



**NOTICE OF ANNUAL MEETING OF
SHAREHOLDERS TO BE HELD ON
APRIL 11, 2023
AND MANAGEMENT INFORMATION CIRCULAR**

Our annual meeting of shareholders will be held at 1:00pm (Toronto time) on Tuesday, April 11, 2023, at Stikeman Elliott LLP, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto Ontario

As a holder of voting shares of Cargojet Inc., you have the right to vote your shares, either by proxy or in person, at the meeting

March 6, 2023

Letter to our Shareholders from the Board of Directors

Dear Shareholders,

We are glad to invite you to join us at our 2023 Annual Meeting of Shareholders on **April 11, 2023 at 1:00 p.m.** (Toronto time) (the “**Meeting**”). In the attached Circular, you will be provided with instructions for attending our AGM in person at the offices of Stikeman Elliott LLP, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario or for delegating a proxy to act on your behalf.

We hope that you find the following information to be of value and that it provides you with a good understanding of Cargojet's short and long term strategies, the significant achievements made in 2022 and an understanding of how the Company is looking to continue its growth and success in the new year and beyond.

About Us

Cargojet is Canada's leading provider of time-sensitive premium overnight air cargo services to all major cities across North America, providing Dedicated, ACMI and International Charter services and carries over 25,000,000 pounds of cargo weekly.

Cargojet's business is comprised of the following:

- Operating a domestic air cargo network between sixteen major Canadian cities each business day;
- Providing dedicated aircraft to customers on an Aircraft, Crew, Maintenance and Insurance (“**ACMI**”) basis, operating between points in Canada, North America and South America;
- Operating scheduled international routes for multiple cargo customers between the USA and Bermuda, and between Canada, UK and Germany; and
- Providing dedicated aircraft to customers on an *ad hoc* charter basis operating between points in Canada, the USA and other select international destinations.

Cargojet owns/operates a fleet of 39 aircraft. Cargojet's domestic air cargo network consolidates cargo received from numerous customers and transports such cargo to the appropriate destination in a timely and safe manner. Cargojet continually monitors key performance indicators and uses this information to reduce costs and improve the efficiency of its services.

Cargojet's strategy is to create sustained value and profitability and is based on the following priorities:

- Business development in local and international markets,
- Growth in the revenue streams by increasing customer base,
- Revenue improvement and cost reductions,
- Excellence in corporate culture; and
- Strengthening management by hiring and training to enhance and improve company culture. New management personnel are provided with a comprehensive orientation and education program aimed at familiarizing themselves with the Company's industry, strategic plans, significant risk management issues and financial standing, and the nature and operation of the Company's business.

Certain Financial Highlights

For us at Cargojet, like our customers and Shareholders, 2022 presented both challenges and opportunities. Cargojet and its employees, through their hard work and commitment, made sure that the supply chains, which are so critical for Canada and Canadian's success, continued to operate effectively and efficiently. The following are just some of the highlights from 2022:

- Continued strong demand for Cargojet's domestic and international air cargo services. Revenues increased to \$983.7 million from \$757.8 million in the previous year (29.8%) primarily due to the continued strong demand from existing customers on both the domestic network and for ACMI business.
- On February 7, 2022, Cargojet amended its syndicated committed revolving credit facility to increase by up to \$100 million for an aggregate availability of up to \$700 million and to reflect the transition from LIBOR to SOFR. The syndicated committed revolving credit facility was further amended on July 22, 2022 to further extend the maturity date to July 22, 2027 and establish a non-revolving USD\$400 million delayed-draw term loan facility; and
- Cargojet continues to strengthen its existing customer base;
 - In March 2022, Cargojet entered into a new long-term strategic agreement with DHL Network Operations (USA) Inc. ("DHL"), an affiliate of Deutsche Post DHL Group, for a term of five years with a renewal option for an additional two years, to provide air-transportation services for DHL's global network;
 - In November 14, 2022, Cargojet announced the renewal and extension of their Air Cargo Services Agreement with United Parcel Service Canada Ltd. for an additional five-year term. The current agreement was due to expire on July 1, 2025. The renewal extends expiry to December 31, 2030; and
 - In January 2023, Cargojet announced an extension to its existing master services agreement with Canada Post Group of Companies, including Purolator Inc. until September 30, 2029, with an additional option to renew the MSA until March 31, 2031 remaining available, further strengthening its existing customer base.

Fleet

Cargojet continued to expand its fleet size to accommodate the growing needs of its customers and to support the needs of the Canadian supply chain. Company expanded the dedicated air cargo fleet from 28 to 34 aircraft to support the international revenue growth with new lanes throughout Europe, China, South America and the US. By the end of 2023, Cargojet expects to have 41 cargo aircraft in its fleet, growing to 45 by the end of 2024.

Setting a Path for Meeting our ESG Objectives

In July 2021, Cargojet released its first Environmental, Social and Governance ("ESG") Report. The ESG Report was updated in February 2022 and is filed with the Canadian securities regulatory authorities on the SEDAR website under the Company's "Investor" page. The ESG Report is an important starting point in documenting what we have been doing since the inception of Cargojet. We are focused on meeting the

needs of our customers, employees, the communities in which we operate and the world within which we live generally.

Industry Recognition

In 2022, Cargojet was again, for the twentieth year, awarded the Shipper's Carrier of Choice Award by the Canadian Shipper magazine. Cargojet continues to surpass shipper expectations as well as the industry benchmark in the total Industry Sector Average and particularly in the key areas of On-time Performance, Customer Service, Quality of Equipment & Operations, Competitive Pricing, and Sustainable Transportation Practices. Cargojet is the only Canadian Air Cargo carrier to receive this honour for the twentieth year.

Connect with Us

We believe that engaging and communicating directly with shareholders and other stakeholders is important for providing timely and meaningful feedback. The Board encourages shareholder attendance and participation at the Company's annual shareholder meetings as it provides a valuable opportunity to discuss the Company, its corporate governance and other important matters. Outside of the Company's annual meeting, shareholders may contact the Board through the Company's Senior Vice President Legal and Corporate Governance at the following email address: fgarcia@cargojet.com. Mr. Garcia has been designated by the Board as its agent to receive and review communications and meeting requests addressed to the Board. Directors make themselves available regularly throughout the year and at every annual meeting to engage and respond to questions from shareholders. Cargojet's Investor Relations group can also be contacted via email at the address of 2281 North Sheridan Way, Mississauga, Ontario, L5K 2S3, to the attention of the Investor Relations Group or by email at: pdhillon@cargojet.com. Engaging with shareholders is very important for Cargojet. During 2022, Cargojet executives met with over 96% of all institutional investors, many on several occasions throughout the year to provide updates, answer any questions and receive feedback.

We thank you for joining us and for taking the time to read more about Cargojet. We look forward to another year of growth and to providing our customers the level of services they expect from us. As an essential player in the Canadian supply chain, we will continue to work hard to continue meeting the needs of our shareholders, customers, employees and broader stakeholders.

Thank you,

Board of Directors

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CARGOJET INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common voting shares and variable voting shares (together, the “**Voting Shares**”) of Cargojet Inc. (“**Cargojet**” or the “**Company**”) will be held **at 1:00 p.m. (Toronto time) on Tuesday, April 11, 2023** in person at the offices of Stikeman Elliott LLP, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario. The Meeting is being called for the following purposes, each as more particularly described in the accompanying management information circular of the Company (the “**Circular**”):

1. to receive and consider the audited consolidated financial statements of the Company for the fiscal period ended December 31, 2022 and the report of the auditors thereon;
2. to elect the directors of the Company who will serve until the end of the next annual meeting of Shareholders or until their successors are elected or appointed;
3. to appoint the auditors of the Company and to authorize the directors of the Company to fix their remuneration; and
4. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The Company’s board of directors has fixed the close of business on February 14, 2023 as the record date for determining Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof. Only Shareholders of record at that time will be entitled to vote at the Meeting, or any adjournment or postponement thereof.

Registered Shareholders are requested to complete, date, sign and return the form of proxy in the return envelope provided for that purpose with the Notice-and-Access Package (as defined below). You may also vote your Voting Shares by proxy by appointing another person to attend the Meeting and vote your Voting Shares for you. To be valid, the form of proxy enclosed with the Notice-and-Access Package must be signed and received by the proxy department of the Company’s transfer agent, Odyssey Trust Company (“Odyssey”), by mail, or by facsimile no later than **1:00 p.m. (Toronto time) on April 6, 2023** or, if the Meeting is adjourned or postponed, prior to **1:00 p.m. (Toronto time)** on the second business day preceding the date of the Meeting (excluding Saturdays, Sundays and holidays). Failure to properly complete or deposit a proxy may result in its invalidation. Failure to properly complete or deposit a proxy may result in its invalidation.

Shareholders who have voted by proxy may still attend the Meeting. Please read the instructions regarding how to vote at, or attend, the Meeting under “*General Proxy Matters – Registered Shareholders*” in the Circular.

Most Shareholders do not hold their Voting Shares in their own names. Such Voting Shares may be beneficially owned by you but registered either: (a) in the name of an intermediary such as a bank, trust company, securities dealer or broker, or the trustee or administrator of a self-administered RRSP, RRIF, RESP, TFSA or similar plan, or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) or its nominee, of which the intermediary is a participant. If your Voting Shares are shown in an account statement provided to you by your intermediary, in almost all cases, your Voting Shares will not be registered in your name in the records of the Company. Only proxies deposited by registered Shareholders can be recognized and acted upon at the Meeting. As a result, if you hold your Voting Shares

through a broker or other intermediary, we urge you to complete only the voting instruction form provided by your broker or other intermediary or provide your voting instructions to your broker or other intermediary by other acceptable methods. Please read the instructions regarding how to vote at, or attend, the Meeting under “*General Proxy Matters – Shareholder Voting Procedures*” in the Circular.

This year, as permitted by Canadian securities regulators, we are using “notice-and-access” to deliver our Meeting materials. Accordingly, this Notice of Meeting and the accompanying Management Information Circular, and Cargojet’s audited annual financial statements for the financial year ended December 31, 2022, along with the related management discussion and analysis, have been posted at <https://cargojet.com/financials-page/> and under Cargojet’s profile on www.SEDAR.com.

As a Shareholder of the Company, it is very important that you read the accompanying Meeting materials carefully and then vote your Voting Shares, either by proxy or in person, at the Meeting.

Shareholders can contact our transfer agent, Odyssey Trust Company, toll free at 1-888-290-1175 or by online at <https://odysseytrust.com/ca-en/help/>, for more information regarding notice-and-access or with questions regarding how to vote their shares.

Mississauga, Ontario
6th day of March 2023

BY ORDER OF THE BOARD OF DIRECTORS

“Ajay Virmani”

Dr. Ajay Virmani
President and Chief Executive Officer

CARGOJET INC.

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is furnished by management of Cargojet Inc. (the “**Company**”) in connection with the solicitation of proxies for use at the annual meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common voting shares (the “**Common Voting Shares**”) and variable voting shares (the “**Variable Voting Shares**” and, together with the Common Voting Shares, the “**Voting Shares**”) of the Company, to be held at **1:00 p.m.** (Toronto time) on **Tuesday, April 11, 2023** at the offices of Stikeman Elliott LLP, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario or any adjournment or postponement therefor, for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”).

In this Circular, “you” and “your” refer to the Shareholders. “We”, “us”, “our”, the “Company” and “Cargojet” refer to Cargojet Inc.

The information in this Circular is presented as at March 6, 2023, unless indicated otherwise.

The Company presents its consolidated financial statements in Canadian dollars. In this Circular, references to “\$”, “C\$”, “dollars” or “Canadian dollars” are to Canadian dollars. Amounts are stated in Canadian dollars unless otherwise indicated.

No person has been authorized to give any information or to make any representation in connection with any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

Approval by Directors

The content and the sending to the Shareholders of this Circular have been approved by the Board of Directors of the Company (the “**Board**” or “**Board of Directors**”). A copy of this Circular has been made available to each Shareholder who is eligible to receive notice of, and vote his or her Voting Shares at, the Meeting, as well as to each director and to the auditors.

Mississauga, Ontario
6th day of March, 2023

BY ORDER OF THE BOARD OF DIRECTORS

“Ajay Virmani”

Dr. Ajay Virmani
President and Chief Executive Officer

GENERAL PROXY MATTERS

As a Shareholder, it is very important that you read the information contained herein carefully and then vote your Voting Shares, either by proxy or voting instruction form or by attending the Meeting in person. Voting by proxy means that you are giving the person or people named on your proxy form (each a “**Proxyholder**”) the authority to vote your Voting Shares for you at the Meeting or any adjournment or postponement thereof.

Date, Time and Place of Meeting

The Meeting is scheduled to be held at **1:00 p.m.** (Toronto time) on **Tuesday, April 11, 2023** at the offices of Stikeman Elliott LLP, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario. The Company reserves the right to adjourn or postpone the Meeting if considered appropriate by the Board.

Record Date

The Board has fixed the close of business on February 14, 2023 as the record date (the “**Record Date**”) for determining Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof. Only Shareholders of record as of the close of business on the Record Date will be entitled to notice of, and to vote at, the Meeting or any adjournment or postponement thereof. No Shareholder who becomes a Shareholder of record after the Record Date will be entitled to vote at the Meeting, or any adjournment or postponement thereof.

Quorum

A quorum of Shareholders is present at the Meeting if the holders of not less than 25% of the Voting Shares entitled to vote at the Meeting are present in person or represented by proxy, irrespective of the number of persons actually at the Meeting.

Voting Requirements

Each of the items to be voted upon at the Meeting, as set forth in the Notice of Meeting, will be determined by a majority of votes cast at the Meeting by proxy or in person. For details concerning the Company’s majority voting policy, with respect to the election of directors, please refer to the information under “*Election of Directors – Majority Voting*”. Our Common Voting Shares and Variable Voting Shares vote together as a single class. See “*Voting Shares and Principal Holders of Voting Shares – Restrictions on Voting Shares*”.

