

SCHEDULE A

ARTICLES OF ARRANGEMENT CARGOJET INC. *Ontario Business Corporations Act*

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

For purposes of this Schedule "A", the following terms have the following meanings:

"**affiliation**" shall, for purposes of Sections 2.1(1), 2.1(2), 2.1(3), 4.6(1)(a)(v) and 4.7(3) of this Schedule "A", have the meaning set forth in Subsection 55(2) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"**Aggregate Votes**" means the aggregate of the votes attached to all voting shares of the Corporation that may ordinarily be cast to elect directors of the Corporation;

"**air service**" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"**Board of Directors**" means the board of directors of the Corporation;

"**Canadian**" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced from time to time;

"**Common Voting Shares**" means the common voting shares of the share capital of the Corporation and "**Common Voting Share**" shall mean any one of them;

"**Corporation**" means Cargojet Inc.;

"**CTA**" means the *Canada Transportation Act*, S.C. 1996, Ch. 10, as amended;

"**Non-Canadian Holder(s) Authorized to Provide Air Service**" has the meaning set forth in Section 2.1(2)(a);

"**OBCA**" means the *Business Corporations Act*, R.S.O. 1990 c. B.16, as amended;

"**OBCA Regulations**" means any regulations promulgated from time to time under the OBCA;

"**person**" includes an individual, corporation, body corporate, partnership, unincorporated organization, government or agency thereof, trustee, executor, administrator and other legal representative, and when used in this Schedule "A", references to "person" in the singular shall be deemed to include the plural and vice versa;

"**Single Non-Canadian Holder**" shall have the meaning set forth in Section 2.1(2)(a);

"**Transfer Agent**" means the transfer agent and the registrar of the Common Voting Shares and the Variable Voting Shares;

"**Variable Voting Shares**" means collectively the variable voting shares of the share capital of the Corporation and "**Variable Voting Share**" means any one of them; and

"**voting share**" means a share carrying voting rights under all circumstances or under some circumstances that have occurred and are continuing and includes a security currently convertible into such a share and currently exercisable options and rights to acquire such a share or such a convertible security.

Section 1.2 Undefined Terms

All terms used in this Schedule "A" that are not defined in these Articles but are defined in the OBCA have the meanings ascribed thereto in the OBCA. Any provision of this Schedule "A" that may be read in a manner that is inconsistent with the OBCA shall be read so as to be consistent therewith.

ARTICLE 2 VARIABLE VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to any other class of shares of the Corporation, the Variable Voting Shares shall, as a class, have the following rights, privileges, restrictions and conditions:

Section 2.1 Voting

The holders of the Variable Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class shall be entitled to vote separately as a class as provided in the OBCA.

The holders of Variable Voting Shares shall be entitled to one vote per Variable Voting Share unless any of the thresholds set forth in Sections 2.1(1), 2.1(2), 2.1(3), as the case may be, would otherwise be surpassed at any time, in which case the vote attached to a Variable Voting Share will decrease as described in this Section 2.1 below.

(1) Single Non-Canadian Holder

If at any time:

- (a) a single non-Canadian holder of Variable Voting Shares (a "**Single Non-Canadian Holder**"), either individually or in affiliation with any other person, holds a number of Variable Voting Shares outstanding that, as a percentage of the total number of all voting shares outstanding, exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation), or
- (b) the total number of votes that would be cast by or on behalf of a Single Non-Canadian Holder, either individually or in affiliation with any other person, at any meeting would exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share held by such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder, will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares held by such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder do not carry in the aggregate more than 25% (or any different percentage that may be prescribed by law or regulation of Canada and

approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding voting shares of the Corporation, and (y) the total number of votes cast by or on behalf of such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder at any meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

For greater certainty, a single Non-Canadian Holder Authorized to Provide Air Service (as such term is defined in Section 2.1(2)(a)) shall also constitute a Single Non-Canadian Holder for purposes of Section 2.1(1).

(2) Non-Canadian Holder Authorized to Provide Air Service

If at any time:

- (a) one or more non-Canadians authorized to provide an air service in any jurisdiction (each, a "**Non-Canadian Holder Authorized to Provide Air Service**" and collectively, the "**Non-Canadian Holders Authorized to Provide Air Service**"), collectively hold, either individually or in affiliation with any other person, a number of Variable Voting Shares outstanding that, as a percentage of the total number of all voting shares outstanding, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with Section 2.1(1) (if any, as may be required thereunder), exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation), or
- (b) the total number of votes that would be cast by or on behalf of Non-Canadian Holders Authorized to Provide Air Service and persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any meeting would, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with Section 2.1(1) (if any, as may be required thereunder), exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share held by all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares held by all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service do not carry in the aggregate more than 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding voting shares of the Corporation, and (y) the total number of votes cast by or on behalf of all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

(3) General – All Holders of Variable Voting Shares

If at any time:

- (a) the number of Variable Voting Shares outstanding, as a percentage of the total number of all voting shares outstanding, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with Section 2.1(1) and after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service in accordance with Section 2.1(2) (in each case, if any, as may be required under such Sections), exceeds 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation), or
- (b) the total number of votes that would be cast by or on behalf of holders of Variable Voting Shares at any meeting would, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with Section 2.1(1) and after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service in accordance with Section 2.1(2) (in each case, if any, as may be required under such Sections), exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share will decrease proportionately and automatically without further act or formality only to such extent that, as a result (i) the Variable Voting Shares do not carry more than 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding voting shares of the Corporation, and (ii) the total number of votes cast by or on behalf of holders of Variable Voting Shares at any meeting do not exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

- (4) References in Section 2.1 to the Variable Voting Shares that a person "holds" or "held" shall refer to and include the Variable Voting Shares held, beneficially owned or controlled, directly or indirectly by such person.

Section 2.2 Dividends

Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation ranking prior to the Variable Voting Shares, the holders of Variable Voting Shares shall be entitled to receive any dividend declared by the Board of Directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine.

The Variable Voting Shares and the Common Voting Shares shall rank equally as to dividends on a share-for-share basis, and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Variable Voting Shares and Common Voting Shares then outstanding, without preference or distinction.

Section 2.3 Subdivision or Consolidation

No subdivision or consolidation of the Variable Voting Shares or the Common Voting Shares shall occur unless, simultaneously, the shares of the other class are subdivided or consolidated in the same

manner, so as to maintain and preserve the relative rights of the holders of the shares of each of such classes.

Section 2.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation ranking prior to the Variable Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of Variable Voting Shares and Common Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

Section 2.5 Conversion

(1) Automatic

Each issued and outstanding Variable Voting Share shall be automatically converted into one Common Voting Share, without any further act on the part of the Corporation or of the holder, if (i) such Variable Voting Share becomes held, beneficially owned and controlled, directly or indirectly, otherwise than by way of security only, by a Canadian; or (ii) the provisions contained in the CTA relating to foreign ownership restrictions are repealed and not replaced with other similar provisions.

(2) Upon an Offer

If an offer is made to purchase Common Voting Shares and such offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed, to be made to all or substantially all the holders of Common Voting Shares in a province of Canada to which the requirement applies, each Variable Voting Share shall become convertible at the option of the holder into one Common Voting Share at any time while such offer is in effect until one day after the time prescribed by applicable securities legislation for the person making the offer (for the purposes of section 2.5, the "**Offeror**") to take up and pay for such shares as are to be acquired pursuant to such offer. The conversion right may only be exercised in respect of Variable Voting Shares for the purpose of depositing the resulting Common Voting Shares pursuant to such offer and for no other reason, including with respect to voting rights attached thereto, which are deemed to remain subject to Section 2.1, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Common Voting Shares on behalf of such holder.

