selection process for new nominees to the Board of Directors of the Corporation is in place and developing the Corporation's approach to nomination and review of directors, officers and employees; and

(c) developing the corporate objectives that the Chief Executive Officer is responsible for meeting, and assessing the Chief Executive Officer against these objectives.

5. With the assistance of the Corporate Governance Committee:

(a) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation;

(b) approving the formal charters of the Audit Committee, Compensation and Nominating Committee and Corporate Governance Committee; and

(c) adopting a communication policy for the Corporation.

6. Assessing, at least annually, the effectiveness the Board of Directors of the Corporation as a whole, the Audit Committee, Compensation and Nominating Committee and Corporate Governance Committee and the contribution of individual directors, including consideration of the appropriate size of the Board of Directors of the Corporation.

7. Ensuring that an appropriate orientation and education program for new recruits to the Board of Directors of the Corporation is in place and providing continuing education opportunities for all directors.

8. Succession planning and the appointment, training and monitoring of the Chief Executive Officer and other senior management.

9. Developing a position description for the Chair of the Board of Directors and the Chair of each Board Committee.

10. Developing, together with the Chief Executive Officer, a position description for the Chief Executive Officer, including the definition of the limits to management's responsibilities.

11. Approving securities compliance policies, including communications policies of the Corporation and reviewing these policies at least annually.

12. The adoption of a strategic planning process and the approval and review, on at least an annual basis, of a strategic plan that takes into account business opportunities and business risks.

13. The adoption of a formal process to consider what competencies and skills the board, as a whole, should possess and what competencies and skills each existing director possesses.

14. The adoption of a formal code of business ethics or business conduct for the Corporation that governs the behaviour of Directors of the Corporation and directors, officers and employees of subsidiaries of the Corporation.

15. Monitoring compliance with the code of business ethics or business conduct and granting any waivers from compliance with the code for Directors of the Corporation and directors and officers of subsidiaries of the Corporation.

16. Ensuring that the Charter of the Audit Committee is published in the Corporation's annual report or annual information form as required.

17. Performing such other functions as prescribed by law or assigned to the Board of Directors of the Corporation in the constating documents governing the Corporation.

IV. Administrative Procedures

1. The members of the Board of Directors are expected to attend all meetings of Board of Directors unless prior notification of absence is provided.

2. The members of the Board of Directors are required to have reviewed board materials in advance of the meeting and be prepared to discuss such materials at the meeting.

3. The Board of Directors shall provide contact information on the website of Cargojet Inc. for the Chairman of the Board of Directors, who will be responsible for receiving feedback from shareholders.