Solicitation of Proxies

The information contained in this Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the Company to be used at the Meeting and for the purposes set forth in the Notice of Meeting. It is expected that the solicitation of proxies will be primarily by mail but proxies may also be solicited personally by telephone or other electronic means by management of the Company, including its directors and officers, without special compensation. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

Notice-and-Access

This year, as permitted by Canadian securities regulators, we are using notice-and-access to deliver the Meeting materials to our shareholders, including the Notice of Meeting, this Circular and our audited annual financial statements for the year ended December 31, 2022, along with the related management discussion and analysis. This means that Cargojet will post the Meeting materials online for our shareholders to access electronically. You will receive a package in the mail with a notice explaining how to access and review the Meeting materials electronically and how to request a paper copy free of charge (the “**Notice-and-Access Package**”). The Notice-and-Access Package you receive will also contain a proxy form or a voting instruction form (unless you have chosen to receive proxy materials electronically) so you can vote your

shares. The Company has agreed to pay for intermediaries to forward Meeting materials to objecting beneficial owners. Since notice-and-access gives our shareholders more choice, substantially reduces printing, paper and postage, it is a more environmentally friendly and cost effective way to distribute the Meeting materials to shareholders. The Meeting materials are available at <https://cargojet.com/financials-page/> and under Cargojet's profile on www.sedar.com.

Shareholders can contact our transfer agent, Odyssey Trust Company, toll free at toll free at 1-888-290-1175 or online at <https://odysseytrust.com/ca-en/help/>, for more information regarding notice-and-access, or to obtain a paper copy of these documents at no charge for up to one year. Requests must be made by March 31, 2023 in order to receive a paper copy of the Meeting materials prior to 1:00 p.m. (Toronto time) on April 6, 2023, which is the deadline for submission of your voting instructions or proxy form. You will not receive a new proxy form or voting instruction form if you request a paper copy of the Meeting materials, so it is important that you keep the original form sent to you in order to vote. If your request is received on or after the date of the Meeting, then the documents will be sent to you within ten calendar days of your request.

Shareholder Voting Procedures

Registered Shareholders

You are a registered shareholder (“**Registered Shareholder**”) if your name appears on your share certificate or on the register maintained by the Company's transfer agent. If you are a Registered Shareholder of Voting Shares, a proxy form is included in the Notice-and-Access Package.

If you are a Registered Shareholder, you can vote in person at the Meeting or by proxy. Voting by proxy means that you are giving the person or people named on your proxy form (each a “Proxyholder”) the authority to vote your Voting Shares for you at the Meeting or any adjournment or postponement thereof.

How to Vote in Person

If you are a Registered Shareholder and intend to be present and vote in person at the Meeting, you do not need to complete or return your proxy form. At the Meeting, you should see a representative of Odyssey.

How to Vote by Proxy

Complete and return the form of proxy in the return envelope provided with the Notice-and-Access Package. The proxy must be executed by the Shareholder or the attorney of such Shareholder, duly authorized in writing. Voting by proxy means that you are giving your Proxyholder(s) the authority to vote your Voting Shares for you at the Meeting or any adjournment or postponement thereof.

If you vote by proxy, the directors and officers who are named on the proxy form will vote your Voting Shares for you, unless you appoint someone else to be your Proxyholder. You have the right to appoint a person or company of your choice to be your Proxyholder who need not be a Shareholder to represent you at the Meeting other than the persons designated in the enclosed form of proxy. If you appoint someone else, he or she must be present at the in person Meeting to vote your Voting Shares. Write the name of the person you are appointing in the space provided, complete your voting instructions and date and sign the form. Make sure that the person you appoint is aware that he or she has been appointed as your Proxyholder and attends the Meeting. At the Meeting, he or she should see a representative of Odyssey.

Duly completed and executed proxies must be received by the Company's transfer agent before 1:00 p.m. (Toronto time) on April 6, 2023 or, if the Meeting is adjourned or postponed, prior to 1:00 p.m. (Toronto

time) on the second business day preceding the day of the Meeting (excluding Saturdays, Sundays and holidays), or any adjournment or postponement thereof. Completed proxies can be submitted by mail or facsimile and must be received by the Company's transfer agent:

Phone: 1-888-290-1175

Fax: 1-800-517-4553

Mail: 702, 67 Yonge Street, Toronto ON M5E 1J8

E-mail: shareholders@odysseytrust.com

The Voting Shares represented by any proxy received by management will be voted for, against, or withheld from voting, as the case may be, by the persons named in the form of proxy enclosed with the Notice-and-Access Package in accordance with the direction of the Shareholder appointing them. **In the absence of any direction to the contrary, it is intended that the Voting Shares represented by proxies received by management will be voted on any ballot "FOR": (1) the election of each of the directors referred to in this Circular, and (2) the reappointment of the auditors of the Company with remuneration to be fixed by the directors.**

How to Change Your Vote

A Registered Shareholder executing the enclosed form of proxy may revoke it at any time before it has been exercised by:

- completing a proxy form that is dated later than the proxy form being revoked and mailing or faxing it to the Company's transfer agent so that it is received before 1:00 p.m. (Toronto time) on April 6, 2023;
- sending a revocation notice in writing to the Corporate Secretary of the Company at its registered office so that it is received at any time up to and including the last business day before the date of the Meeting. The notice can be from the Shareholder or the authorized attorney of such Shareholder; or
- requesting from the chair of the Meeting in writing that your proxy be revoked.

Non-Registered Shareholders

You are a non-registered (or beneficial) shareholder ("**Non-Registered Shareholder**") if your bank, trust company, securities broker or other financial institution holds your Voting Shares for you (your nominee). In that case, you will likely not receive a proxy form.

If you are a Non-Registered Shareholder, your Voting Shares are likely held in the book-entry system operated by CDS Clearing and Depository Services Inc. ("**CDS**"). If so, your Voting Shares will not be registered in your name on our records. Unless you instruct your intermediary to vote in accordance with their request for voting instructions, they are generally prohibited from voting your Voting Shares, as Voting Shares should only be voted upon instructions of the beneficial holder. You may vote your Voting Shares in person at the Meeting or through your nominee by following the instructions provided to you by them.

If you are not sure whether you are a Registered Shareholder or Non-Registered Shareholder, please contact Odyssey, the Company's transfer agent:

Phone: 1-888-290-1175

Fax: 1-800-517-4553

Mail: 702, 67 Yonge Street, Toronto ON M5E 1J8

E-mail: shareholders@odysseytrust.com

How to Vote

For Non-Registered Shareholders, applicable regulations in Canada require brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Voting Shares are voted at the Meeting. Sometimes, the proxy supplied to a Non-Registered Shareholder by its broker is identical to that provided to CDS, as the Registered Shareholder. However, in order for such proxy to be valid, it must be properly executed by the financial intermediary holding the Voting Shares and returned to the Company's transfer agent before **1:00 p.m.** (Toronto time) on **April 6, 2023** or, if the Meeting is adjourned or postponed, prior to **1:00 p.m.** (Toronto time) on the second business day preceding the day of the Meeting (excluding Saturdays, Sundays and holidays). Most intermediaries delegate responsibility to Broadridge Financial Solutions, Inc. ("**Broadridge**") for obtaining instructions from clients. Broadridge typically mails a scannable voting instruction form in lieu of a proxy form to Non-Registered Shareholders and provides appropriate instructions respecting voting of Voting Shares to be represented at the Meeting. Voting instruction forms sent by Broadridge can be completed by (i) using the internet at www.proxyvote.com; (ii) calling the phone number listed thereon; or (iii) mailing the completed voting instruction form in the envelope provided.

For Internet and telephone voting, Non-Registered Shareholders will need the 16-digit Control Number or Username found on their voting instruction forms. Non-Registered Shareholders who have lost or misplaced their voting instruction form can still vote by obtaining a new 16-digit Control Number or Username from their bank, trust company, securities dealer, broker or other intermediary.

Non-Registered Shareholders who receive voting instructions from their intermediary other than those contained in the voting instruction form sent by Broadridge should carefully follow the instructions provided by their intermediary to ensure their vote is counted.

Subject to the terms of your voting instruction form, In the absence of any direction to the contrary, it is intended that the Voting Shares represented by voting instruction forms received by management will be voted on any ballot "FOR": (1) the election of each of the directors referred to in this Circular; and (2) the reappointment of the auditors of the Company with remuneration to be fixed by the directors.

We do not have access to the names or holdings of our Non-Registered Shareholders. That means you can only vote your Voting Shares in person at the Meeting if you have instructed your nominee to appoint you as Proxyholder. To do this, write your name in the space provided on the voting instruction or proxy authorization form provided by your nominee and follow the instructions of your nominee.

If you are a Non-Registered Shareholder and wish to vote in person at the Meeting, please review the voting instruction form provided to you or contact your broker or agent well in advance of the Meeting to determine how you can appoint yourself to do so. At the Meeting, you should see a representative of Odyssey.

How to Change Your Vote

A Non-Registered Shareholder may revoke a voting instruction or proxy authorization form given to an intermediary at any time by written notice to the intermediary, except that an intermediary may not act on a revocation of a voting instruction or proxy authorization form or of a waiver of the right to receive Meeting materials and to vote that is not received by the intermediary in sufficient time prior to the Meeting.

Exercise of Discretion of Proxyholders

The enclosed form of proxy and any voting instructions submitted confer discretionary authority upon the persons named therein with respect to matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting or any adjournment or postponement thereof, and with respect to amendments or variations to matters identified in the Notice of Meeting. As of the date hereof, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and routine matters incidental to the conduct of the Meeting. If any further business is properly brought before the Meeting, it is intended that the persons appointed as Proxyholder will vote on such other business matters in such manner as such persons then consider being proper.

Declaration of Status

You must also complete the Declaration of Canadian Status contained in the form of proxy or voting instruction form to inform the Company whether you are a (i) Canadian, (ii) non-Canadian holder authorized to provide air service or (iii) non-Canadian who is not a non-Canadian holder authorized to provide air service, to enable Cargojet to comply with the requirements of the *Canada Transportation Act* and our articles amalgamation (the “**Articles**”). If you do not complete such declaration or if it is determined by Cargojet or its transfer agent that you incorrectly indicated (through inadvertence or otherwise) that the Voting Shares represented by proxy are owned and controlled by a Canadian, you will be deemed to be a non-Canadian holder authorized to provide air service for purposes of voting at the Meeting.

How the Votes are Counted

Odyssey counts and tabulates the votes. Odyssey refers proxy forms to us only when:

- It is clear that a Shareholder wants to communicate with management;
- The validity of the form is in question; or
- The law requires it.

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

To the knowledge of the directors and officers of the Company, other than as disclosed elsewhere in this Circular, no director or executive officer of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing persons, has, at any time since the beginning of the Company’s last financial year, any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

Voting Shares

The beneficial interests in the Company are divided into two classes, designated as Common Voting Shares and Variable Voting Shares. Each Voting Share represents an equal undivided beneficial interest in any net income and free cash flow from the Company and in any assets of the Company remaining in the event of termination or winding up of the Company. Each Voting Share entitles the holder thereof to one vote on

all matters to be acted upon at the Meeting, unless otherwise varied in accordance with the terms of the Variable Voting Shares as set forth in our Articles and as further summarized below.

As of the Record Date, there were 17,202,186 Voting Shares issued and outstanding. As of December 30, 2022, being the latest date as of which such information was made available to the Company, there were 14,873,583 Common Voting Shares and 2,328,603 Variable Voting Shares issued and outstanding.

Principal Holders of Voting Shares

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

Restrictions on Voting Shares

Foreign ownership limits under the Company's Articles

The *Canada Transportation Act* (the “**CTA**”) requires that a national holder of a domestic air service licence and, with certain exceptions, scheduled international and non-scheduled international air service licences, such as Cargojet, be “Canadian”. In 2018, the Government of Canada passed the *Transportation Modernization Act* (Canada) (the “**TMA**”), that amended, among other things, the definition of “Canadian” under section 55(1) of the CTA to increase foreign ownership limits in Canadian air carriers from 25% to 49%, provided that no single non-Canadian holds more than 25% of the voting interests and provided that non-Canadian air service providers do not, in the aggregate, hold more than 25% of the voting interests in a Canadian airline.

At the annual and special meeting of shareholders held on March 30, 2020 (the “**2020 Shareholder Meeting**”), Cargojet received Shareholder approval for a plan of arrangement under section 182 of the *Ontario Business Corporations Act* (the “**OBCA**”) to effect amendments to the Company's Articles to align the restrictions on the level of foreign ownership with those prescribed by the amended definition of “Canadian” under the CTA. The Ontario Superior Court of Justice (Commercial List) subsequently issued a final order approving the plan of arrangement and Cargojet's amended Articles became effective on April 1, 2020.

More specifically, the definition of “Canadian” under section 55(1) of the CTA, as amended by the TMA, is as follows:

“(a) a Canadian citizen or a permanent resident as defined in subsection 2(1) of the Immigration and Refugee Protection Act,

(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.”

Restrictions on Variable Voting Shares

The Company has two classes of shares: (i) Common Voting Shares, and (ii) Variable Voting Shares. The Common Voting Shares and Variable Voting Shares are traded on the Toronto Stock Exchange (the “TSX”) under the single ticker “CJT”.

The Common Voting Shares may only be held, beneficially owned and controlled, directly or indirectly, by Canadians. An issued and outstanding Common Voting Share shall be converted into one Variable Voting Share, automatically and without any further act of the Company or the holder, if such Common Voting Share becomes held, beneficially owned or controlled, directly or indirectly, other than by way of security only, by a person who is not a Canadian. Each Common Voting Share confers the right to one vote.

The Variable Voting Shares may only be held, beneficially owned or controlled, directly or indirectly, by persons who are not Canadians. An issued and outstanding Variable Voting Share shall be converted into one Common Voting Share, automatically and without any further act of the Company or the holder, if such Variable Voting Shares becomes held, beneficially owned and controlled, directly or indirectly, other than by way of security only, by a Canadian.

Each Variable Voting Share confers the right to one vote unless:

- (i) the number of Variable Voting Shares held by any single non-Canadian, either individually or in affiliation with any other person, as a percentage of the total number of issued and outstanding Voting Shares of Cargojet, or the total number of votes that would be cast by or on behalf of any single non-Canadian holder of Variable Voting Shares, either individually or in affiliation with any other person, at any meeting in relation to the total number of votes cast at such meeting, exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet);
- (ii) the number of Variable Voting Shares held collectively by one or more non-Canadians authorized to provide air service in any jurisdiction (“**Non-Canadian Air Carrier**”), either individually or in affiliation with any other person, as a percentage of the total number of issued and outstanding Voting Shares of Cargojet, or the total number of votes that would be cast by or on behalf of one or more Non-Canadian Air Carrier holders of Variable Voting Shares, either individually or in affiliation with any other person, at any meeting in relation to the total number of votes cast at such meeting and after the application of the voting restriction in (i) above if required, exceeds 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet); or
- (iii) the number of Variable Voting Shares, as a percentage of the total number of issued and outstanding Voting Shares of Cargojet, or the total number of votes that would be cast by or on behalf of holders of Variable Voting Shares at any meeting in relation to the total number of votes cast at such meeting and after the application of the voting restrictions in (i) and (ii) above if required, exceeds 49% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet).