To exercise the conversion right in this Section 2.5(2), the holder or the attorney of such holder duly authorized in writing shall:

- (a) give written notice to the Transfer Agent of the exercise of such right and of the number of Variable Voting Shares in respect of which the right is being exercised;
- (b) deliver to the Transfer Agent the share certificate or certificates representing the Variable Voting Shares in respect of which the right is being exercised, together with duly executed stock powers of attorney for each such certificate; and
- (c) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Common Voting Shares resulting from the conversion of the Variable Voting Shares in accordance with this Section 2.5(2) shall be delivered to the holders on whose behalf such deposit is being made or to the Transfer Agent.

(3) Conversion Into Variable Voting Shares

If the Offeror takes up and pays for the Common Voting Shares resulting from conversion in accordance with Section 2.5(2), the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

If (a) Common Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; (b) such offer is abandoned or withdrawn by the Offeror or (c) if such offer otherwise expires without such Common Voting Shares being taken up and paid for, then each Common Voting Share resulting from the conversion under Section 2.5(2) shall be automatically re-converted into one Variable Voting Share, without any further act on the part of the Corporation or of the holder and the share certificate(s) representing such Variable Voting Shares referred to in Section 2.5(2)(b) shall be returned to the holder in question by the Transfer Agent and the Transfer Agent shall destroy each of the stock powers of attorney previously delivered to it in Section 2.5(2)(b).

If the Offeror is not Canadian, each Common Voting Share resulting from the conversion provided for in Section 2.5(2) and taken up and paid for by the Offeror shall be automatically converted into one Variable Voting Share, without any further act on the part of the Corporation or of the Offeror at the time when the Offeror is required under the applicable securities legislation to take up and pay for such shares.

(4) Exceptions

There will be no right to convert the Variable Voting Shares into Common Voting Shares in each of the following circumstances:

- (a) if the offer to purchase Common Voting Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed to be made to all or substantially all of the holders of Common Voting Shares in a province of Canada to which the requirement applies, that is, the offer is an "exempt take-over bid" within the meaning of the foregoing securities legislation; or
- (b) if an offer to purchase Variable Voting Shares is made concurrently with the offer to purchase Common Voting Shares and the two offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Variable Voting Shares must be unconditional, subject to the exception that the offer for the Variable Voting Shares may contain a condition to the effect that the Offeror is not required to take up and pay for Variable Voting Shares deposited to such offer if no shares are purchased pursuant to the contemporaneous offer for the Common Voting Shares; or
- (c) if the holders of Common Voting Shares representing, in the aggregate, more than sixty-six and two thirds percent (66 2/3%) of the then outstanding Common Voting Shares (excluding shares owned immediately prior to the offer by the Offeror and any joint actor) certify to the Transfer Agent and to the secretary of the Corporation that they will not deposit any shares in response to the offer for the Common Voting Shares.

ARTICLE 3 COMMON VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to the shares of any other class of shares of the Corporation, the Common Voting Shares, as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

Section 3.1 Voting

The holders of Common Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class shall be entitled to vote separately as a class as provided in the OBCA. Each Common Voting Share shall confer the right to one (1) vote at all meetings of shareholders of the Corporation.

Section 3.2 Dividends and Distributions

Subject to the rights, privileges, restrictions and conditions attached to any class of shares of the Corporation ranking prior to the Common Voting Shares, holders of Common Voting Shares shall be entitled to receive the dividends declared by the Board of Directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine. The Common Voting Shares and Variable Voting Shares shall rank equally as to dividends on a share for share basis and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Common Voting Shares and Variable Voting Shares then outstanding, without preference or distinction.

Section 3.3 Subdivision or Consolidation

No subdivision or consolidation of the Common Voting Shares or the Variable Voting Shares shall occur unless, simultaneously, the shares of the other class are subdivided or consolidated in the same manner, so as to maintain and preserve the respective rights of the holders of the shares of each of such classes.

Section 3.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any class of shares of the Corporation ranking prior to the Common Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purposes of winding-up its affairs, the holders of Common Voting Shares and Variable Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

Section 3.5 Conversion

(1) Automatic

Unless the foreign ownership restrictions of the CTA are repealed and not replaced with other similar restrictions, an issued and outstanding Common Voting Share shall be automatically converted into one Variable Voting Share, without any further act of the Corporation or the holder, if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, otherwise than by way of a security only, by a person who is not a Canadian.

(2) Upon an Offer

If an offer is made to purchase Variable Voting Shares, and such offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed, to be made to all or substantially all the holders of Variable Voting Shares, each Common Voting Share shall become convertible at the option of the holder into one Variable Voting Share at any time while such offer is in effect until one day after the time prescribed by applicable securities legislation for the person making the offer (for the purposes of section 3.5, the "Offeror") to take up and pay for such shares as are to be acquired pursuant to such offer. The conversion right may only be exercised in respect of Common Voting Shares for the purpose of depositing the resulting Variable Voting Shares pursuant to such offer, and for no other reason, including with respect to voting rights

attached thereto, which are deemed to remain subject to Section 3.1, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Variable Voting Shares pursuant to such offer, on behalf of such holder.

To exercise the conversion right in this Section 3.5(2), the holder or the attorney of such holder duly authorized in writing shall:

- (a) give written notice to the Transfer Agent of the exercise of such right and of the number of Common Voting Shares, in respect of which the right is being exercised;
- (b) deliver to the Transfer Agent the share certificate or certificates representing the Common Voting Shares, in respect of which the right is being exercised, together with duly executed stock powers of attorney for each such certificate; and
- (c) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Variable Voting Shares resulting from the conversion of the Common Voting Shares in accordance with this Section 3.5(2).

shall be delivered to the holders on whose behalf such deposit is being made or the Transfer Agent.

(3) Conversion Into Common Voting Shares

If the Offeror takes up and pays for the Variable Voting Shares resulting from conversion in accordance with Section 3.5(2), the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

If (a) Variable Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; (b) such offer is abandoned or withdrawn by the Offeror or (c) if such offer otherwise expires without such Variable Voting Shares being taken up and paid for, then each Variable Voting Share resulting from the conversion under Section 3.5(2) shall be automatically re-converted into one Common Voting Share, without any further act on the part of the Corporation or of the holder and the share certificate(s) representing such Common Voting Shares referred to in Section 3.5(2)(b) shall be returned to the holder in question by the Transfer Agent and the Transfer Agent shall destroy each of the stock powers of attorney previously delivered to it in Section 2.5(2)(b).

If the Offeror is Canadian, each Variable Voting Share resulting from the conversion provided for in Section 3.5(2) and taken up and paid for by the Offeror shall be automatically converted into one Common Voting Share, without any further act on the part of the Corporation or of the Offeror at the time when the Offeror is required under the applicable securities legislation to take up and pay for such shares.

(4) Exceptions

There will be no right to convert the Common Voting Shares into Variable Voting Shares in the following circumstances:

- (a) if the offer to purchase Variable Voting Shares is not required, under applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed, to be made to all or substantially all of the holders of Variable Voting Shares in a province of Canada to which the requirement applies, that is, the offer is an "exempt take-over bid" within the meaning of the foregoing securities legislation; or

- (b) if an offer to purchase Common Voting Shares is made concurrently with such offer to purchase Variable Voting Shares, and the offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Common Voting Shares must be unconditional, subject to the exception that the offer for the Common Voting Shares shall contain a condition to the effect that the Offeror is not required to take up and pay for Common Voting Shares deposited to such offer if no shares are purchased pursuant to the contemporaneous offer for the Variable Voting Shares; or
- (c) if the holders of Variable Voting Shares representing, in the aggregate, more than sixty-six and two thirds percent (66 2/3%) of the then outstanding Variable Voting Shares (excluding shares owned immediately prior to the offer by the Offeror and any joint actor) certify to the Transfer Agent and to the secretary of the Corporation that they will not deposit any shares in response to the offer for the Variable Voting Shares.