If either of the thresholds in (i) or (ii) above would otherwise be exceeded at any time, the vote attached to each of their Variable Voting Shares will decrease proportionately and automatically without further act or formality such that the Variable Voting Shares held, as applicable, by any single non-Canadian or by all Non-Canadian Air Carriers, either individually or in affiliation with any other person, do not carry 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 Cargojet) of the aggregate votes attached to all issued and outstanding Voting Shares of Cargojet and the total number of votes cast, as applicable, by or on behalf of any single non-

Canadian or by all Non-Canadian Air Carriers, either individually or in affiliation with any other person, at any meeting do not exceed 25% (or any different percentage that may be prescribed by law or regulation of Canada and approved or adopted by the directors of Cargojet) of the total number of votes cast at such meeting. For greater certainty, a single Non-Canadian Air Carrier would also constitute a single non-Canadian holder for purposes of the voting restriction in (i) above.

If the threshold in (iii) above would otherwise be exceeded at any time, the vote attached to each Variable Voting Share will decrease proportionately and automatically without further act or formality such that 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 Cargojet) of the aggregate votes attached to all issued and outstanding Voting Shares of Cargojet and 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 Cargojet) of the total number of votes cast at such meeting.

Declaration of Canadian or Non-Canadian Status

Shareholders who wish to vote either by completing and delivering a proxy or a voting instruction form or by attending and voting at the Meeting will be required to complete a Declaration of Ownership in order to enable the Company to comply with the restrictions imposed by its Articles and the CTA on the ownership and voting of its Voting Shares. If you do not complete such declaration or if it is determined by the Company or its transfer agent that you incorrectly indicated (through inadvertence or otherwise) that the Voting Shares represented by the proxy are owned and controlled by a Canadian, you will be deemed to be a non-Canadian holder authorized to provide air service for purposes of voting at the Meeting. Such declaration is contained in the form of proxy or with the voting instruction form provided to you, as applicable.

The Company has adopted various procedures and processes to ensure that the non-Canadian ownership restrictions of Voting Shares under its Articles are respected.

Exemptive Relief from Take-Over Bid and Early Warning Rules

On May 1, 2019, the Company received an exemption to treat its Variable Voting Shares and Common Voting Shares as a single class for the purposes of applicable take-over bid requirements and early warning reporting requirements contained under Canadian securities laws. The securities regulatory authorities in each of the provinces of Canada granted exemptive relief (the "**Decision**") from: (i) applicable formal takeover bid requirements, as contained under Canadian securities laws, such that those requirements would only apply to an offer to acquire 20 per cent or more of the outstanding Variable Voting Shares and Common Voting Shares on a combined basis; (ii) applicable early warning reporting requirements, as contained under Canadian securities laws, such that those requirements would only apply to an acquirer who acquires or holds beneficial ownership of, or control or direction over, 10% or more of the outstanding Variable Voting Shares and Common Voting Shares on a combined basis (or five per cent in the case of acquisitions during a take-over bid or an issuer bid); and (iii) applicable alternative monthly reporting requirements, as contained under Canadian securities laws, such that eligible institutional investors may meet the eligibility criteria for alternative monthly reporting by calculating its security holdings using (A) a denominator comprised of all outstanding Common Voting Shares and Variable Voting Shares on a combined basis, and (B) a numerator including all of the Common Voting Shares and Variable Voting Shares owned or controlled by the eligible institutional investor. A copy of the Decision is available under the Company's profile on SEDAR at www.sedar.com.

The Decision takes into account that the Company's dual class shareholding structure was implemented solely to ensure compliance with the foreign ownership requirements of the CTA. An investor does not

control or choose which class of shares it acquires and holds. The class of shares ultimately available to an investor is solely a function of the investor's status as a Canadian or non-Canadian (as defined in the CTA). Due to the relatively small number of outstanding Variable Voting Shares, absent the Decision, it may have been more difficult for non-Canadian investors to acquire Variable Voting Shares in the ordinary course without the apprehension of inadvertently triggering the takeover bid rules or early warning requirements. The Decision considered the fact that the Variable Voting Shares and common shares have identical terms except for the foreign ownership voting limitations applicable in the case of the Variable Voting Shares.



BUSINESS OF THE MEETING

The following items are planned to be brought before the Meeting:

1. to receive and consider the audited consolidated financial statements of the Company for the fiscal period ended December 31, 2022 and the report of the auditors thereon;
2. to elect the directors of the Company who will serve until the end of the next annual meeting of Shareholders or until their successors are elected or appointed;
3. to appoint the auditors of the Company and to authorize the directors of the Company to fix their remuneration; and
4. to transact such other business as may properly come before the Meeting or any adjournments thereof.

As of the date of this Circular, management is not aware of any changes to these items and does not expect any other items to be brought forward at the Meeting. If there are changes or new items, your Proxyholder can vote your Voting Shares on these items as he or she sees fit.

1. Financial Statements

At the Meeting, Shareholders will receive and consider the audited consolidated financial statements of the Company for the fiscal period ended December 31, 2022 and the report of the auditors thereon. Current financial information for the Company is provided in the Company's comparative financial statements and management's discussion and analysis ("**MD&A**") for the most recently completed financial year. This information and additional information relating to the Company can be found on the SEDAR website under the Company's profile at www.sedar.com and <https://cargojet.com/financials-page/>.

2. Election of Directors

The Company's Articles provide that the Board of Directors must have a minimum of three and a maximum of ten directors. The Board is currently comprised of five directors. The persons identified in the section "*Director Nominees*" will be nominated for election as directors at the Meeting. All such nominees are presently directors of the Company with the exception of Ms. Mary Traversy who is being nominated for the first time. Each director is expected to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed. The directors are elected annually and, unless re-elected, retire from office at the end of the next annual meeting of Shareholders. The nomination of directors for election is subject to the Company's Advance Notice By-Law described below under "*Election of Directors — Advance Notice By-Law*" and the election of directors is subject to the Company's Majority Voting Policy described below under "*Election of Directors — Majority Voting*".

Unless a proxy specifies that the Voting Shares it represents should be withheld from voting in respect of the election of directors or voted in accordance with the specification in the proxy, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the director nominees listed in this Circular.

Advance Notice By-Law

The Company has adopted advance notice provisions (the "**Advance Notice By-Law**"), which are included in the Amended and Restated By-Laws, for the purpose of providing Shareholders, directors and management of the Company with a clear framework for nominating directors of the Company in connection with any annual or special meeting of Shareholders.

The purpose of the Advance Notice By-law is to (i) ensure that all Shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate

deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or special meetings of Shareholders of the Company. The Advance Notice By-law fixes the deadlines by which holders of record of Voting Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in a timely written notice to the Company for any director nominee to be eligible for election at such annual or special meeting of Shareholders.

A Shareholder's notice must be received at our head office (i) in the case of an annual meeting of Shareholders, not less than 30 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on that date is less than 50 days on which the first public announcement (as defined below) (the "**Notice Date**") of the date of the annual meeting was made, a Shareholder's notice may be made not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for the other purposes as well), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of Shareholders was made. The Advance Notice By-Law also prescribes the proper written form for a Shareholder's notice. These provisions may preclude Shareholders from making nominations for directors at an annual or special meeting of Shareholders.

For the purposes of the Advance Notice By-law, "public announcement" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the SEDAR website under the Company's profile at www.sedar.com.

A copy of the Company's Advance Notice By-Law is available on the Company's corporate website at www.cargojet.com under the Company's "**Investors**" page.

Majority Voting

In accordance with the requirements of the TSX, the Board has adopted a majority voting policy. In an uncontested election of directors, any director nominee who receives more votes "withheld" than "for" must submit his or her resignation promptly, such resignation to take effect on acceptance by the Board. The Compensation and Nominating Committee will consider the offer to resign and make a recommendation to the Board whether to accept it or not after reviewing the matter. The Board will accept the resignation unless it determines, in consultation with the Compensation and Nominating Committee, that there are exceptional circumstances that should delay the acceptance of the resignation or justify rejecting it. The Board will act on the Compensation and Nominating Committee's recommendation within 90 days following the Shareholders' meeting. The Board's decision to accept or reject the resignation offer will promptly be disclosed to the public by press release, and should the Board decline to accept the resignation, the press release will include the reasons for its decision. A director who tenders a resignation pursuant to the majority voting policy will not participate in any Compensation and Nominating Committee or Board deliberations at which the resignation is considered. The policy does not apply in circumstances involving contested director elections.

A copy of the Company's majority voting policy is available on the Company's corporate website at www.cargojet.com under the Company's "**Investors**" page.

Nomination Rights

The Company, Dr. Virmani and the Virmani Family Trust entered into an updated governance rights agreement dated February 26, 2020 (the "**Governance Rights Agreement**"), which provides Dr. Virmani with the right to be nominated for election as a director of the Company as long as he serves as the Chief Executive Officer, and a right to nominate an additional director for as long as he and his affiliates maintain

an economic ownership in the Company that is not less than 50% of its ownership as of the date of the Governance Rights Agreement or valued at or in excess of \$35 million. As of December 31, 2022, Dr. Virmani beneficially owned and controlled, directly or indirectly, 411,500 Voting Shares, valued at \$47,878,025. Dr. Virmani was most recently nominated for election as a director in connection with the Company's annual meeting of shareholders held on April 7, 2022, pursuant to the Governance Rights Agreement, and was elected as a director by 97.57% of Shareholders who voted in person or by proxy at the meeting. At the Meeting, Dr. Virmani is nominated for election as a director and no other director is being nominated pursuant to the Governance Rights Agreement.

3. Appointment of Auditors

The Board of Directors, on the recommendation of the Audit Committee, recommends that Pricewaterhouse Coopers LLP ("**PwC**") be reappointed as auditors of the Company until the close of the next annual meeting for Shareholders and to authorize the Board to fix their remuneration. PwC has served as the auditor of the Company since being appointed in August 2016. PwC has confirmed to the Company that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Unless a proxy specifies that the Voting Shares it represents should be withheld from voting in respect of the appointment of auditors or voted in accordance with the specification in the proxy, the persons named in the enclosed form of proxy intend to vote FOR the reappointment of PwC as auditors of the Company and the authorization of the directors of the Company to fix their remuneration.


Additional information with respect to external auditor fees for past services is available in our annual information form for the year ended December 31, 2022 under the heading "*Audit Committee – External Auditor Service Fees*", which can be accessed under the Company's profile on the SEDAR website at www.sedar.com.

DIRECTOR NOMINEES

Five directors are to be elected at the Meeting, each of whom is to hold office until the end of the next annual meeting of Shareholders or until their successors are elected or appointed.

All nominees have established their eligibility and willingness to serve as directors. As of the date hereof, management of the Company does not expect that any of the nominees will be unable to serve as a director. However, if, for any reason, at the time of the Meeting, any of the nominees are unable to serve and unless otherwise specified, it is intended that the persons designated in the form of proxy will vote in their discretion for a substitute nominee or nominees.

The following table sets out certain information regarding each of our director nominees:


	DR. AJAY VIRMANI Oakville, Ontario, Canada Age: 66 Director since 2005 2022 Voting Results: For: 97.57% Withheld: 2.43%	Dr. Virmani has over 44 years' experience in the transportation industry. Dr. Virmani served as Senior Vice President of Cottrell Transport Inc. ("Cottrell") from 1977 to 1990 when he left Cottrell to form Commercial Transport International (Canada) Ltd. ("CTI"). In 1992, CTI acquired Fastair Cargo Systems Ltd. ("Fastair") Dr. Virmani was President and Chief Executive Officer from 1990 to 2000. CTI/Fastair acquired Cottrell in 1995 and the air cargo division of TNT Worldwide in 1996. By 1999, CTI and Fastair had grown to one of the largest freight forwarders in Canada, with both companies employing over 400 team members, combined revenues of approximately \$100 million. CTI/Fastair were acquired in January of 2000 by Eagle Global Logistics where Dr. Virmani continued to serve as President from 2000 to 2001. In August 2001, Dr. Virmani, formed Canada 3000 Cargo Inc., a joint venture with Canada 3000 Airlines. In 2002, Dr. Virmani acquired 100 % Canada 3000 Cargo Inc. and rebranded the new company as Cargojet Canada Ltd. In 2005, Cargojet was converted to a public company. Dr. Virmani has served as the President and Chief Executive Officer of Cargojet since its inception, and has been responsible for the general business direction of the Company. Dr. Virmani earned a Masters of Business Administration from City University of New York in 1985 and was honoured with a Doctor of Laws degree by Assumption University in Windsor Ontario. Dr. Virmani was appointed to the Board of TD Bank on August 24, 2022.		
	Board/Committee Memberships at the Date Hereof:	2022 Attendance	Attendance (Total):	Public Company Directorships:
Member of the Board	4 of 4	4 of 4	100%	TD Bank. ⁽⁴⁾
Securities Held or Controlled:				
As at	Total Securities	Total Market Value of Securities⁽¹⁾	Minimum Shareholding Requirements⁽²⁾	Meets Requirements
February 14, 2023	411,500 Common Voting Shares ⁽³⁾ 19,790 Options 10,789 Performance Share Units 23,413 Restricted Share Units	\$47,878,025 \$131,564 \$1,255,336 \$2,724,103	\$5,567,788	Yes

(1) The market value of Voting Shares was calculated as the closing price of the Company's Voting Shares on December 30, 2022 multiplied by the number of Voting Shares. The market value of options reflects the value of the vested in-the money options based on the closing price of the Voting Shares on December 30, 2022. While the ultimate value of the Performance Share Units is uncertain, we have calculated the value based on the closing price of the Voting Shares on December 30, 2022.

(2) The Company has implemented share ownership guidelines for its independent directors, Chief Executive Officer and members of senior management (the "Share Ownership Guidelines"). The Chief Executive Officer is required to maintain a minimum investment in Cargojet shares equal to three times the annual base salary. See "Executive Compensation Discussion and Analysis – Executive Ownership Guidelines" for further information regarding Dr. Virmani's holdings. Satisfaction of the minimum shareholding requirements for the Chief Executive Officer is based on Voting Shares, PSUs, RSUs and/or "in-the-money" vested options.

(3) Dr. Virmani beneficially owns, directly or indirectly, 100,000 Common Voting Shares through TVAM LP and 311,500 Common Voting Shares through VTAM LP.

(4) Dr. Virmani was appointed to the board of TD Bank effective August 24, 2022.

	ARLENE DICKINSON Calgary, Alberta, Canada Age: 67 Director since 2018 Independent <u>2022 Voting Results:</u> For: 95.17% Withheld: 4.83%	Ms. Arlene Dickinson is the Founder and Managing General Partner of District Ventures Capital, a Venture Capital firm investing in the food/beverage and health/wellness sectors. She is the founder of District Ventures Accelerator, a national accelerator program supporting entrepreneurs in the Consumer Goods sector. Ms. Dickinson is also the CEO and sole owner of Venture Communications Ltd. one of Canada's largest independent full service marketing agencies, founded in 1984, and has worked with some of Canada's largest brands. Ms. Dickinson is an Honorary Captain of the Royal Canadian Navy and is the recipient of Honorary Doctorate Degrees from Mount Saint Vincent University, Saint Mary's University, Concordia University as well as Honorary Degrees from Northern Alberta Institute of Technology and Olds College. She is the recipient of The Queen Elizabeth II Diamond Jubilee Medal. Ms. Dickinson has served on numerous public and private boards.
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Board/Committee Memberships at the Date Hereof:	2022 Attendance	Attendance (Total):		Public Company Directorships:
Member of the Board	4 of 4	16 of 16	100%	None
Compensation and Nominating Committee ("CNC")	4 of 4			
Corporate Governance Committee ("CGC")	4 of 4			
Audit Committee ("AC") (Chair) ⁽¹⁾	4 of 4			

Securities Held or Controlled:				
As at	Total Securities	Total Market Value of Securities ⁽²⁾	Minimum Shareholding Requirements ⁽³⁾	Meets Requirements
February 14, 2023	10,304 Common Voting Shares 3,001 Deferred Share Units	\$1,198,870 \$349,166	\$300,000	Yes

- (1) Ms. Dickinson was appointed Chair of the AC effective February 25, 2021. She previously served as Chair of the CGC.
 (2) The market value of Voting Shares and Deferred Share Units was calculated as the closing price of the Company's Voting Shares on December 30, 2022 multiplied by the number of Voting Shares or DSUs.
 (3) Satisfaction of minimum shareholding requirements for independent directors is calculated based on Voting Shares and DSUs. See "Share Ownership Requirements" below.

	Mary Traversy⁽¹⁾ Ottawa, Ontario Age: 63 Director since 2023	After 35 years at Canada Post, Mary Traversy retired in 2019, having spent her last years as the Chief Operating Officer. As the COO, Mary was responsible for the 50,000 employees involved in the collection, processing and delivery of mail and parcels. Mary managed a \$5B operating and capital budget and oversaw Engineering and Real Estate. During her tenure at Canada Post, Mary held positions in Operations, Human Resources, Labour Relations, led transformational projects and sat on the boards of subsidiaries, Purolator and Innovapost. Since retiring, Mary has joined the Board of Governors at York University and The Ottawa Hospital. Mary holds a Bachelor of Public Administration from Carleton University and completed the ICD-Rotman Director Education Program.
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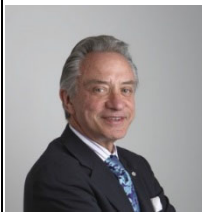
Board/Committee Memberships at the Date Hereof:	2022 Attendance	Attendance (Total):		Public Company Directorships:
Member of the Board	N/A	N/A	N/A	None
Compensation and Nominating Committee ("CNC")	N/A			
Corporate Governance Committee ("CGC")	N/A			
Audit Committee ("AC")	N/A			

Securities Held or Controlled:

As at	Total Securities	Total Market Value of Securities	Minimum Shareholding Requirements ⁽²⁾	Meets Requirements
February 14, 2023	N/A	N/A	\$300,000	No

(1) Ms. Traversy has been nominated for election at the Meeting, April 11, 2023.

(2) Satisfaction of minimum shareholding requirements for independent directors is calculated based on Voting Shares and Deferred Shares Units ("DSUs"). See "Share Ownership Requirements" below. Ms. Traversy, if elected, will have 5 years from the date of her appointment to the Board, to satisfy the minimum shareholding requirement.

	<p>PAUL GODFREY Toronto, Ontario, Canada Age: 84</p> <p>Director since 2009</p> <p>Independent</p> <p>2022 Voting Results:</p> <p>For: 82.17% Withheld: 17.83%</p>	<p>Mr. Godfrey currently serves as Founder and Special Advisor to the CEO and Board of Directors of Postmedia Network. Mr. Godfrey stepped down from his role as Chairman at the end of the calendar year, 2022. Mr. Godfrey served as Executive Chairman of Postmedia Network from Jan 2021 to December 2022. He also served as the Chief Executive Officer of Postmedia Network Canada Corp. until January 2019. Mr. Godfrey is the Chairman of Bragg Gaming Group, Inc. First elected to public office in 1964, Mr. Godfrey served as Chairman of the Metropolitan Toronto Council from 1973 to 1984. In 1984, Mr. Godfrey joined the Toronto Sun as Publisher and Chief Executive Officer and served as President and Chief Executive Officer of the Sun Media Corporation from 1992 to 2000. Mr. Godfrey has also served as the President and Chief Executive Officer of the Toronto Blue Jays Baseball Club from 2000 to 2008. Mr. Godfrey was previously Chair of the Ontario Lottery and Gaming Corporation. Mr. Godfrey graduated from the University of Toronto with a Bachelor of Applied Science in Chemical Engineering. As of calendar year 2021, Mr. Godfrey is no longer an executive of any public company.</p>
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Board/Committee Memberships at the Date Hereof:	2022 Attendance	Attendance (Total):		Public Company Directorships:	
Interim Chairman of the Board ⁽¹⁾	4 of 4	16 of 16	100%	Bragg Gaming Group, Inc. ⁽²⁾	January 12, 2021
Compensation and Nominating Committee ("CNC")	4 of 4				
Corporate Governance Committee ("CGC") (Chair) ⁽¹⁾	4 of 4				
Audit Committee ("AC")	4 of 4				

Securities Held or Controlled:

As at	Total Securities	Total Market Value of Securities ⁽³⁾	Minimum Shareholding Requirements ⁽⁴⁾	Meets Requirements
February 14, 2023	24,988 Common Voting Shares 3,001 Deferred Share Units	\$2,907,354 \$349,166	\$300,000	Yes

(1) Mr. Godfrey was appointed Chair of the CGC effective February 25, 2021. He previously served as Chair of the CNC.

(2) Mr. Godfrey serves as Chairman of the Board of Bragg Gaming Group, Inc.

(3) The market value of Voting Shares and Deferred Share Units was calculated as the closing price of the Company's Voting Shares on December 30, 2022 multiplied by the number of Voting Shares or DSUs.

(4) Satisfaction of minimum shareholding requirements for independent directors is calculated based on Voting Shares and DSUs. See "Share Ownership Requirements" below.

	<p>JOHN WEBSTER Toronto, Ontario, Canada Age: 65</p> <p>Director since 2005</p> <p>Independent</p> <p>2022 Voting Results:</p> <p>For: 76.71% Withheld: 23.29%</p>	<p>Mr. Webster has been the President and Chief Executive Officer of Scotia Mortgage Corporation since 2006. Mr. Webster has also been the President and Chief Executive Officer of Maple Trust Company since 1989. Maple Trust Company was acquired by Scotia in 2006. He has been the Chief Executive Officer and previously, the Chief Operating Officer, for regulated financial institutions for over thirty years. During such time Mr. Webster has participated in overseeing numerous internal and external audits as a member of senior management and as a board member. Mr. Webster's current and previous directorships include Maple Trust Company, Scotia Mortgage Corporation, Filogix Inc. and Dundee Financial Corporation. Mr. Webster received an Honours BA from Wilfred Laurier University and an LL.B and B.C.L. from McGill University.</p>
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Board/Committee Memberships at the Date Hereof:	2022 Attendance	Attendance (Total):		Public Company Directorships:
Member of the Board ⁽¹⁾	4 of 4	16 of 16	100%	None
Compensation and Nominating Committee ("CNC") (Chair) ⁽¹⁾	4 of 4			
Corporate Governance Committee ("CGC")	4 of 4			
Audit Committee ("AC")	4 of 4			
Securities Held or Controlled:				
As at	Total Securities	Total Market Value of Securities ⁽²⁾	Minimum Shareholding Requirements ⁽³⁾	Meets Requirements
February 14, 2023	5,988 Common Voting Shares 3,001 Deferred Share Units	\$696,704 \$349,166	\$300,000	Yes
<p>(1) Mr. Webster was appointed Chair of the CNC effective February 25, 2021. He previously served as Chair of the AC.</p> <p>(2) The market value of Voting Shares and Deferred Share Units was calculated as the closing price of the Company's Voting Shares on December 30, 2022 multiplied by the number of Voting Shares or DSUs.</p> <p>(3) Satisfaction of minimum shareholding requirements for independent directors is calculated based on Voting Shares and DSUs. See "Share Ownership Requirements" below.</p>				

Remuneration of Directors

The non-executive director compensation program is designed to attract and retain experienced and skilled talent to serve on the Company's Board of Directors and its committees, leading to the strong stewardship and long-term success of the Company. The Company aims to adequately and competitively compensate directors, taking into account the risks and responsibilities of being an effective director. In setting director compensation levels, the Board considers best practices, the mix of remuneration between cash and equity, and the Share Ownership Guidelines.

The fee schedule for the Company's non-executive directors is as follows:

Annual Board Retainer - Cash	Cash - CAD	100,000
Annual Board Retainer - Equity	Equity Award	150,000 (DSUs)

Additional Compensation for Board Service

Chairman	Additional Cash Retainer	120,000
Audit Committee Chair	Additional Cash Retainer	25,000
Corporate Governance Committee Chair	Additional Cash Retainer	15,000
Compensation and Nominating Committee Chair	Additional Cash Retainer	20,000

The Company's current policy is to pay Canadian non-executive directors in Canadian dollars and US non-executive directors in US dollars according to the approved fee schedule, subject to some limitations found in the equity plans.

The Board compensation grid, adopted as of January 1, 2020, is designed to provide total non-executive director compensation aligned with the median of the Company's North American Peer Group. Non-executive directors are not eligible for stock options and other forms of dilutive equity retainers. As of January 1, 2020, the equity component of the non-executive directors' compensation is awarded in the form of fully vested cash-settled DSUs. DSUs count towards satisfying share ownership requirements. Non-executive directors have the opportunity to defer the cash portion of their cash compensation in DSUs voluntarily.

All directors are entitled to be reimbursed for out-of-pocket expenses reasonably incurred by them in their attendance of Board meetings. No director compensation is paid to directors who are members of management of the Company or its subsidiaries. For a summary of compensation paid to Dr. Virmani in his capacity as an executive officer of the Company, see “*Executive Compensation Discussion and Analysis – Summary Compensation Table*”.

The following table provides information regarding compensation earned by the directors for acting in such capacity during the financial year ended December 31, 2022.

Name ⁽¹⁾	Fees earned (\$) ⁽²⁾	Share-based awards (\$) ⁽³⁾	Options-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Alan Gershenhorn ⁽²⁾	122,664	161,400	-	-	-	-	284,064
John Webster	105,000	125,000	-	-	-	-	230,000
Paul Godfrey	207,500	125,000	-	-	-	-	332,500
Arlene Dickinson	107,500	125,000	-	-	-	-	232,500

Notes:

- (1) Fees earned include all fees earned during the fiscal year.
- (2) Director fees paid to Mr. Gershenhorn were in US dollars. The amount shown represents the CAD equivalent at the exchange rate of \$1.2912 CAD to \$1.00 USD.
- (3) Share-based compensation is in the form of DSUs. There was no other share-based compensation paid to director during fiscal 2022.

Share Ownership Requirements

The Board believes it is important that its independent directors, the Chief Executive Officer and members of senior management, being those executives holding the titles of Senior Vice President and above, demonstrate their commitment to the Company’s performance through share ownership, and has implemented the Share Ownership Guidelines for these individuals.

Independent directors are required to maintain a minimum investment in Voting Shares and/or DSUs equal to three times the annual Board retainer. Each independent director must satisfy these guidelines within 5 years of the director’s date of appointment to the Board. As at the date hereof, all the directors have met the required level of investment under the Share Ownership Guidelines, with the exception of Ms. Traversy who will, if elected, be appointed to the Board effective April 11, 2023 and has until April 2028 to meet the required level of ownership. Actual director equity ownership data is reported in the relevant section under the “*Director Nominees*” section of this Circular.

Deferred Share Unit Program

Our Compensation and Nominating Committee is responsible for reviewing and approving any changes to the directors’ compensation arrangements. To allow directors to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of Shareholders of Cargojet, the Board, on the recommendation of the Compensation and Nominating Committee, has approved a cash-settled deferred share unit program. In consideration for serving on our Board, each director that is not an employee will be paid an annual Board retainer, a portion of which is paid in Deferred Share Units (“**DSUs**”). See “*Remuneration of Directors*” above. Non-executive directors are not eligible for stock options and other forms of dilutive equity retainers. As of January 1, 2020, the equity component of the non-executive directors’ compensation is awarded in the form of fully vested cash-settled DSUs. Once a director ceases to be a

member of the Board, DSUs will be settled by making a cash payment equal to the number of DSUs multiplied by the volume-weighted average trading price of the Voting Shares on the TSX for the five trading days preceding the settlement date as set out in the program.

Certain Proceedings

None of the proposed directors: (a) is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

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

CORPORATE GOVERNANCE PRACTICES

General

The Company and the Board recognize the importance of sound corporate governance practices to the proper and effective management of the Company and the operation of our business. This includes compliance with applicable regulatory requirements and the adoption of certain best practices that go beyond the requirements mandated by regulation. The Company continues to monitor corporate governance developments in Canada with a view to further enhancing its governance policies and practices, as appropriate.

To this end, the Company has adopted comprehensive corporate governance policies and procedures, including the following key policies and documents:

- Mandate of the Board of Directors
- Charters of the various committees of the Board, including the AC, CGC, and CNC
- Code of Ethics
- Majority Voting Policy
- Clawback Policy

- Position Descriptions for the Chairman of the Board and CEO
- Share Ownership Guidelines
- Advance Notice By-law
- Whistleblower Policy
- ESG Report

Certain of the above documents, together with the Company's constating documents, can be found on the Company's corporate website at www.cargojet.com under the Company's "Investors" page.

The Board fulfills its mandate directly and through its committees at regularly scheduled meetings and more frequently as required, in light of the Company's key strategies, opportunities and risks. The directors are kept informed of developments in the Company's operations and industry through reports and discussions with management on matters within their particular areas of expertise.