ARTICLE 4

RESTRICTIONS ON SHARE TRANSFERS - CONSTRAINTS ON OWNERSHIP OF SHARES

Section 4.1 Variable Voting Shares

The Variable Voting Shares may only be beneficially owned or controlled, directly or indirectly, by persons who are not Canadians.

Section 4.2 Common Voting Shares

The Common Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians.

Section 4.3 OBCA Constraints

In the event that any law or regulation of Canada applicable to the Corporation should become prescribed for the purposes of subsections 42(2), 42(3) and 42(4) of the OBCA or any other similar provision in the OBCA or OBCA Regulations, this Schedule "A" shall be read as if they included constraints that assist the Corporation or any of its affiliates or associates (within the meaning of the OBCA) to qualify under such prescribed law or regulation to receive licenses, permits, grants, payments or other benefits by reason of attaining or maintaining a specified level of Canadian ownership or control and such specified level of Canadian ownership or control shall be the level of Canadian ownership and control designated by such prescribed law or regulation of Canada.

Section 4.4 Joint Ownership

For the purposes of this Schedule "A", where voting shares of the Corporation are beneficially owned or controlled by several persons jointly, the number of voting shares beneficially owned or controlled by any one such person shall include the number of voting shares beneficially owned or controlled jointly with such other persons. Where the voting shares are beneficially owned or controlled jointly by a person who is not Canadian and another person or persons, the voting shares shall be deemed to be owned or controlled by such person who is not Canadian.

Section 4.5 Exceptions

- (1) Nothing in these articles shall be construed to apply in respect of voting shares of the Corporation that:

- (a) are held by one or more underwriters solely for the purpose of distributing the shares to the public; or
 - (b) are held by any person that is acting in relation to the shares solely in its capacity as an intermediary in the payment of funds or the delivery of securities, or both, in connection with trades in securities and that provides centralized facilities for the clearing of trades in securities.
- (2) The constraints imposed herein do not apply to the extent that a person who is not Canadian holds voting shares by way of security only and such holding by way of security only is evidenced in such manner as may be prescribed by the by-laws or resolutions adopted by the shareholders or directors of the Corporation, executed copies of which security shall have been provided by such holder with the Corporation.

Section 4.6 By-Laws

- (1) Subject to the OBCA and the OBCA Regulations, the Board of Directors may make, amend or repeal any by-laws or other documents required to administer the constrained share provisions set out in these articles including by-laws or other documents:
- (a) to require any person in whose name voting shares of the Corporation are registered to furnish a statutory declaration declaring whether:
 - (i) the shareholder holds, is the beneficial owner of and has control over the voting shares of the Corporation;
 - (ii) the shareholder is a Canadian;
 - (iii) the shareholder is a Single Non-Canadian Holder;
 - (iv) the shareholder is a Non-Canadian Holder Authorized to Provide Air Service; and
 - (v) the shareholder is in affiliation with any Single Non-Canadian Holder or with any Non-Canadian Holder Authorized to Provide Air Service, and, in any such circumstance, the identity of all such affiliated shareholders;and declaring any further facts that the directors consider relevant;
 - (b) to require any person seeking to have a transfer of a voting share registered in such person's name or to have a voting share issued to him or her to furnish a declaration similar to the declaration a shareholder may be required to furnish under paragraph (a) above; and
 - (c) to determine the circumstances in which any declarations are required, their form and the times when they are to be furnished.
- (2) Where a person is required to furnish a declaration pursuant to a by-law or other document made under this Section 4.6 the directors may refuse to register a transfer of a voting share in such person's name or to issue a voting share to him or her until that person has furnished the declaration.

Section 4.7 Powers of Directors

- (1) In the administration of the provisions of these articles, the Board of Directors shall have, in addition to the powers set forth herein, all of the powers necessary or desirable, in their opinion,

to carry out the intent and purpose of these articles, including but not limited to all powers contemplated by the provisions relating to constrained share corporations in the OBCA and the OBCA Regulations.

- (2) In administering the provisions of these articles the Board of Directors may rely on:
 - (a) a statement made in a declaration referred to in Section 4.6; and
 - (b) the knowledge of a director, officer, employee or agent of the Corporation.
- (3) Where the directors are required to determine the total number of voting shares of the Corporation held by or on behalf of persons who are not Canadians, including by or on behalf of any Single Non-Canadian Holders or Non-Canadian Holders Authorized to Provide Air Service, including any shareholders in affiliation therewith, the directors may rely upon (i) the share register of the Corporation or (ii) any other register held, or any declaration of residence collected by, the transfer agent of the Corporation or any depository, such as CDS & Co., as of any date, provided that such date is not more than four months before the day on which the determination is made.
- (4) Wherever in these articles it is necessary to determine the opinion of the Board of Directors, such opinion shall be expressed and conclusively evidenced by a resolution of the Board of Directors duly adopted, including a resolution in writing executed pursuant to Section 129 of the OBCA.
- (5) No shareholder of the Corporation nor any other person claiming an interest in shares of the Corporation shall have any claim or action against the Corporation or against any director or officer of the Corporation, and the Corporation shall have no claim or action against any director or officer of the Corporation, arising out of any act (including any omission to act) taken by any such director or officer pursuant to, or in intended pursuance of, the provisions of these articles or any breach or alleged breach of such provisions.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
JUSTICE *HAINES*)
WEDNESDAY, THE 1st
DAY OF APRIL, 2020

IN THE MATTER OF an application under section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B. 16;

AND IN THE MATTER OF Rule 14.05(2) of the *Rules of Civil Procedure*

AND IN THE MATTER OF a proposed arrangement of Cargojet Inc.

Applicant

FINAL ORDER

THIS APPLICATION made by the Applicant, Cargojet Inc. ("**Cargojet**"), pursuant to section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B. 16 (the "**OBCA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application issued on February 21, 2020, the affidavit of Fernando Garcia sworn February 24, 2020, the supplementary affidavit of Fernando Garcia, sworn March 13, 2020, the supplementary affidavit of Fernando Garcia, affirmed during the hearing of this Application, together with the exhibits thereto, the Interim Order of Justice Hailey dated February 26, 2020 and the Amended Interim Order of Justice Hailey dated March 16, 2020; and

ON HEARING the submissions of counsel for Cargojet, and no-one appearing for any other person, including any shareholder of Cargojet, and having determined that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this order

is an arrangement for the purposes of section 182 of the OBCA and is fair and reasonable in accordance with the requirements of that section

1. **THIS COURT ORDERS** that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this order, shall be and is hereby approved.

2. **THIS COURT ORDERS** that the Applicant shall be entitled to seek leave to vary this order upon such terms upon giving such notice as this court may direct, to seek the advice and directions of this court as to the implementation of this order, and to apply for such further order or orders as may be appropriate.

Hainey J
See para # 3
of my Endorsement.