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

Board of Directors

Independence

The Board is currently comprised of, and following the Meeting, is contemplated to be comprised of, five directors, four of whom are independent. Independence is determined in accordance with National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). Dr. Ajay Virmani is not considered independent because of his position as the Founder/ President & Chief Executive Officer ("**CEO**") of the Company.

The Company has taken steps to ensure that adequate structures and processes have been put in place to permit the Board to function independently of management of the Company. As discussed in greater detail under "*Position Descriptions*" below, Paul Godfrey is Chairman of the Board and is an independent director and provides leadership to the independent directors. The independent directors of the Board and each of the committees regularly hold *in camera* sessions without non-independent directors or management present at each meeting and on an ad-hoc basis as may be needed to discuss items or special resolutions. The Chairman of the Board conducts these sessions at Board meetings and the chair of each committee conducts them at committee meetings.

Other Board Memberships

Some members of our Board are also members of the boards of other public companies but do not sit on the same board of another public company. See the "*Director Nominees*" section of this Circular. The Compensation and Nominating Committee (the "**CNC**") believes that there are no circumstances that would impact a director's ability to exercise independent judgment and that each director has sufficient time to fulfill his or her commitment to the Company.

Skills of Director Nominees

The Company recognizes the importance and benefit of having members of the Board who are highly qualified with functional expertise and personal skills, having regard to the Company's current and future plans and objectives, as well as regulatory and market developments. The skills matrix below lists the key areas of expertise and/or experience for each director nominee in areas that the Board considers important to the Company.

	Dr. Ajay Virmani	Arlene Dickinson	Paul Godfrey	John Webster	Mary Traversy
Prior Public Co. Board Experience		X	X	X	
CEO of a Public Company	X		X		
Strategic Planning	X	X	X	X	X
Compliance/Risk Management	X		X	X	
Business Development and M&A	X	X	X	X	X
Government Affairs	X		X	X	X
Legal and Regulatory	X			X	
Corporate Governance	X	X	X	X	X
HR/Compensation & Labour Relations	X		X	X	X
Health/Safety & Environmental	X		X		X
Finance/Accounting	X	X	X	X	
Institutional Investment Expertise		X		X	
Information Technology	X	X			
Airline-Specific Expertise	X				
International Business	X	X			

Board Mandate

The Board is responsible for supervising the management of the Company's business and affairs and is accountable to the Shareholders. The Board discharges its responsibilities directly and through delegation to the Audit Committee and other standing committees of the Board, currently consisting of the CNC and the CGC. The Board is responsible for oversight in the following key areas:

- reviewing and approving management's strategic and business plans;
- overseeing management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks;
- appointing our Chief Executive Officer, approving the corporate goals and objectives that our Chief Executive Officer is responsible for meeting and reviewing the performance of our Chief Executive Officer against such corporate goals and objectives;
- succession planning, including the appointment of management;
- approving the compensation of the senior executives of the Company upon the recommendation of the CNC;
- reviewing and monitoring the adequacy and effectiveness of the Company's system of internal control and management information systems;
- approving corporate disclosure and applicable regulatory filings; and
- orientation and continuing education of directors.

Director Term Limits and Retirement Policy

The Board recognizes the importance and value of adding new directors who bring a diversity of views and a fresh outlook, and also believes that a director's effectiveness is enhanced by experience on the Board. Effective the Meeting, Cargojet's Charter of the Board will be updated to provide that no director will serve beyond the annual meeting following their 80th birthday (the "**Retirement Age**"). Subject to the Retirement Age, as well as receiving solid annual performance assessments and being annually re-elected by Shareholders, directors may serve on the Board for up to 15 years (the "Term Limit"). In exceptional circumstances, on the recommendation of the CGC, the Board may extend the Term Limit for a director by up to an additional five years and may waive the Retirement Age if it is in the best interest of Cargojet to do so.

Given the relatively small size of the Board, the Board believes that refreshment and additional diversity can also occur over time by increasing the overall size of the Board.

Board composition and the continued nomination of directors are considered each year and assessments are made on a case-by-case basis, taking into account the skills and contribution of each director. The Board maintains a director skills matrix (as set out under “*Skills of Director Nominees*” above) that identifies the skills and expertise required for the Board along with areas for growth and improvement and also gives consideration to diversity (see “*Board and Executive Officer Diversity Policy*” below).

On February 25, 2021, the Board adopted a term limit of five years for the Chair positions of each of the Board’s committees. On such date, the duly appointed Chair of each of the CNC, CGC and Audit Committee assumed such position for a term of up to five years. See “*Director Nominees*”.

Compensation and Nominating Committee

The CNC is composed of John Webster (Chair), Paul Godfrey, Arlene Dickinson, and, if elected, will also include Mary Traversy, all of whom are independent. The Board has adopted a written mandate for the CNC. See “*Executive Compensation Discussion and Analysis – Compensation and Nominating Committee’s Mandate*” and “*Executive Compensation Discussion and Analysis – Composition of the Compensation and Nominating Committee*” for further information regarding the Company’s compensation and nomination practices and the CNC.

Corporate Governance Committee

The CGC is composed of Paul Godfrey (Chair), John Webster, Arlene Dickinson, and, if elected, will also include Mary Traversy, all of whom are independent. The Board has adopted a written mandate for the CGC. The responsibilities of the CGC include assisting the Board in fulfilling its oversight responsibilities with respect to, among other things:

- developing our corporate governance guidelines and principles and providing us with governance leadership;
- monitoring and evaluating our securities compliance procedures;
- reviewing the structure, composition and mandate of our Board and Board committees; and
- developing and implementing the Company’s ESG objectives.

The CGC is responsible for establishing and implementing procedures to evaluate the performance and effectiveness of our Board and committees of our Board. The CGC also takes reasonable steps to evaluate and assess, on an annual basis, directors’ performance and effectiveness of our Board and committees of our Board. The assessment addresses, among other things, individual director independence, individual director and overall Board skills, and individual director financial literacy. Our Board receives and considers the recommendations from the CGC regarding the results of the evaluation of the performance and effectiveness of our Board and committees of our Board.

The CGC is committed to ensuring that the Board is constituted of highly qualified individuals with a broad spectrum of competencies and an appropriate mix of experience, expertise and perspectives. This commitment is key to enabling the Board to carry out its functions and responsibilities. As set out in the Cargojet Board Diversity Policy, when identifying and considering qualified candidates for the competencies of the Board, the CGC considers diversity criteria reflecting the communities Cargojet serves and in which it operates, including diversity in skills, regional and industry experience, gender, age, race, cultural background, and other attributes.

See also “*Corporate Governance Practices – Assessment of the Board*” and “*Corporate Governance Practices – Environmental, Social and Governance Matters*”.

Audit Committee

The Audit Committee is composed of Arlene Dickinson (Chair), Paul Godfrey, John Webster and, if elected, Mary Traversy, each of whom is financially literate and independent within the meaning of NI 52-110.

The mandate of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to, among other things:

- financial reporting and related financial disclosure;
- the implementation of risk management and internal control over financial reporting and disclosure controls and procedures; and
- external and internal audit processes.

The Audit Committee is also responsible for the effectiveness of the Company’s Whistleblower Policy and for any follow-up regarding instances of non-compliance. The Company’s Whistleblower Policy provides that employees, directors and officers are required to anonymously report certain prohibited conduct regarding accounting, internal controls, disclosure controls or auditing matters to a designated third party service provider or the audit committee.

The Audit Committee also reviews related party transactions. See “Conflicts of Interest and Related Party Transactions”.

Information regarding the Company’s Audit Committee is contained in the Company’s annual information form (the “AIF”) dated March 6, 2023 under the heading “*Audit Committee*”. The AIF is available on SEDAR under the Company’s profile at www.sedar.com and on the Company’s website at <https://cargojet.com/investors/>.

Position Descriptions

Written position descriptions have been developed by the Board for the Chairman of the Board, the Chair of each committee of the Board, the CEO, and the Vice President Corporate Governance, as described below.

Chief Executive Officer

Dr. Ajay Virmani is the President and CEO of Cargojet. Our Board has adopted a written position description for our CEO which sets out the key responsibilities of our CEO, including, among other duties in relation to providing overall leadership, ensuring the development of a strategic plan and recommending such plan to our Board for consideration, ensuring the development of a business plan that supports the strategic plan and recommending such plan to our Board for consideration, and supervising day-to-day management of the Company.

Chairman of the Board

Paul Godfrey, the Chairman of the Board, is a non-executive director and meets the Board's independence standards. The Board has developed a position description for the Chairman of the Board which sets out the key duties and responsibilities of the Chairman of the Board, including, among other matters:

- providing overall leadership and enhancing the effectiveness and performance of the Board;
- fostering ethical and responsible decision making by the Board; and
- other duties relating to setting Board meeting agendas, chairing Board and shareholder meetings, director development and communicating with shareholders and regulators.

For more detailed information on the Chairman's responsibilities, the position description is available on our website at <https://cargojet.com/investors/>.

To the extent that Cargojet does not appoint an independent Chairman in the future, it will arrange for the appointment of an independent Lead Director whose responsibilities will be to provide leadership to the independent directors and ensure the Board can function independently of management and the Company.

Chairs of Each Committee of the Board

John Webster is the Chair of the CNC, Paul Godfrey is the Chair of the CGC and Arlene Dickinson is the Chair of the AC. Each meets the Board's independence standards. Our Board has adopted a written position description for each of our committee chairs which sets out each of the committee chair's key responsibilities, including, among others, duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

Senior Vice President Legal and Corporate Governance

Mr. Fernando Garcia, the Company's Senior Vice President Legal and Corporate Governance, is responsible for liaising with the Board and the CGC on matters to be reviewed and on any recommendations for the CGC to consider. The responsibilities of the Senior Vice President Legal and Corporate Governance include, among other things, staying informed on corporate governance developments to ensure the Company is aware of the evolution of best practices and in compliance with changes in regulations and laws, collaborating with the CEO, the Board and the CGC, where appropriate, to develop and enhance the corporate governance policies and procedures and reviewing the mandates and charters, as applicable, of the Board and its committees, and providing appropriate information to management to enable them to exercise their accountabilities and responsibilities.

Executive Succession Planning

The CNC formally reviews and discusses executive succession planning with the President and CEO. More particularly, the CNC reviews the succession plan status for key executive officers and assesses whether there is a readiness to fill potential vacancies, identifies the qualified individuals to fill such vacancies on both an immediate and longer-term basis and determines whether there are any gaps in readiness, as well as how the executive succession planning process can be improved.

The CNC also focuses specifically on the succession of the CEO as well as development considerations for a potential successor candidate. The CNC maintains a list of both internal and external candidates to fill both unexpected as well as long-term needs of the Company. The CNC also meets with members of the executive management team through their participation in meetings and presentations to the Board, as well

as occasionally through informal meetings throughout the year, which allows CNC members to get to know members of the management team who are potential future leaders of the Company.

Orientation and Continuing Education

The Board believes that ongoing education is important for maintaining a current and effective Board. The Board is responsible for ensuring that new directors are provided with a comprehensive orientation and education program aimed at familiarizing themselves with the Company's industry, strategic plans, significant risk management issues and financial standing, as well as to provide a full understanding of the role of the Board and its committees, the contribution individual directors are expected to make and the nature and operation of the Company's business. The program may include presentations from senior management and visits to operational facilities.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. To facilitate ongoing education of the directors, the Board, through consultation with its committees:

- canvases the directors to determine their training and education needs and interests;
- arranges ongoing visitation by the directors to the Company's facilities and operations; and
- coordinates presentations by outside experts to the Board or its committees on matters of particular importance or emerging significance.

The Board has also been provided with materials from management and the auditors regarding changes in governance trends, updates in policies and more importantly the steps take by the Company in ensuring a safe workplace in light of COVID-19. These updates have served to keep Directors aware and aligned with the policies and procedures of the Company and informed with regard to Governance best practices and regulatory changes.

As summarized in the table below, the Board has developed a director continuing education program and scheduled quarterly sessions on various topics with the help of internal resources and outside advisers.

Topic	Forum
International Expansion and Readiness. Presented by: Vito Cerone, SVP, Sales.	Q1 Board Meeting
Update on 777 Certification Process. Presented by: George Sugar, SVP, Regulatory Compliance.	Q2 Board Meeting
Procurement Initiatives at Cargojet. Presented by: Shalini Talwar, VP Strategic Sourcing and Procurement.	Q3 Board Meeting
Status of the Cargo Industry and the Economy and their Impact on Cargojet. Presented by: Dr. Ajay Virmani, Chief Executive Officer.	Q4 Board Meeting

Assessment of the Board

The Board has implemented a formal process to assess the performance of the Board, its committees and individual directors on an annual basis. This assessment is done through the use of confidential

questionnaires and the opportunity for one-on-one interviews with each director by the Chair of the CGC, including a peer review, in order to identify opportunities to enhance the operations and effectiveness of the Board and its committees. The Chair of the CGC presents the summarized results to the CGC and the Board.

Code of Ethics

The written code of ethics (the “**Code**”) applies to all of our officers, directors, employees, contractors and agents acting on behalf of the Company. The objective of the Code is to provide guidelines for maintaining our and our subsidiaries’ integrity, trust and respect. The Code addresses compliance with laws, rules and regulations, conflicts of interest, confidentiality, commitment, preferential treatment, financial information, internal controls and disclosure, protection and proper use of our assets, communications, fair dealing, fair competition, due diligence, illegal payments, equal employment opportunities and harassment, privacy, use of Company computers and the Internet, political and charitable activities and reporting any violations of law, regulation or the Code of Ethics. Our Board has ultimate responsibility for monitoring compliance with the Code of Ethics and it monitors compliance through the CEO and Chief Financial Officer. The Code of Ethics is filed with the Canadian securities regulatory authorities on the SEDAR website under the Company’s profile at www.sedar.com and is available on our website at <https://cargojet.com/investors/>.

Conflicts of Interest and Related Party Transactions

Cargojet expects and promotes a culture of integrity and ethical business conduct by requiring employees, officers, and directors to conduct their personal business and affairs in a manner that ensures that their private or personal interests do not interfere or appear to interfere with the interests of the Company. Our Code provides that each director, officer and employee must provide full disclosure of any circumstances giving rise to a conflict of interest. Directors and officers must provide full disclosure to the Audit Committee Chairman. Directors and officers are also required to comply with the relevant provisions of the Business Corporations Act (Ontario) regarding conflicts of interest.