SCHEDULE A

**PLAN OF ARRANGEMENT
UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO)**

(See attached)

SCHEDULE A

PLAN OF ARRANGEMENT UNDER SECTION 182 OF THE ONTARIO BUSINESS CORPORATIONS ACT

ARTICLE 1 INTERPRETATION

1.1 Definitions.

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings hereinafter set forth:

- (a) "**affiliation**" shall have the meaning set forth in Subsection 55(2) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;
- (b) "**air service**" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;
- (c) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to Section 182 of the OBCA set forth in this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation, the whole as supplemented, modified or amended;
- (d) "**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Meeting by the Shareholders voting together as a single class;
- (e) "**Articles of Arrangement**" means the articles of arrangement of the Corporation in respect of the Arrangement, required by the OBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Corporation;
- (f) "**Articles**" means the articles of amalgamation of the Corporation dated January 1, 2020, as amended from time to time;
- (g) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in the City of Toronto, in the Province of Ontario, for the transaction of banking business;
- (h) "**Canadian**" means:
 - (a) a Canadian citizen or a permanent resident as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*, S.C. 2001, c.27,
 - (b) a government in Canada or an agent or mandatary of such a government, or
 - (c) a Corporation or entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 51% of the voting interests are owned and controlled by Canadians and where:
 - (i) no more than 25% of the voting interests are owned directly or indirectly by any single non-Canadian, either individually or in affiliation with another person, and

- (ii) no more than 25% of the voting interests are owned directly or indirectly by one or more non-Canadians authorized to provide an air service in any jurisdiction, either individually or in affiliation with another person;
- (i) "**Certificate**" means the certificate to be issued by the Director pursuant to subsection 183(2) of the OBCA giving effect to the Arrangement;
- (j) "**Common Voting Shares**" means the common voting shares in the share capital of the Corporation;
- (k) "**Corporation**" means Cargojet Inc., a corporation incorporated under the laws of Ontario;
- (l) "**Court**" means the Ontario Superior Court of Justice (Commercial List);
- (m) "**CTA**" means the *Canada Transportation Act* (S.C. 1996, c. 10);
- (n) "**Director**" means the director appointed under Section 278 of the OBCA;
- (o) "**Effective Date**" means the date the Arrangement is effective under the OBCA, as endorsed by the Certificate;
- (p) "**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date as endorsed by the Certificate;
- (q) "**Final Order**" means the final order of the Court approving the Arrangement as such order may be amended or varied by the Court (with the consent of the Corporation) at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is acceptable to the Corporation) on appeal;
- (r) "**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasigovernmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange;
- (s) "**Interim Order**" means the interim order of the Court, in a form acceptable to the Corporation, concerning the Arrangement and providing for, among other things, declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be amended by the Court with the consent of the Corporation;
- (t) "**Law**" means, with respect to any Person, any and all applicable laws (statutory, civil, common or otherwise), constitutions, treaties, conventions, ordinances, codes, rules, regulations, orders, injunctions, judgments, decrees, rulings or other similar requirements, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise;
- (u) "**Meeting**" means the annual and special meeting of the Shareholders, including any adjournment or postponement of such annual and special meeting, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

- (v) "**Non-Canadian**" means a Person who is not a Canadian;
 - (w) "**OBCA**" means the *Business Corporations Act* (Ontario);
 - (x) "**Non-Canadian Holder Authorized to Provide Air Service**" means one or more non-Canadian Shareholders authorized to provide an air service in any jurisdiction, either individually or in affiliation with any other person;
 - (y) "**Person**" includes an individual, limited or general partnership, limited liability Corporation, limited liability partnership, trust, joint venture, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;
 - (z) "**Plan of Arrangement**" means this plan of arrangement under Section 182 of the OBCA, and any amendments or variations made in accordance therewith or made at the direction of the Court in the Final Order with the prior written consent of the Corporation;
 - (aa) "**Shares**" means the Common Voting Shares and the Variable Voting Shares of the Corporation;
 - (bb) "**Shareholders**" means the holders and the beneficial owners of the Common Voting Shares and the holders and the beneficial owners of the Variable Voting Shares of the Corporation;
 - (cc) "**Single Non-Canadian Holder**" means any single non-Canadian Shareholder, either individually or in affiliation with any other person;
 - (dd) "**Transfer Agent**" means Computershare Investor Services Inc.; and
 - (ee) "**Variable Voting Shares**" means the variable voting shares in the share capital of the Corporation.
- 1.2 **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 **References.** Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 **Certain Phrases, etc.** Unless the context requires otherwise, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individual, limited or general partnership, limited liability Corporation, limited liability partnership, trust, joint venture, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.
- 1.5 **Business Days.** In the event that the date on which any action is required to be taken hereunder is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place, except that the Effective Date can fall on a date that is not a Business Day.
- 1.6 **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.

- 1.7 **Statutes.** References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- 1.8 **Governing Law.** This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 1.9 **Time References.** References to time herein are to local time, Toronto, Ontario.

ARTICLE 2 BINDING EFFECT

- 2.1 Upon the filing of the Articles of Arrangement and the issuance of the Certificate, this Plan of Arrangement shall become, at and after the Effective Time, effective and binding on: (i) all the Shareholders, (ii) the Corporation, (iii) the Transfer Agent, and (iv) all other Persons, without any further formality required on the part of any Person, except as expressly provided herein.

ARTICLE 3 THE ARRANGEMENT

- 3.1 At the Effective Time, the following events shall occur and shall be deemed to occur in the following order without any further authorization, act or formality on the part of any Person:
- (a) Section 8 of the Corporation's Articles shall be amended and replaced, and shall be deemed to be amended and replaced, with the form of Schedule A attached to this Plan of Arrangement as Exhibit I, to, among other things, modify the rights attached to the Shares in order to reflect the definition of "Canadian" in Section 55(1) of the CTA as amended pursuant to *The Transportation Modernization Act* (Bill C-49).
 - (b) the Articles of Arrangement in the form attached as Exhibit I to this Plan of Arrangement shall be adopted and the Corporation's Articles shall be amended accordingly; and
 - (c) the Corporation shall be authorized to amend the declaration and any form or other document to be completed from time to time by Shareholders to determine their status as Canadian, non-Canadian, Single Non-Canadian Holder and Non-Canadian Holder Authorized to Provide Air Service and to determine whether the Shareholder holds, is the beneficial owner of or has control over any Shares and whether the Shareholder is in affiliation with any Single Non-Canadian Holder or with any Non-Canadian Holder Authorized to Provide Air Service, and, in any such circumstance, the identity of such affiliated Shareholders, and declaring any further facts that the Corporation considers relevant, such amendments to be made in accordance with the authority granted to the directors in the Corporation's Articles by way of the Articles of Arrangement.
- 3.2 The Arrangement and the amendment of the Articles by way of Articles of Arrangement shall not trigger any right of dissent for the Shareholders, whether under the OBCA or otherwise.
- 3.3 Each Shareholder, with respect to each step set out in Section 3.1 applicable to such holder, shall be deemed, at the time such step occurs, to have executed and delivered all necessary or required consents, releases, assignments, instruments, certificates, powers of attorney and waivers, statutory or otherwise, relating to or in connection with the completion of such step.
- 3.4 The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with regard to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Section 3.1 has become effective in the sequence and at the times set out therein.

- 3.5 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time.

**ARTICLE 4
AMENDMENTS AND WITHDRAWAL**

- 4.1 The Corporation may amend this Plan of Arrangement at any time, provided that each such amendment must be set out in writing and filed with the Court.
- 4.2 Any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time by the Corporation without the approval of the Court or of the Shareholders, provided that it concerns a matter which, in the reasonable opinion of the Corporation, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any holder of Shares.
- 4.3 Subject to Section 4.2, any amendment to this Plan of Arrangement may be proposed by the Corporation at any time prior to or at the Meeting with or without any other prior notice or communication to Shareholders, and if so proposed and accepted by the Persons voting at the Meeting (other than as required by the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 4.4 Subject to Section 4.2, the Corporation may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time with the approval of the Court, and, if and as required by the Court, after communication to Shareholders.
- 4.5 This Plan of Arrangement may be withdrawn and the Corporation may not proceed with this Plan of Arrangement prior to the Effective Time in accordance with the Arrangement Resolution.

**ARTICLE 5
FURTHER ASSURANCES**

- 5.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in Section 3.1 and shall become effective without any further act or formality, the Corporation shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

EXHIBIT I

See attached.