The Audit Committee had adopted amendments to its Charter to expressly assist the Board in its oversight of related party transactions. The Audit Committee will consider the related party transaction against applicable legal and regulatory requirements and may recommend the use of an ad-hoc independent committee of the Board to assist the Board in the evaluation of any such related party transactions. The Audit Committee is considered the appropriate committee to assess related party transactions given the additional independence requirements required of each committee member pursuant to applicable securities laws. For purposes of this policy, “related party transaction” includes entities that the Company controls and directors and officers of the Company or an entity that the Company controls, and applies to any agreement entered into with such related party. Any related party transaction with a value of, or exceeding, U.S.\$500,000, must be preapproved by the Audit Committee. The Audit Committee discusses with management the business rationale for the transactions, reviews applicable disclosures and reports to the Board on all such transactions. The Audit Committee also liaises with the Company’s independent auditors, as necessary, to review and discuss any transactions with related parties, including any significant matters arising from the audit in connection therewith.

Board and Executive Officer Diversity Policy

The Company has adopted a written diversity policy and recognizes the importance and benefit of having a workforce, including members of the Board and executive officers, comprised of highly talented and experienced individuals: (i) who reflect the diversity of the Company’s stakeholders, including its customers and employees, and the changing demographics of the communities in which the Company operates, and

(ii) having regard to the need to foster and promote diversity among Board members, executive officers and others with respect to attributes such as gender, ethnicity, age, sexual orientation, national origin, disability and other characteristic that may otherwise be underrepresented. The Company is committed to an inclusive Board composition.

The Board will promote its objectives through such measures as the annual evaluation and assessment of the Board, individual directors and committee members (as discussed under “*Assessment of the Board*” above), the ongoing development and maintenance of a director skills matrix and ensuring that the nominee recruitment and identification process is appropriate in both depth and scope to foster identification and progression of diverse candidates. The Board seeks to implement such measures with a view to identifying and fostering the development of a suitable pool of female candidates, as well as candidates that reflect other attributes of diversity, for nomination or appointment over time, including Aboriginal peoples, persons with disabilities, members of visible minorities.

Diversity is at the forefront of our Company’s leadership. Our President and Chief Executive Officer, who is also a director on our Board, is a member of a visible minority, representing 20% of the current five-person Board. Dr. Virmani has served as the President and Chief Executive Officer of Cargojet since its inception, and has been responsible for the general strategic and business direction of the Company. In addition, approximately 38% of the Company’s executive officers are members of a visible minority.

Our directors, Arlene Dickinson and, if elected, Mary Traversy, are females and were or are expected to be elected to the Board in 2018 and 2023, respectively. Together, they will represent 40% of the current five-person Board and 50% of the Company’s independent directors. In addition, women hold approximately 39% of the Company’s executive positions

Environmental, Social and Governance Matters

The CGC is responsible for the oversight of environmental, social and governance (“**ESG**”) matters including in relation to (i) strategies, policies, systems and processes of the Company; (ii) management of risks relating to ESG matters, and (iii) compliance with statutory and regulatory obligations.

The responsibilities of the CGC, in consultation with the Board, with respect to ESG include the following:

- reviewing the strategies, policies, systems, standards and processes established by management to promote a culture of ESG protection;
- reviewing and approving major corporate policies and programs related to ESG, including the ESG Framework (as discussed below), the Occupational Health and Safety Program, the company-wide Safety Management System, and the Company’s various corporate governance documents, including our written Code of Ethics and Diversity Policy;
- reviewing the effectiveness of the Company’s risk management framework in relation to ESG matters;
- through the receipt of periodic reports, reviewing and discussing with management all key enterprise risk exposures related to ESG matters, and the steps management has taken to monitor/control and mitigate those exposures;
- reviewing the Company’s compliance with all relevant statutory and regulatory obligations and its adoption of policies, standards and processes in accordance with best practices of the industry;
- creating, reviewing and monitoring the achievement of goals in the ESG Report; and
- monitoring plans and progress for improvement initiatives and ongoing development of organizational capability.

The CGC reviews ESG risks and opportunities on a quarterly basis and reports to the Board.

The Board adopted the Company's ESG Framework in 2020. The ESG Framework reflects our Company and our Board's core values and commitment to conducting our business strategically, ethically and responsibly in a manner that allows us to continue to build a long-term and sustainable business. This ESG Framework is rooted in a focus on understanding the environmental, economic and social impacts of our business, and in engaging with relevant partners, regulators, industry agencies and other stakeholders to ensure that our ESG Framework continues to evolve and reflect high standards of corporate social responsibility. Our ESG Framework outlines our objectives and initiatives in the following areas:

- *Environment* – Cargojet is committed to reducing our impact on the environment through sound environmental stewardship and sets forth initiatives in a number of key areas to responsibly manage our impact on the natural environment while fostering environmentally sustainable growth. We are committed to programs and initiatives and we have made significant investments to maximize fuel efficiency, reduce greenhouse gas emissions, mitigate our carbon footprint and minimize energy use across our fleet.
- *Social Responsibility* – Cargojet is committed to our customers, employees and the community at large, through, among other initiatives, creating working conditions that are safe, fair, and rewarding, adopting a comprehensive framework for a safe and supportive environment that fosters employee commitment and advancement and investing in the infrastructure and people across Canada.
- *Corporate Governance* – Cargojet recognizes the importance of sound corporate governance practices to the proper and effective management of the Company and the successful operation of our business. The Company has adopted various corporate governance best practices, including those recommended under National Policy 58-201 – *Corporate Governance Guidelines*, a written Code of Ethics and a written Diversity Policy. For a discussion of Cargojet's governance framework, please see the other information set forth under "*Corporate Governance Practices*" above.

Cargojet's 2023 ESG Report, is filed with the Canadian securities regulatory authorities on the SEDAR website under the Company's profile at www.sedar.com and is available on our website at <https://cargojet.com/investors/>.

CORPORATE PERFORMANCE AND COMPENSATION LINKAGES

2022 Key Accomplishments

In 2022, Cargojet achieved numerous important performance milestones and accomplish key strategic objectives. The following is a summary of these accomplishments, among others:

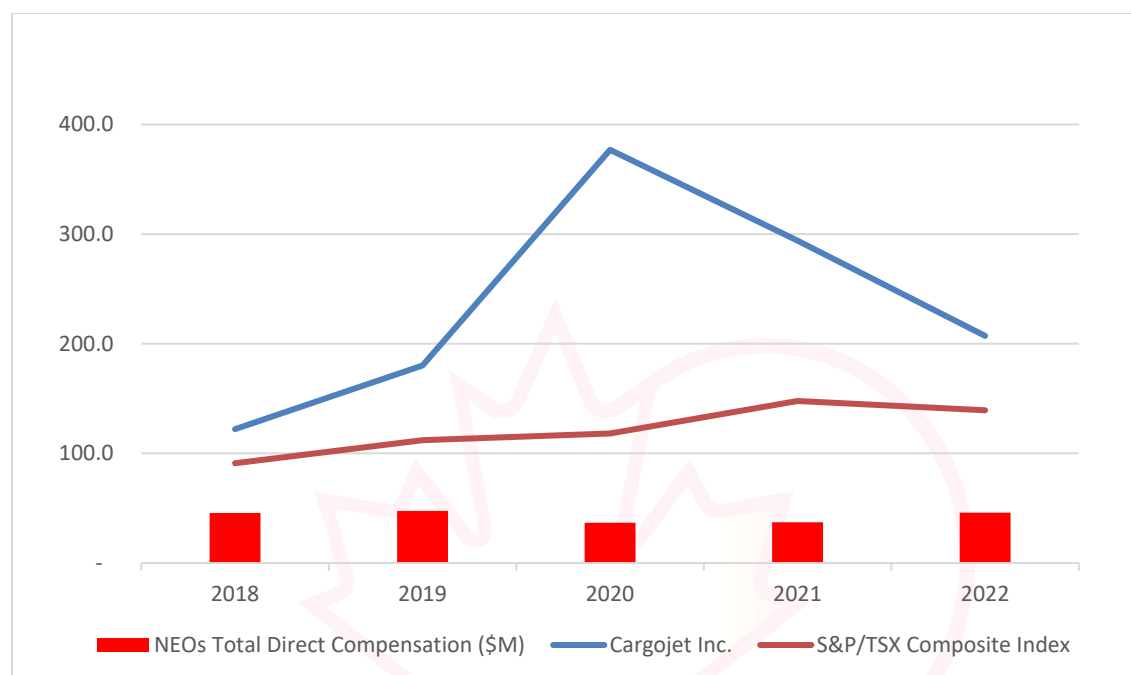
- Entered into a new long-term strategic agreement with DHL for a term of five years with a renewal option for an additional two years, to provide air-transportation services for DHL's global network;
- Renewed and extended the Air Cargo Services Agreement with United Parcel Service Canada Ltd. for an additional five-year Term.
- Continued its diversification strategy to develop and focus on other lines of business such as ACMI and All-in Charters, including the expansion of its dedicated ACMI aircraft agreement with DHL Express, with a positive impact on year-on-year growth and overall margins;
- Expanded its fleet and routes with the acquisition of 6 new cargo aircraft to meet domestic and international growth opportunities;
- Recorded revenue of \$979.9 million, \$222.1 million or 29.3% over 2021;
- Recorded Adjusted EBITDA⁽¹⁾ of \$329.0 million, \$35.9 million or 12.2% over 2021; and
- Achieved Net Income of \$190.6 or \$11.0 earning per share compared to a Net Income of \$167.4 million or \$9.7 earning per share in 2021.

Notes:

(1) Non-GAAP financial measure and not a standardized financial measure recognized by IFRS. See "Non-GAAP Measures" and "End Notes" in the Company's most recent MD&A available on SEDAR at www.sedar.com for a discussion of the composition of non-GAAP financial measures, use and purpose and a quantitative reconciliation to the most directly comparable financial measure presented in the Company's primary financial statements. This information is incorporated by reference into this Circular.

Performance Graph – Total Shareholder Return and NEO Direct Compensation

The following graph compares the yearly percentage change in the cumulative total shareholder return for \$100 invested in Voting Shares on January 1, 2018 against the cumulative total shareholder return of the S&P/TSX Composite Index for the five most recently completed financial years of the Company, assuming the reinvestment of all distributions and dividends, as applicable.



	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022
Cargojet Inc.	122.1	180.1	376.9	294.0	207.1
S&P/TSX Composite Index	91.1	112.0	118.2	147.9	139.3
NEOs Total Direct Compensation (\$M)	11.4	11.9	9.2	9.3	11.5
Number of NEOs	6	6	5	5	6
Adjusted EBITDA ⁽¹⁾ (\$M)	128.0	156.0	281.7	293.1	332.8
NEO TDC as a % of Adjusted EBITDA	8.9%	7.6%	3.3%	3.2%	3.5%
Net Income	20.2	11.6	(87.8)	167.4	200.3

During the period from January 1, 2018 to December 31, 2022, the Company's cumulative total shareholder return was 107.1% compared to the S&P/TSX Index increase of 39.3%. During this same period, the total direct compensation awarded to our NEOs generally followed an upward trend (on a "per-NEO basis"), but of a lower magnitude as a result of the Board's commitment to tying executive compensation to corporate performance and in accordance with the evolution of the Company's scope and size. Consistently, the cost

of NEOs' total direct compensation as a percentage of Adjusted EBITDA has declined sharply in 2020, 2021 and 2022 relative to previous years since NEO compensation has increased at a much slower pace than Adjusted EBITDA has, due to Company scaling.



2018-2022 CEO Compensation Lookback – Dr. Ajay Virmani

The CEO lookback table compares the total direct compensation awarded to the CEO for each of the last five years and the actual value on December 31, 2022. As detailed below, the actual value includes realized value (base salary, short-term incentive payouts, vested share-based awards and exercised stock options) and realizable value (outstanding share-based awards and unexercised in-the-money stock options) on December 31, 2022.

The table also compares the actual value for each \$100 of compensation awarded to the value earned by shareholders, represented by the cumulative value of a \$100 investment in the Company's common shares made on the first trading day of the period indicated, assuming reinvestment of dividends.

The following table reflects compensation for Dr. Virmani from 2018 to 2022. With strong shareholder performance over the last five years, the CNC is satisfied with the positive linkages between realizable CEO compensation and shareholder return, as intended with our executive compensation program.

Year	Total Direct Compensation Awarded (\$) ⁽¹⁾	Actual Value (Realized and Realizable) on December 31, 2022 (\$) ⁽²⁾	Period	Value of \$100	
				President & CEO	Shareholders
2018	6,535,386	12,213,158	Jan. 1, 2018 to Dec. 31, 2022	\$187	\$207
2019	8,287,500	10,608,517	Jan. 1, 2019 to Dec. 31, 2022	\$128	\$170
2020	5,362,500	5,758,693	Jan. 1, 2020 to Dec. 31, 2022	\$107	\$115
2021	5,362,500	5,108,226	Jan. 1, 2021 to Dec. 31, 2022	\$95	\$55
2022	6,719,808	6,024,482	Jan. 1, 2022 to Dec. 31, 2022	\$88	\$70
Average				\$121	\$123

Notes:

- (1) Includes base salary, annual short-term incentive payouts, and LTIP value at time of grant (RSUs, PSUs and stock options).
- (2) Includes base salary, annual short-term incentive payouts, RSU/PSU value at vesting, exercised stock options and outstanding share-based awards (RSU/PSU) and in-the-money stock options at common stock share price on the Toronto Stock Exchange from December 30, 2022 of \$116.35.

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

Compensation and Nominating Committee Letter to Shareholders

Dear fellow Shareholders,

On behalf of the Board of Directors, the CNC oversees the Company's approach to executive compensation, including the Company's overall compensation philosophy and decisions regarding Named Executive Officer ("NEO") compensation. The CNC is also committed to maintaining a healthy, constructive and ongoing dialogue with you regarding the Company's compensation practices and processes, and to continuously improving the Company's compensation framework in step with its growth and evolving best practices.

Compensation and Governance Highlights

Our primary concern in 2022 was to continue ensuring the safety of our employees, clients and business partners during this third pandemic year. Since the COVID-19 outbreak, several of our employees have had to make persistent extraordinary efforts to keep our environment safe while managing our continued growth and the strengthening of our balance sheet.

While significant efforts were exerted to respond to pandemic-related and other business imperatives, 2022 compensation-related changes were limited:

- The target total compensation of our NEOs was realigned with market mid-year based on their respective levels of responsibility, expertise, competence, and experience;
- Management bonuses were paid at target;
- Long-term incentive grants were awarded at target as per normal course;
- Dr. Ajay Virmani was granted a special bonus of \$3.0 million in recognition of his extraordinary and transformational performance resulting the closing of strategic agreement with DHL. The Board awarded this bonus in the form of RSUs to improve post-closing alignment with shareholders;
- Dr. Ajay Virmani's agreed to terminate his pension plan and supplemental arrangements and the Board approved settlement of the SERP liability over a three year period; and
- An ESG Report was created and will be monitored by the Corporate Governance Committee.

2022 Cargojet Performance and CEO Compensation

2022 was another year of excellent operational performance for Cargojet. The year over year revenue growth was of 30.2% and Adjusted EBITDA growth was of 13.5%. The revenue and Adjusted EBITDA performances were respectively 6% and 3% above our 2022 targets, and both represent improvements over our very strong 2021 results.

Our CEO received a STIP award corresponding to 100% of target, as well as an LTIP grant at target allocated 66.67% in PSUs and 33.33% in stock options. The PSUs have no minimum vesting and vest based on absolute ROIC goals and on the Company's TSR relative to the S&P/TSX Composite Index over the 2022-2024 performance cycle. As mentioned above, our CEO was also awarded a special RSU grant of \$3,000,000 in connection with the closing of the long-term strategic agreement with DHL.

The Board and the CNC have been very successful at linking CEO compensation to company performance and Shareholder return. Our lookback analysis shows that, since 2018, annual investments of \$100 by shareholders increased in value to \$123 on average, while each \$100 of total direct compensation awarded to Dr. Virmani led to an average of \$121 of realized and realizable pay as of the end of 2022. See “2018 - 2022 CEO Compensation Lookback – Dr. Ajay Virmani”.

Engagement with Shareholders

We are committed to engaging effectively and continuously with shareholders. We value the feedback we receive through these interactions, as evidenced by recent changes to our compensation program and compensation governance and risk management practices, and we will certainly continue to welcome your comments, suggestions and questions at pdhillon@cargojet.com.

On behalf of the CNC and the Board of Directors, I encourage you to take some time to read the Executive Compensation Discussion and Analysis.

Sincerely,

“ John Webster”

John Webster, Chair
Compensation and Nominating Committee



Introduction

This Executive Compensation Discussion and Analysis (“**CD&A**”) discloses certain financial and other information relating to the compensation of the Company’s Founder / President & CEO, the Chief Financial Officer and the Company’s three most highly compensated executive officers other than the CEO and CFO (together with the CEO and CFO, the “**Named Executive Officers**” or “**NEOs**”).

This CD&A is intended to provide Shareholders with an understanding of the Company’s approach to compensation, including a description of the decisions and processes involved, the different components of the Company’s compensation program, components of NEO compensation for the financial year ended December 31, 2022, and the rationale for NEO compensation levels. The NEOs for the financial year ended December 31, 2022, were:

- (a) Dr. Ajay Virmani, Founder / President & Chief Executive Officer (“**CEO**”)
- (b) Jamie Porteous, Chief Strategy Officer (“**CSO**”)
- (c) Pauline Dhillon, Chief Corporate Officer (“**CCO**”)
- (d) Scott Calver, Chief Financial Officer (“**CFO**”)⁽¹⁾
- (e) Sanjeev Maini, Interim Chief Financial Officer (“**VP Finance & Interim CFO**”)⁽¹⁾
- (f) Paul Rinaldo, Senior Vice President Engineering and Maintenance

⁽¹⁾ Effective May 10, 2022, Mr. Calver was appointed to the role of Chief Financial Officer of the Company, and Mr. Maini, the then Interim CFO, ceased holding the position of Interim CFO.

Executive Compensation Philosophy

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

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

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

Compensation and Nominating Committee’s Mandate

The responsibilities of the CNC include assisting the Board in fulfilling its oversight responsibilities with respect to, among other things:

- ensuring that compensation programs are competitive so that the Company can attract, motivate and retain high caliber individuals and make recommendations to the Board as to such matters;
- reviewing the performance and compensation of the President and Chief Executive Officer and other executive officers;
- reviewing performance objectives for STIP and LTIP purposes and review long-term incentive grants;
- determining individual participation in, and the level of participation thereof, in the LTIP, along with the LTIP award conditions in accordance with its terms;
- assisting the Board concerning the appointment, hiring, compensation, benefits and termination of executive officers and all other significant employees of the Company;
- reviewing all aspects of compensation paid to the members of the Board; and
- reviewing the Company's approach to matters of nominations to the Board.

The CNC met four times in 2022 and worked closely with the independent executive compensation advisor to ensure that the Company's compensation programs are aligned with Shareholders' interest and fully support the Company's business strategy.

Composition of the Compensation and Nominating Committee

The CNC is comprised of John Webster (Chair), Paul Godfrey, Arlene Dickinson and, if elected, will also include Mary Traversy, all of whom have relevant direct experience in matters of executive compensation and are "independent" within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Board recognizes that the current members of the CNC have the experience and knowledge to review and make recommendations to the Board regarding executive compensation and human resources matters. Specifically, the biographies of the current members of the CNC as set out under "*Director Nominees*" highlight their skills and experiences relevant to the CNC's responsibility with respect to executive compensation.

Risk Oversight

The Board knows that compensation practices can have unintended risk consequences. The CNC is responsible for risk oversight of the Company's compensation policies and practices and in that regard, works to identify and stop any compensation practice that might encourage an employee to expose the Company to inappropriate or excessive risk and have a material adverse effect on the Company. The CNC considers the balance between long-term objectives and short-term financial goals incorporated into the Company's executive compensation program. The Board rewards individuals for the success of the Company once that success has been demonstrated. In addition, a significant portion of each executive's total compensation is equity-based with extended vesting periods in order to motivate executives to focus on long-term results. The Company has adopted the following practices to mitigate compensation-related risks:

- a cap on all STIP payouts and PSU vesting;
- a Clawback Policy that enables the Board, at its discretion, to cancel some or all vested or unvested incentive awards to executives and to recoup incentive awards that have been already paid or vested taking into account any considerations it deems appropriate, including, the applicable governing law including the likelihood of success and the cost of pursuing recovery, any prejudice

to the interests of the Company, including in any related proceeding or investigation, and the participation of the executive officer in the circumstances relating to serious misconduct, a breach to the Company's Code, non-compliance with applicable laws and regulations and accounting fraud or actions that results in the need for the correction or restatement of financial results;

- an anti-hedging provision in the Company's Insider Trading Policy prohibits the Company's employees from directly or indirectly buying or selling a call, a put or any other financial instruments on Company's securities designed to hedge, monetize or offset a decrease in the market value of Company's securities;
- the Share Ownership Guidelines; and
- a "double-trigger" change of control provision in respect of the acceleration of vesting of awards in the Company's Omnibus Long-Term Incentive Plan (the "**Omnibus Incentive Plan**") and Performance Share Unit Plan (the "**PSU Plan**") (and in each of the Company's Restricted Share Unit Plan (the "**RSU Plan**") and Stock Option Plan (the "**Option Plan**")), which requires two events to accelerate the vesting of awards. The "double-trigger" provision requires that a change of control occurs and that the participant's employment be terminated without cause within 24 months of the change of control.

Role of Management in Compensation Decisions

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

Role of Independent Advisors in Compensation Decisions

The CNC has the authority to select, engage and compensate external executive compensation consultants to carry out its duties. In 2021 and 2022, Hexarem Inc. ("**Hexarem**"), was engaged as an external independent advisor to provide ongoing advisory services to the CNC, as well as analyses of market trends and practices. The following table presents the fees paid to Hexarem:

Fiscal Year	Advisor	Executive compensation-related	
		fees (\$)	All other fees (\$)
2022	Hexarem	136,845	--
2021	Hexarem	23,834	--

Liability Insurance

The Company provides insurance for the benefit of the directors and officers of the Company against liability incurred by them in acting within their capacities. The current annual policy limit is \$40.0 million, including Difference in Conditions (DIC) excess liability coverage of \$10.0 million, and a policy deductible of \$50,000 and a deductible of \$100,000 for securities claims only. For the policy year of November 1, 2022, to November 1, 2023, the Company paid an annual premium of \$150,450 for this insurance. Under the policy, each entity has reimbursement coverage to the extent that it has indemnified the directors and officers of such entity.

Named Executive Officers' Compensation

The total direct compensation awarded to NEOs consists primarily of the following three components described in this section:

- base salary;
- short-term incentives; and
- long-term incentives.

2022 Direct Pay Mix at Target

The direct compensation mix varies based on the level of the executive to reflect the impact of more senior roles on overall Company performance. The base salary portion of executive compensation is fixed, while the annual short-term and long-term incentive portions are performance-based and are variable. The target mix of the direct compensation components for the NEOs for fiscal 2022 is shown in the following table:

Name	Total Direct Compensation Mix at Target ⁽¹⁾			Variable Compensation ⁽¹⁾
	Base Salary	Short-Term Incentives	Long-Term Incentives	
Dr. Ajay Virmani	32%	49%	19%	68%
Jamie Porteous	43%	32%	26%	57%
Pauline Dhillon	43%	33%	24%	57%
Scott Calver	62%	38%	-	38% (partial year)
Sanjeev Maini	56%	23%	21%	44%
Paul Rinaldo	58%	23%	19%	42%

Note:

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

Executive Ownership Guidelines

The Board believes it is important that the members of the executive team demonstrate their commitment to the Company's long-term performance through share ownership. The Company has implemented Share Ownership Guidelines for its Chief Executive Officer and members of senior management, being those executives holding the titles of Senior Vice President and above. The Chief Executive Officer is required to maintain a minimum investment in Cargojet shares equal to three times the annual base salary. The members of management holding the title of Senior Vice President and above are required to maintain a minimum investment in Cargojet shares equal to one time their annual base salary. In both cases, such investment may be satisfied in the form of Voting Shares, PSUs, RSUs and "in-the-money" vested Options. Each member of the executive team must satisfy these guidelines within 5 years of their appointment to an eligible position. As at the date hereof, all NEOs who held an eligible position at the Company for at least 5 years have met the required level of share ownership.

Name	Share Ownership						Ownership Requirement (\$)	Meets Requirement
	Voting Shares	RSUs	PSUs	Options	Total Number of Units	Total Value of Units (\$) ⁽¹⁾		
Dr. Ajay Virmani	411,500	-	12,335	14,533	438,368	71,217,899	2,925,000	Yes
Jamie Porteous	13,859	1,572	4,175	4,919	24,525	3,475,525	495,000	Yes
Pauline Dhillon	10,207	953	2,175	2,647	15,982	2,322,836	650,000	Yes
Scott Calver ⁽²⁾	3,666	-	-	-	3,666	426,539	350,000	Yes
Paul Rinaldo	2,625	318	1,687	1,987	6,617	855,953	250,000	Yes

Note:

- (1) The Company's Voting Shares, trading under the symbol "CJT" on the TSX, closed at \$116.35 per share on December 30, 2022. The market value of the Company's Voting Shares, RSUs and PSUs units was calculated as the closing price of the Company's Voting Shares, on December 30, 2022 multiplied by the number of Voting Shares, RSUs or PSUs. PSUs are shown at target. The in-the-money value of vested Options is included in the Total Value of Units.
- (2) Effective May 10, 2022, Mr. Calver was appointed to the role of Chief Financial Officer of the Company, and Mr. Maini, the then Interim CFO, ceased holding the position of Interim CFO. Mr. Calver is required to meet the Share Ownership Guidelines by May 10, 2027. Mr. Maini was an NEO as he was an interim CFO and is not subject to the share ownership guidelines.

Competitive Benchmarking

In order to attract and retain effective and innovative leadership, the Company seeks to ensure that its executive compensation programs remain competitive with its market. Hexarem benchmarks the CEO's total compensation against relevant market practices reflecting current job scope, company challenges and individual track record at the request of the CNC.

The Company has adopted the following peer group, which was refreshed in 2022, to establish the CEO's compensation:

Companies (n=20)	North American Peer Group
Air Canada	<ul style="list-style-type: none"> • The air cargo marketplace does not count a sufficient number of publicly-traded companies to create a robust enough comparator group for benchmarking purposes • In North America, the very few similar and publicly-traded companies include Atlas Air Worldwide and Air Transport Services Group • Consequently, we have broadened our selection criteria by selecting: <ul style="list-style-type: none"> – Companies in sectors where skill sets and challenges are comparable to those of Cargojet's – Similarly-sized companies in terms of market capitalization • 20 companies (13 are US-based and 7 Canadian-based) were selected
Air Transport Services Group Inc	
Americold Realty Trust	
ArcBest Corp	
Atlas Air Worldwide Holdings Inc	
CAE Inc	
Descartes Systems Group Inc	
Forward Air Corp	
Hawaiian Holdings Inc	
Heroux Devtek Inc	
Hub Group Inc	
Kinaxis Inc	
Landstar System Inc	
Magellan Aerospace Corp	
Manhattan Associates Inc	
Pitney Bowes Inc	
Saia Inc	
SPS Commerce Inc	
TFI International Inc	
Werner Enterprises Inc	

North American Peer Group compensation data were also supplemented with broader market statistics from similarly sized organizations headquartered in Canada.

Cost of Compensation

During 2022, the Company's NEOs earned an aggregate amount of total compensation equal to \$11,541,507. This cost of compensation represents 1.2% of the Company's annual revenues and 5.0% of the Company's 2022 Adjusted EBITDA, and 6.0% of the Company's Net Income.

Base Salary

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

- the NEO's current positioning versus the salaries for similar roles at market comparators;
- the NEO's experience, knowledge, and performance; and
- the NEO's total compensation (i.e. including incentive compensation at target).

Name	2022 Base Salary (\$)	2021 Base Salary (\$)
Dr. Ajay Virmani	1,250,000	975,000
Jamie Porteous	495,000	495,000
Pauline Dhillon	700,000	650,000
Scott Calver	350,000	275,000
Sanjeev Maini	225,000	211,000
Paul Rinaldo	300,000	250,000

Note:

Base salaries were realigned mid-year during 2022 based on the level of responsibility, expertise, competence, and experience

Short- and Long-Term Incentive Plans

Pay for performance is an important underlying principle of the Company's executive compensation philosophy, with the result that variable compensation represents a substantial proportion of total compensation. See "2022 Direct Pay Mix at Target" above.