SCHEDULE A

ARTICLES OF ARRANGEMENT CARGOJET INC. *Ontario Business Corporations Act*

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

For purposes of this Schedule "A", the following terms have the following meanings:

"**affiliation**" shall, for purposes of Sections 2.1(1), 2.1(2), 2.1(3), 4.6(1)(a)(v) and 4.7(3) of this Schedule "A", have the meaning set forth in Subsection 55(2) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"**Aggregate Votes**" means the aggregate of the votes attached to all voting shares of the Corporation that may ordinarily be cast to elect directors of the Corporation;

"**air service**" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;

"**Board of Directors**" means the board of directors of the Corporation;

"**Canadian**" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced from time to time;

"**Common Voting Shares**" means the common voting shares of the share capital of the Corporation and "**Common Voting Share**" shall mean any one of them;

"**Corporation**" means Cargojet Inc.;

"**CTA**" means the *Canada Transportation Act*, S.C. 1996, Ch. 10, as amended;

"**Non-Canadian Holder(s) Authorized to Provide Air Service**" has the meaning set forth in Section 2.1(2)(a);

"**OBCA**" means the *Business Corporations Act*, R.S.O. 1990 c. B.16, as amended;

"**OBCA Regulations**" means any regulations promulgated from time to time under the OBCA;

"**person**" includes an individual, corporation, body corporate, partnership, unincorporated organization, government or agency thereof, trustee, executor, administrator and other legal representative, and when used in this Schedule "A", references to "person" in the singular shall be deemed to include the plural and vice versa;

"**Single Non-Canadian Holder**" shall have the meaning set forth in Section 2.1(2)(a);

"**Transfer Agent**" means the transfer agent and the registrar of the Common Voting Shares and the Variable Voting Shares;

"**Variable Voting Shares**" means collectively the variable voting shares of the share capital of the Corporation and "**Variable Voting Share**" means any one of them; and

"**voting share**" means a share carrying voting rights under all circumstances or under some circumstances that have occurred and are continuing and includes a security currently convertible into such a share and currently exercisable options and rights to acquire such a share or such a convertible security.

Section 1.2 Undefined Terms

All terms used in this Schedule "A" that are not defined in these Articles but are defined in the OBCA have the meanings ascribed thereto in the OBCA. Any provision of this Schedule "A" that may be read in a manner that is inconsistent with the OBCA shall be read so as to be consistent therewith.

ARTICLE 2 VARIABLE VOTING SHARES

Subject to the rights, privileges, restrictions and conditions which attach to any other class of shares of the Corporation, the Variable Voting Shares shall, as a class, have the following rights, privileges, restrictions and conditions:

Section 2.1 Voting

The holders of the Variable Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class shall be entitled to vote separately as a class as provided in the OBCA.

The holders of Variable Voting Shares shall be entitled to one vote per Variable Voting Share unless any of the thresholds set forth in Sections 2.1(1), 2.1(2), 2.1(3), as the case may be, would otherwise be surpassed at any time, in which case the vote attached to a Variable Voting Share will decrease as described in this Section 2.1 below.

(1) **Single Non-Canadian Holder**

If at any time:

- (a) a single non-Canadian holder of Variable Voting Shares (a "**Single Non-Canadian Holder**"), either individually or in affiliation with any other person, holds a number of Variable Voting Shares outstanding that, as a percentage of the total number of all voting shares outstanding, exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation), or
- (b) the total number of votes that would be cast by or on behalf of a Single Non-Canadian Holder, either individually or in affiliation with any other person, at any meeting would exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share held by such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder, will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares held by such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder do not carry in the aggregate more than 25% (or any different percentage that may be prescribed by law or regulation of Canada and

approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding voting shares of the Corporation, and (y) the total number of votes cast by or on behalf of such Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder at any meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

For greater certainty, a single Non-Canadian Holder Authorized to Provide Air Service (as such term is defined in Section 2.1(2)(a)) shall also constitute a Single Non-Canadian Holder for purposes of Section 2.1(1).

(2) Non-Canadian Holder Authorized to Provide Air Service

If at any time:

- (a) one or more non-Canadians authorized to provide an air service in any jurisdiction (each, a **"Non-Canadian Holder Authorized to Provide Air Service"** and collectively, the **"Non-Canadian Holders Authorized to Provide Air Service"**), collectively hold, either individually or in affiliation with any other person, a number of Variable Voting Shares outstanding that, as a percentage of the total number of all voting shares outstanding, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with Section 2.1(1) (if any, as may be required thereunder), exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation), or
- (b) the total number of votes that would be cast by or on behalf of Non-Canadian Holders Authorized to Provide Air Service and persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any meeting would, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with Section 2.1(1) (if any, as may be required thereunder), exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

then the vote attached to each Variable Voting Share held by all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service will decrease proportionately and automatically without further act or formality only to such extent that, as a result (x) the Variable Voting Shares held by all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service do not carry in the aggregate more than 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding voting shares of the Corporation, and (y) the total number of votes cast by or on behalf of all Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service at any meeting do not exceed in the aggregate 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

(3) General – All Holders of Variable Voting Shares

If at any time:

- (a) the number of Variable Voting Shares outstanding, as a percentage of the total number of all voting shares outstanding, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with Section 2.1(1) and after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service in accordance with Section 2.1(2) (in each case, if any, as may be required under such Sections), exceeds 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation), or
- (b) the total number of votes that would be cast by or on behalf of holders of Variable Voting Shares at any meeting would, after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by any Single Non-Canadian Holder and by any person in affiliation with such Single Non-Canadian Holder in accordance with Section 2.1(1) and after the application of the automatic proportionate decrease to the votes attached to all of the Variable Voting Shares held by Non-Canadian Holders Authorized to Provide Air Service and by persons in affiliation with any Non-Canadian Holders Authorized to Provide Air Service in accordance with Section 2.1(2) (in each case, if any, as may be required under such Sections), exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting,

then the vote attached to each Variable Voting Share will decrease proportionately and automatically without further act or formality only to such extent that, as a result (i) the Variable Voting Shares do not carry more than 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the Aggregate Votes attached to all issued and outstanding voting shares of the Corporation, and (ii) the total number of votes cast by or on behalf of holders of Variable Voting Shares at any meeting do not exceed 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of the Corporation) of the total number of votes cast at such meeting.

- (4) References in Section 2.1 to the Variable Voting Shares that a person "holds" or "held" shall refer to and include the Variable Voting Shares held, beneficially owned or controlled, directly or indirectly by such person.

Section 2.2 Dividends

Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation ranking prior to the Variable Voting Shares, the holders of Variable Voting Shares shall be entitled to receive any dividend declared by the Board of Directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine.

The Variable Voting Shares and the Common Voting Shares shall rank equally as to dividends on a share-for-share basis, and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Variable Voting Shares and Common Voting Shares then outstanding, without preference or distinction.

Section 2.3 Subdivision or Consolidation

No subdivision or consolidation of the Variable Voting Shares or the Common Voting Shares shall occur unless, simultaneously, the shares of the other class are subdivided or consolidated in the same

manner, so as to maintain and preserve the relative rights of the holders of the shares of each of such classes.

Section 2.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation ranking prior to the Variable Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purpose of winding-up its affairs, the holders of Variable Voting Shares and Common Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

Section 2.5 Conversion

(1) Automatic

Each issued and outstanding Variable Voting Share shall be automatically converted into one Common Voting Share, without any further act on the part of the Corporation or of the holder, if (i) such Variable Voting Share becomes held, beneficially owned and controlled, directly or indirectly, otherwise than by way of security only, by a Canadian; or (ii) the provisions contained in the CTA relating to foreign ownership restrictions are repealed and not replaced with other similar provisions.

(2) Upon an Offer

If an offer is made to purchase Common Voting Shares and such offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed, to be made to all or substantially all the holders of Common Voting Shares in a province of Canada to which the requirement applies, each Variable Voting Share shall become convertible at the option of the holder into one Common Voting Share at any time while such offer is in effect until one day after the time prescribed by applicable securities legislation for the person making the offer (for the purposes of section 2.5, the "Offeror") to take up and pay for such shares as are to be acquired pursuant to such offer. The conversion right may only be exercised in respect of Variable Voting Shares for the purpose of depositing the resulting Common Voting Shares pursuant to such offer and for no other reason, including with respect to voting rights attached thereto, which are deemed to remain subject to Section 2.1, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Common Voting Shares on behalf of such holder.

To exercise the conversion right in this Section 2.5(2), the holder or the attorney of such holder duly authorized in writing shall:

- (a) give written notice to the Transfer Agent of the exercise of such right and of the number of Variable Voting Shares in respect of which the right is being exercised;
- (b) deliver to the Transfer Agent the share certificate or certificates representing the Variable Voting Shares in respect of which the right is being exercised, together with duly executed stock powers of attorney for each such certificate; and
- (c) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Common Voting Shares resulting from the conversion of the Variable Voting Shares in accordance with this Section 2.5(2) shall be delivered to the holders on whose behalf such deposit is being made or to the Transfer Agent.

(3) Conversion Into Variable Voting Shares

If the Offeror takes up and pays for the Common Voting Shares resulting from conversion in accordance with Section 2.5(2), the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

If (a) Common Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; (b) such offer is abandoned or withdrawn by the Offeror or (c) if such offer otherwise expires without such Common Voting Shares being taken up and paid for, then each Common Voting Share resulting from the conversion under Section 2.5(2) shall be automatically re-converted into one Variable Voting Share, without any further act on the part of the Corporation or of the holder and the share certificate(s) representing such Variable Voting Shares referred to in Section 2.5(2)(b) shall be returned to the holder in question by the Transfer Agent and the Transfer Agent shall destroy each of the stock powers of attorney previously delivered to it in Section 2.5(2)(b).

If the Offeror is not Canadian, each Common Voting Share resulting from the conversion provided for in Section 2.5(2) and taken up and paid for by the Offeror shall be automatically converted into one Variable Voting Share, without any further act on the part of the Corporation or of the Offeror at the time when the Offeror is required under the applicable securities legislation to take up and pay for such shares.

(4) Exceptions

There will be no right to convert the Variable Voting Shares into Common Voting Shares in each of the following circumstances:

- (a) if the offer to purchase Common Voting Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Common Voting Shares are then listed to be made to all or substantially all of the holders of Common Voting Shares in a province of Canada to which the requirement applies, that is, the offer is an "exempt take-over bid" within the meaning of the foregoing securities legislation; or
- (b) if an offer to purchase Variable Voting Shares is made concurrently with the offer to purchase Common Voting Shares and the two offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Variable Voting Shares must be unconditional, subject to the exception that the offer for the Variable Voting Shares may contain a condition to the effect that the Offeror is not required to take up and pay for Variable Voting Shares deposited to such offer if no shares are purchased pursuant to the contemporaneous offer for the Common Voting Shares; or
- (c) if the holders of Common Voting Shares representing, in the aggregate, more than sixty-six and two thirds percent (66 2/3%) of the then outstanding Common Voting Shares (excluding shares owned immediately prior to the offer by the Offeror and any joint actor) certify to the Transfer Agent and to the secretary of the Corporation that they will not deposit any shares in response to the offer for the Common Voting Shares.

**ARTICLE 3
COMMON VOTING SHARES**

Subject to the rights, privileges, restrictions and conditions which attach to the shares of any other class of shares of the Corporation, the Common Voting Shares, as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

Section 3.1 Voting

The holders of Common Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class shall be entitled to vote separately as a class as provided in the OBCA. Each Common Voting Share shall confer the right to one (1) vote at all meetings of shareholders of the Corporation.

Section 3.2 Dividends and Distributions

Subject to the rights, privileges, restrictions and conditions attached to any class of shares of the Corporation ranking prior to the Common Voting Shares, holders of Common Voting Shares shall be entitled to receive the dividends declared by the Board of Directors of the Corporation at the times and for the amounts that the Board of Directors may, from time to time, determine. The Common Voting Shares and Variable Voting Shares shall rank equally as to dividends on a share for share basis and all dividends declared in any fiscal year of the Corporation shall be declared in equal or equivalent amounts per share on all Common Voting Shares and Variable Voting Shares then outstanding, without preference or distinction.

Section 3.3 Subdivision or Consolidation

No subdivision or consolidation of the Common Voting Shares or the Variable Voting Shares shall occur unless, simultaneously, the shares of the other class are subdivided or consolidated in the same manner, so as to maintain and preserve the respective rights of the holders of the shares of each of such classes.

Section 3.4 Liquidation, Dissolution or Winding-up

Subject to the rights, privileges, restrictions and conditions attaching to any class of shares of the Corporation ranking prior to the Common Voting Shares, in the case of liquidation, dissolution or winding-up of the Corporation or other distribution of the Corporation's assets among its shareholders for the purposes of winding-up its affairs, the holders of Common Voting Shares and Variable Voting Shares shall be entitled to receive the remaining property of the Corporation and shall be entitled to share equally, share for share, in all distributions of such assets.

Section 3.5 Conversion

(1) Automatic

Unless the foreign ownership restrictions of the CTA are repealed and not replaced with other similar restrictions, an issued and outstanding Common Voting Share shall be automatically converted into one Variable Voting Share, without any further act of the Corporation or the holder, if such Common Voting Share is or becomes beneficially owned or controlled, directly or indirectly, otherwise than by way of a security only, by a person who is not a Canadian.

(2) Upon an Offer

If an offer is made to purchase Variable Voting Shares, and such offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed, to be made to all or substantially all the holders of Variable Voting Shares, each Common Voting Share shall become convertible at the option of the holder into one Variable Voting Share at any time while such offer is in effect until one day after the time prescribed by applicable securities legislation for the person making the offer (for the purposes of section 3.5, the "Offeror") to take up and pay for such shares as are to be acquired pursuant to such offer. The conversion right may only be exercised in respect of Common Voting Shares for the purpose of depositing the resulting Variable Voting Shares pursuant to such offer, and for no other reason, including with respect to voting rights

attached thereto, which are deemed to remain subject to Section 3.1, notwithstanding their conversion. The Transfer Agent shall deposit the resulting Variable Voting Shares pursuant to such offer, on behalf of such holder.

To exercise the conversion right in this Section 3.5(2), the holder or the attorney of such holder duly authorized in writing shall:

- (a) give written notice to the Transfer Agent of the exercise of such right and of the number of Common Voting Shares, in respect of which the right is being exercised;
- (b) deliver to the Transfer Agent the share certificate or certificates representing the Common Voting Shares, in respect of which the right is being exercised, together with duly executed stock powers of attorney for each such certificate; and
- (c) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Variable Voting Shares resulting from the conversion of the Common Voting Shares in accordance with this Section 3.5(2).

shall be delivered to the holders on whose behalf such deposit is being made or the Transfer Agent.

(3) Conversion Into Common Voting Shares

If the Offeror takes up and pays for the Variable Voting Shares resulting from conversion in accordance with Section 3.5(2), the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the Offeror.

If (a) Variable Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the Offeror; (b) such offer is abandoned or withdrawn by the Offeror or (c) if such offer otherwise expires without such Variable Voting Shares being taken up and paid for, then each Variable Voting Share resulting from the conversion under Section 3.5(2) shall be automatically re-converted into one Common Voting Share, without any further act on the part of the Corporation or of the holder and the share certificate(s) representing such Common Voting Shares referred to in Section 3.5(2)(b) shall be returned to the holder in question by the Transfer Agent and the Transfer Agent shall destroy each of the stock powers of attorney previously delivered to it in Section 2.5(2)(b).

If the Offeror is Canadian, each Variable Voting Share resulting from the conversion provided for in Section 3.5(2) and taken up and paid for by the Offeror shall be automatically converted into one Common Voting Share, without any further act on the part of the Corporation or of the Offeror at the time when the Offeror is required under the applicable securities legislation to take up and pay for such shares.

(4) Exceptions

There will be no right to convert the Common Voting Shares into Variable Voting Shares in the following circumstances:

- (a) if the offer to purchase Variable Voting Shares is not required, under applicable securities legislation or the rules of a stock exchange on which the Variable Voting Shares are then listed, to be made to all or substantially all of the holders of Variable Voting Shares in a province of Canada to which the requirement applies, that is, the offer is an "exempt take-over bid" within the meaning of the foregoing securities legislation; or

- (b) if an offer to purchase Common Voting Shares is made concurrently with such offer to purchase Variable Voting Shares, and the offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Common Voting Shares must be unconditional, subject to the exception that the offer for the Common Voting Shares shall contain a condition to the effect that the Offeror is not required to take up and pay for Common Voting Shares deposited to such offer if no shares are purchased pursuant to the contemporaneous offer for the Variable Voting Shares; or
- (c) if the holders of Variable Voting Shares representing, in the aggregate, more than sixty-six and two thirds percent (66 2/3%) of the then outstanding Variable Voting Shares (excluding shares owned immediately prior to the offer by the Offeror and any joint actor) certify to the Transfer Agent and to the secretary of the Corporation that they will not deposit any shares in response to the offer for the Variable Voting Shares.

ARTICLE 4

RESTRICTIONS ON SHARE TRANSFERS - CONSTRAINTS ON OWNERSHIP OF SHARES

Section 4.1 Variable Voting Shares

The Variable Voting Shares may only be beneficially owned or controlled, directly or indirectly, by persons who are not Canadians.

Section 4.2 Common Voting Shares

The Common Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians.

Section 4.3 OBCA Constraints

In the event that any law or regulation of Canada applicable to the Corporation should become prescribed for the purposes of subsections 42(2), 42(3) and 42(4) of the OBCA or any other similar provision in the OBCA or OBCA Regulations, this Schedule "A" shall be read as if they included constraints that assist the Corporation or any of its affiliates or associates (within the meaning of the OBCA) to qualify under such prescribed law or regulation to receive licenses, permits, grants, payments or other benefits by reason of attaining or maintaining a specified level of Canadian ownership or control and such specified level of Canadian ownership or control shall be the level of Canadian ownership and control designated by such prescribed law or regulation of Canada.

Section 4.4 Joint Ownership

For the purposes of this Schedule "A", where voting shares of the Corporation are beneficially owned or controlled by several persons jointly, the number of voting shares beneficially owned or controlled by any one such person shall include the number of voting shares beneficially owned or controlled jointly with such other persons. Where the voting shares are beneficially owned or controlled jointly by a person who is not Canadian and another person or persons, the voting shares shall be deemed to be owned or controlled by such person who is not Canadian.

Section 4.5 Exceptions

- (1) Nothing in these articles shall be construed to apply in respect of voting shares of the Corporation that:

- (a) are held by one or more underwriters solely for the purpose of distributing the shares to the public; or
 - (b) are held by any person that is acting in relation to the shares solely in its capacity as an intermediary in the payment of funds or the delivery of securities, or both, in connection with trades in securities and that provides centralized facilities for the clearing of trades in securities.
- (2) The constraints imposed herein do not apply to the extent that a person who is not Canadian holds voting shares by way of security only and such holding by way of security only is evidenced in such manner as may be prescribed by the by-laws or resolutions adopted by the shareholders or directors of the Corporation, executed copies of which security shall have been provided by such holder with the Corporation.

Section 4.6 By-Laws

- (1) Subject to the OBCA and the OBCA Regulations, the Board of Directors may make, amend or repeal any by-laws or other documents required to administer the constrained share provisions set out in these articles including by-laws or other documents:
- (a) to require any person in whose name voting shares of the Corporation are registered to furnish a statutory declaration declaring whether:
 - (i) the shareholder holds, is the beneficial owner of and has control over the voting shares of the Corporation;
 - (ii) the shareholder is a Canadian;
 - (iii) the shareholder is a Single Non-Canadian Holder;
 - (iv) the shareholder is a Non-Canadian Holder Authorized to Provide Air Service; and
 - (v) the shareholder is in affiliation with any Single Non-Canadian Holder or with any Non-Canadian Holder Authorized to Provide Air Service, and, in any such circumstance, the identity of all such affiliated shareholders;and declaring any further facts that the directors consider relevant;
 - (b) to require any person seeking to have a transfer of a voting share registered in such person's name or to have a voting share issued to him or her to furnish a declaration similar to the declaration a shareholder may be required to furnish under paragraph (a) above; and
 - (c) to determine the circumstances in which any declarations are required, their form and the times when they are to be furnished.
- (2) Where a person is required to furnish a declaration pursuant to a by-law or other document made under this Section 4.6 the directors may refuse to register a transfer of a voting share in such person's name or to issue a voting share to him or her until that person has furnished the declaration.

Section 4.7 Powers of Directors

- (1) In the administration of the provisions of these articles, the Board of Directors shall have, in addition to the powers set forth herein, all of the powers necessary or desirable, in their opinion,

to carry out the intent and purpose of these articles, including but not limited to all powers contemplated by the provisions relating to constrained share corporations in the OBCA and the OBCA Regulations.

- (2) In administering the provisions of these articles the Board of Directors may rely on:
 - (a) a statement made in a declaration referred to in Section 4.6; and
 - (b) the knowledge of a director, officer, employee or agent of the Corporation.
- (3) Where the directors are required to determine the total number of voting shares of the Corporation held by or on behalf of persons who are not Canadians, including by or on behalf of any Single Non-Canadian Holders or Non-Canadian Holders Authorized to Provide Air Service, including any shareholders in affiliation therewith, the directors may rely upon (i) the share register of the Corporation or (ii) any other register held, or any declaration of residence collected by, the transfer agent of the Corporation or any depository, such as CDS & Co., as of any date, provided that such date is not more than four months before the day on which the determination is made.
- (4) Wherever in these articles it is necessary to determine the opinion of the Board of Directors, such opinion shall be expressed and conclusively evidenced by a resolution of the Board of Directors duly adopted, including a resolution in writing executed pursuant to Section 129 of the OBCA.
- (5) No shareholder of the Corporation nor any other person claiming an interest in shares of the Corporation shall have any claim or action against the Corporation or against any director or officer of the Corporation, and the Corporation shall have no claim or action against any director or officer of the Corporation, arising out of any act (including any omission to act) taken by any such director or officer pursuant to, or in intended pursuance of, the provisions of these articles or any breach or alleged breach of such provisions.

CV-20-00636741-00CL April 1, 2020

Re Cargojet

- ① This application was heard by teleconference in accordance with the changes to the operations of the Commercial List operations in light of the Covid-19 Crisis and the Chief Justice's Notice & the Proportion dated March 15, 2020.
- ② This application is not opposed and has over 99% approval by the Shareholders. I am satisfied that it should be granted on the terms of the attached Final Order.
- ③ The Final Order is effective as of today's date whether or not it is formally entered.

Hanley J.

**PLAN OF ARRANGEMENT UNDER SECTION 182 OF THE
ONTARIO BUSINESS CORPORATIONS ACT**

**ARTICLE 1
INTERPRETATION**

1.1 Definitions.

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings hereinafter set forth:

- (a) "**affiliation**" shall have the meaning set forth in Subsection 55(2) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;
- (b) "**air service**" shall have the meaning set forth in Subsection 55(1) of the CTA or as specified in any regulation made thereunder, as the same may be amended, supplemented or replaced, from time to time;
- (c) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to Section 182 of the OBCA set forth in this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation, the whole as supplemented, modified or amended;
- (d) "**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Meeting by the Shareholders voting together as a single class;
- (e) "**Articles of Arrangement**" means the articles of arrangement of the Corporation in respect of the Arrangement, required by the OBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Corporation;
- (f) "**Articles**" means the articles of amalgamation of the Corporation dated January 1, 2020, as amended from time to time;
- (g) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in the City of Toronto, in the Province of Ontario, for the transaction of banking business;
- (h) "**Canadian**" means:
 - (a) a Canadian citizen or a permanent resident as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*, S.C. 2001, c.27,
 - (b) a government in Canada or an agent or mandatary of such a government, or
 - (c) a Corporation or entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 51% of the voting interests are owned and controlled by Canadians and where:
 - (i) no more than 25% of the voting interests are owned directly or indirectly by any single non-Canadian, either individually or in affiliation with another person, and

- (ii) no more than 25% of the voting interests are owned directly or indirectly by one or more non-Canadians authorized to provide an air service in any jurisdiction, either individually or in affiliation with another person;
- (i) "**Certificate**" means the certificate to be issued by the Director pursuant to subsection 183(2) of the OBCA giving effect to the Arrangement;
- (j) "**Common Voting Shares**" means the common voting shares in the share capital of the Corporation;
- (k) "**Corporation**" means Cargojet Inc., a corporation incorporated under the laws of Ontario;
- (l) "**Court**" means the Ontario Superior Court of Justice (Commercial List);
- (m) "**CTA**" means the *Canada Transportation Act* (S.C. 1996, c. 10);
- (n) "**Director**" means the director appointed under Section 278 of the OBCA;
- (o) "**Effective Date**" means the date the Arrangement is effective under the OBCA, as endorsed by the Certificate;
- (p) "**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date as endorsed by the Certificate;
- (q) "**Final Order**" means the final order of the Court approving the Arrangement as such order may be amended or varied by the Court (with the consent of the Corporation) at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is acceptable to the Corporation) on appeal;
- (r) "**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasigovernmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange;
- (s) "**Interim Order**" means the interim order of the Court, in a form acceptable to the Corporation, concerning the Arrangement and providing for, among other things, declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be amended by the Court with the consent of the Corporation;
- (t) "**Law**" means, with respect to any Person, any and all applicable laws (statutory, civil, common or otherwise), constitutions, treaties, conventions, ordinances, codes, rules, regulations, orders, injunctions, judgments, decrees, rulings or other similar requirements, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise;
- (u) "**Meeting**" means the annual and special meeting of the Shareholders, including any adjournment or postponement of such annual and special meeting, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

- (v) "**Non-Canadian**" means a Person who is not a Canadian;
 - (w) "**OBCA**" means the *Business Corporations Act* (Ontario);
 - (x) "**Non-Canadian Holder Authorized to Provide Air Service**" means one or more non-Canadian Shareholders authorized to provide an air service in any jurisdiction, either individually or in affiliation with any other person;
 - (y) "**Person**" includes an individual, limited or general partnership, limited liability Corporation, limited liability partnership, trust, joint venture, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;
 - (z) "**Plan of Arrangement**" means this plan of arrangement under Section 182 of the OBCA, and any amendments or variations made in accordance therewith or made at the direction of the Court in the Final Order with the prior written consent of the Corporation;
 - (aa) "**Shares**" means the Common Voting Shares and the Variable Voting Shares of the Corporation;
 - (bb) "**Shareholders**" means the holders and the beneficial owners of the Common Voting Shares and the holders and the beneficial owners of the Variable Voting Shares of the Corporation;
 - (cc) "**Single Non-Canadian Holder**" means any single non-Canadian Shareholder, either individually or in affiliation with any other person;
 - (dd) "**Transfer Agent**" means Computershare Investor Services Inc.; and
 - (ee) "**Variable Voting Shares**" means the variable voting shares in the share capital of the Corporation.
- 1.2 **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 **References.** Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 **Certain Phrases, etc.** Unless the context requires otherwise, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individual, limited or general partnership, limited liability Corporation, limited liability partnership, trust, joint venture, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.
- 1.5 **Business Days.** In the event that the date on which any action is required to be taken hereunder is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place, except that the Effective Date can fall on a date that is not a Business Day.
- 1.6 **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.

- 1.7 **Statutes.** References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- 1.8 **Governing Law.** This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 1.9 **Time References.** References to time herein are to local time, Toronto, Ontario.

ARTICLE 2 BINDING EFFECT

- 2.1 Upon the filing of the Articles of Arrangement and the issuance of the Certificate, this Plan of Arrangement shall become, at and after the Effective Time, effective and binding on: (i) all the Shareholders, (ii) the Corporation, (iii) the Transfer Agent, and (iv) all other Persons, without any further formality required on the part of any Person, except as expressly provided herein.

ARTICLE 3 THE ARRANGEMENT

- 3.1 At the Effective Time, the following events shall occur and shall be deemed to occur in the following order without any further authorization, act or formality on the part of any Person:
- (a) Section 8 of the Corporation's Articles shall be amended and replaced, and shall be deemed to be amended and replaced, with the form of Schedule A attached to this Plan of Arrangement as Exhibit I, to, among other things, modify the rights attached to the Shares in order to reflect the definition of "Canadian" in Section 55(1) of the CTA as amended pursuant to *The Transportation Modernization Act* (Bill C-49).
 - (b) the Articles of Arrangement in the form attached as Exhibit I to this Plan of Arrangement shall be adopted and the Corporation's Articles shall be amended accordingly; and
 - (c) the Corporation shall be authorized to amend the declaration and any form or other document to be completed from time to time by Shareholders to determine their status as Canadian, non-Canadian, Single Non-Canadian Holder and Non-Canadian Holder Authorized to Provide Air Service and to determine whether the Shareholder holds, is the beneficial owner of or has control over any Shares and whether the Shareholder is in affiliation with any Single Non-Canadian Holder or with any Non-Canadian Holder Authorized to Provide Air Service, and, in any such circumstance, the identity of such affiliated Shareholders, and declaring any further facts that the Corporation considers relevant, such amendments to be made in accordance with the authority granted to the directors in the Corporation's Articles by way of the Articles of Arrangement.
- 3.2 The Arrangement and the amendment of the Articles by way of Articles of Arrangement shall not trigger any right of dissent for the Shareholders, whether under the OBCA or otherwise.
- 3.3 Each Shareholder, with respect to each step set out in Section 3.1 applicable to such holder, shall be deemed, at the time such step occurs, to have executed and delivered all necessary or required consents, releases, assignments, instruments, certificates, powers of attorney and waivers, statutory or otherwise, relating to or in connection with the completion of such step.
- 3.4 The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with regard to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Section 3.1 has become effective in the sequence and at the times set out therein.

- 3.5 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time.

**ARTICLE 4
AMENDMENTS AND WITHDRAWAL**

- 4.1 The Corporation may amend this Plan of Arrangement at any time, provided that each such amendment must be set out in writing and filed with the Court.
- 4.2 Any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time by the Corporation without the approval of the Court or of the Shareholders, provided that it concerns a matter which, in the reasonable opinion of the Corporation, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any holder of Shares.
- 4.3 Subject to Section 4.2, any amendment to this Plan of Arrangement may be proposed by the Corporation at any time prior to or at the Meeting with or without any other prior notice or communication to Shareholders, and if so proposed and accepted by the Persons voting at the Meeting (other than as required by the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 4.4 Subject to Section 4.2, the Corporation may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time with the approval of the Court, and, if and as required by the Court, after communication to Shareholders.
- 4.5 This Plan of Arrangement may be withdrawn and the Corporation may not proceed with this Plan of Arrangement prior to the Effective Time in accordance with the Arrangement Resolution.

**ARTICLE 5
FURTHER ASSURANCES**

- 5.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in Section 3.1 and shall become effective without any further act or formality, the Corporation shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

EXHIBIT I

Kindly refer to Schedule "G" of this circular.