The STIP is based on the Company meeting specific Adjusted EBITDA targets and the NEOs achieving specific personal performance objectives. Each year, the CNC recommends for approval by the Board the STIP design, including business performance measures, weightings, and threshold, target and maximum goals. At the end of the fiscal year, management determines the results of the STIP performance measures, and these are compared to the pre-established financial and non-financial goals. No STIP awards are normally paid for a performance measure if the result falls below the established threshold.

PSUs and stock options are normally awarded according to individual LTIP targets each year. In addition, two-thirds of the NEOs' long-term incentives are awarded in the form of PSUs which vest based on three-year post-grant performance whereas the other third is awarded in the form of stock options which vest ratably over three years and have a five-year term. The minimum PSU vesting is at 0% if three-year performance is below threshold.

2022 Performance and Compensation Decisions

At the beginning of 2022, management and the CNC agreed to the STIP Adjusted EBITDA threshold, target and maximum goals. The maximum STIP goal was set at \$372.6 million before management bonuses for the year ending December 31, 2022. Consistently, for the fiscal year ending on December 31, 2022, the Board has approved the following STIP payouts to each NEO based on the 2022 actual Adjusted EBITDA of \$332.8 million (Net Income of \$203.0 million) before management bonuses and their personal performance:

2022 Adjusted EBITDA Before Management Bonuses	
Maximum Goal	Actual
\$372.6 million	\$332.8 Million

Name	STIP Awards Based on Adjusted EBITDA and Individual Performance (% of Base Salary)	
	Target Award	2022 Actual
Dr. Ajay Virmani	150%	150%
Jamie Porteous	75%	75%
Pauline Dhillon	75%	75%
Scott Calver	60%	60%
Sanjeev Maini	40%	40%
Paul Rinaldo	40%	40%

All NEOs received a 2022 STIP award corresponding to their individual target, with the exception of Mr. Calver's whose 2022 actual STIP award was prorated above his normal maximum to reflect his appointment as CFO.

2022 LTIP Grants

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

The 2022 PSU and stock option grants were awarded according to individual LTIP targets as follows:

Name	2021 Target LTIP Award (%)	Number of PSUs Granted	PSU Grant Value (\$) ⁽¹⁾	Number of Stock Options Granted	Stock Option Grant Value (\$) ⁽¹⁾
Dr. Ajay Virmani	75%	3,294	487,500	5,257	243,750
Jamie Porteous	60%	1,338	198,000	2,135	99,000
Pauline Dhillon	60%	1,757	260,000	2,804	130,000
Scott Calver	-	-	-	-	-
Sanjeev Maini	40%	380	56,267	607	28,133
Paul Rinaldo	40%	451	66,667	719	33,333

Note:

- (1) Key valuations assumptions are presented in the notes to the "Equity-based Awards" table.

PSU vesting over the 2022-2024 cycle will be calculated according to the following goals:

Indicators	Weight	Threshold Goal (performance multiplier of 0.0x)	Target Goal (performance multiplier of 1.0x)	Maximum Goal (performance multiplier up to 2.5x)
Annual Absolute ROIC	50%	2022: 5.3% 2023: TBD% 2024: TBD%	2020: 7.1% 2023: TBD% 2024: TBD%	2020: 8.9% 2023: TBD% 2024: TBD%
Relative TSR	50%	Cargojet's 3-year cumulative TSR is 25% below the S&P/TSX Composite Index or less	Cargojet's 3-year cumulative TSR is equal to the S&P/TSX Composite Index	Cargojet's 3-year cumulative TSR is 25% above the S&P/TSX Composite Index or more

Performance multiplier between threshold and target or between target and maximum will be interpolated according to results recorded over the three-year cycle.

The rationale to select absolute ROIC as long-term performance indicator in the PSU Plan is as follows:

- support profitable growth;
- encourage disciplined capital investments; and
- market prevalent indicator in capital intensive companies, including at direct peers.

The rationale to select relative total shareholder return ("TSR") as long-term performance indicator in the PSU Plan is as follows:

- align executive compensation with shareholder return;
- filter-out the impact on Cargojet's performance of Canada-wide economic conditions by using the S&P/TSX Composite Index as benchmark; and
- market prevalent indicator encouraged by institutional shareholders.

The Board believes that the S&P/TSX Composite Index is the most appropriate performance peer group for relative performance assessment purposes in the PSU Plan. As a result, it is used instead of our benchmarking peer group for relative performance evaluation purposes.

Over the 2019-2021 cycle, PSUs paid out at an average multiplier of 1.90 for NEOs, which is the weighted average of an Annual Absolute ROIC multiplier of 1.90 and a Relative TSR multiplier of 1.90.

The following tables outline the burn rate for the past three years as of December 31, 2022, calculated using the TSX prescribed methodology. The burn rate is calculated by dividing the number of RSUs or stock options, as applicable, during the relevant fiscal year by the weighted average number of securities of the Company outstanding for the applicable fiscal year. Since the Company's PSU Plan and DSU program for Directors are non-dilutive, the burn rate for outstanding PSUs and DSUs was nil for each of the last three completed fiscal years indicated in the table below:

Year	Weighted Average Number of Securities Outstanding	RSUs		Stock Options	
		Number Granted	Annual Burn Rate	Number Granted	Annual Burn Rate
2022	17,202,186	23,371	0.14%	21,029	0.11%
2021	17,324,258	-	-	12,357	0.07%
2020	15,597,068	12,339	0.08%	26,168	0.17%

The following table provides a summary, as at December 31, 2022, of the Company's compensation plans under which equity securities of the Company are authorized for issuance:

	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights as at December 31, 2022	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights as at December 31, 2021 (\$)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in The First Column) as at December 31, 2021
Equity Compensation Plans Approved by Shareholders			
• RSU Plan	-	--	Nil ⁽²⁾
• Stock Option Plan	9,667	98.90	Nil ⁽²⁾
• Omnibus Incentive Plan ⁽¹⁾	50,880	139.4	461,980 ⁽³⁾
Equity Compensation Plan not Approved by Shareholders	--	--	--
Total	60,547	132.95	461,980

Notes:

- (1) Awards granted under the Omnibus Incentive Plan as of December 31, 2022, were in the form of Options and RSUs.
- (2) No further awards will be granted under the Option Plan.
- (3) The maximum number of Voting Shares reserved for issuance upon the exercise or settlement for all Awards granted under the Omnibus Incentive Plan (together with any other security-based compensation arrangements) is 545,897, being equal to 3.2% of the outstanding Voting Shares as December 31, 2022.

The following are summaries of the Omnibus Incentive Plan, the RSU Plan, the Option Plan, and the PSU Plan.

Omnibus Long-Term Incentive Plan

The Omnibus Incentive Plan was approved by shareholders at the 2020 Shareholder Meeting. The Omnibus Incentive Plan allows for a variety of equity-based awards that provide different types of incentives, particularly options and restricted share units (“**RSUs**”), to be granted to certain of our executive officers, employees and consultants. Non-executive directors will not be eligible participants. Options and RSUs are collectively referred to herein as “**Awards**”. The following discussion is qualified in its entirety by the text of the Omnibus Incentive Plan.

Under the terms of the Omnibus Incentive Plan, the Board, or if authorized by our Board, the CNC may grant Awards to eligible participants, as applicable. Participation in the Omnibus Incentive Plan is voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, other than by will or the laws of descent and distribution.

The Omnibus Incentive Plan provides that appropriate adjustments, if any, will be made by our Board in connection with a reclassification, reorganization or other change of our Voting Shares, share split or consolidation, distribution, merger or amalgamation, in the Voting Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the Omnibus Incentive Plan.

The number of Voting Shares reserved for issuance upon the exercise or settlement for all Awards granted under the Omnibus Incentive Plan, together with any other share compensation arrangements, is 545,897, being equal to 3.2% of the outstanding Voting Shares as of December 31, 2022. In addition, there is a second limit under the Omnibus Incentive Plan of 155,970 RSUs, being equal to 0.9% of the outstanding Voting Shares as of December 31, 2022. Any Awards exercised or settled for Voting Shares under the Omnibus Incentive Plan will not be available for future grants. As at December 31, 2022, a total of 50,879 Awards in the form of Options and a total of 23,371 RSUs were issued and outstanding under the Omnibus Incentive Plan, and 9,667 Options were issued and outstanding under the Option Plan, respectively, which collectively represents approximately 0.5% of the outstanding Voting Shares as of December 31, 2022. Accordingly, as at December 31, 2022, 461,980 Voting Shares remained available for future issuance under the Omnibus Incentive Plan, representing approximately 2.7% of the issued and outstanding Voting Shares as of December 31, 2022.

For the purposes of calculating the maximum number of Voting Shares reserved for issuance under the Omnibus Incentive Plan, any issuance from treasury by the Company that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity-based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Company shall not be included.

The maximum number of Voting Shares that may be: (i) issued to insiders of the Company within any one-year period; or (ii) issuable to insiders of the Company at any time, in each case, under the Omnibus Incentive Plan alone, or when combined with all of the Company's other security-based compensation

arrangements, including the Option Plan and the RSU Plan, cannot exceed 10% of the aggregate number of Voting Shares issued and outstanding from time to time.

An option shall be exercisable during a period established by our Board which shall commence on the date of the grant and shall terminate no later than five years (subject to Board discretion to a maximum of ten years) after the date of the granting of the option or such shorter period as the Board may determine. The minimum exercise price of an option will be determined based on the average closing price of the Voting Shares on the TSX on the five trading days prior to the date such option is granted. The Omnibus Incentive Plan provides that the exercise period shall automatically be extended if the date on which it is scheduled to terminate shall fall during a black-out period. In such cases, the extended exercise period shall terminate 10 business days after the last day of the black-out period. To facilitate the payment of the exercise price of the Options, the Omnibus Incentive Plan has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted “cashless exercise” or a “net exercise” (in cash or Voting Shares) subject to the procedures set out in the Omnibus Incentive Plan, including the consent of the Board, where required.

The following table describes the impact of certain events upon the rights of holders of Awards under the Omnibus Incentive Plan, including termination for cause, resignation, retirement, termination other than for cause, and death or long-term disability, subject to the terms of a participant’s employment agreement, grant agreement and the change of control provisions described below:

Event Provisions	Options	RSUs
Termination for cause	Immediate forfeiture of all unexercised vested and unvested Options.	Immediate forfeiture of all unvested RSUs.
Resignation, retirement and termination other than for cause	Forfeiture of all unvested Options and the earlier of the original expiry date and 90 days after resignation to exercise vested Options or such longer period as our Board may determine in its sole discretion.	Forfeiture of all unvested RSUs and the Company shall issue Shares in satisfaction of any vested RSUs.
Death or long-term disability	Forfeiture of all unvested Options and the earlier of the original expiry date and 12 months after date of death or long-term disability to exercise vested Options or such longer period as our Board may determine in its sole discretion.	RSUs shall continue to vest for a maximum period of 12 months or until the vesting date set out in the participant’s grant agreement (whichever is shorter) and settle within 30 days of such period.

In connection with a change of control of the Company, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity, provided that the Board may accelerate the vesting of Awards if: (i) the required steps to cause the conversion or exchange or replacement of Awards are impossible or impracticable to take or are not being taken by the parties required to take such steps (other than the Company); or (ii) the Company has entered into an agreement which, if completed, would result in a change of control and the counterparty or counterparties to such agreement require that all outstanding Awards be exercised immediately before the effective time of such transaction or terminated on or after the effective time of such transaction. If a participant is terminated without cause during the 24 month period following a change of control, any Awards then outstanding shall automatically vest so that (i) Options may be exercised in whole or in part by the participant for 90 days thereafter or prior to the expiry date in respect thereof, whichever is sooner, and; (ii) RSUs shall vest and the participant shall be entitled to receive and the Company shall issue Voting Shares in satisfaction of such RSUs.

The Board may, in its sole discretion, suspend or terminate the Omnibus Incentive Plan at any time, or from time to time, amend, revise or discontinue the terms and conditions of the Omnibus Incentive Plan or of

any securities granted under the Omnibus Incentive Plan and any grant agreement relating thereto, subject to any required regulatory and TSX approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the Omnibus Incentive Plan or as required by applicable laws.

Our Board may amend the Omnibus Incentive Plan or any securities granted under the Omnibus Incentive Plan at any time without the consent of a participant provided that such amendment shall: (i) not adversely alter or impair any Award previously granted except as permitted by the terms of the Omnibus Incentive Plan; (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSX; and (iii) be subject to shareholder approval, where required by law, the requirements of the TSX or the Omnibus Incentive Plan, provided however that shareholder approval shall not be required for the following amendments and our Board may make any changes which may include but are not limited to:

- any amendment to the vesting provisions, if applicable, or assignability provisions of Awards;
- any amendment regarding the effect of termination of a participant's employment or engagement;
- any amendment which accelerates the date on which any Award may be exercised under the Omnibus Incentive Plan;
- any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body;
- any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Omnibus Incentive Plan, correct or supplement any provision of the Omnibus Incentive Plan that is inconsistent with any other provision of the Omnibus Incentive Plan, correct any grammatical or typographical errors or amend the definitions in the Omnibus Incentive Plan;
- any amendment regarding the administration of the Omnibus Incentive Plan; and
- any other amendment that does not require the approval of shareholders pursuant to the amendment provisions of the Omnibus Incentive Plan, provided that the alteration, amendment or variance does not:
 - reduce the exercise price of Awards benefitting an insider of the Company;
 - extend expiration date of an Award benefitting an insider of the Company, except in the case of an extension due to black-out period;
 - remove or exceed the insider participation limits;
 - increase the maximum number of Voting Shares issuable under the Omnibus Incentive Plan, other than an adjustment pursuant to a change in capitalization;
- amend the amendment provisions of the Omnibus Incentive Plan.

Stock Option Plan

As at December 31, 2022, a total of 9,667 options are issued and outstanding under the Option Plan, representing negligible ratio of the issued and outstanding Voting Shares of the Company on both a non-diluted and fully-diluted basis as of the adoption date of the Omnibus Incentive Plan. All prior options granted under the Option Plan are governed by the terms of the Option plan. However, no further options will be granted under the Option Plan. Awards granted following the approval of the Omnibus Incentive Plan by shareholders at the 2020 Shareholder Meeting are and will be hereafter granted under and governed by the Omnibus Incentive Plan (or any successor plan).

Performance Share Unit Plan

In 2019, the Company introduced cash-settled performance share units granted under the Performance Share Unit Plan to its LTIP. The Company believes that PSUs are aligned with its compensation philosophy, reward executives for demonstrated performance and ensure strong long-term alignment between executive and employee interests with those of Shareholders.

The following is a summary of certain attributes and characteristics of the PSU Plan. Capitalized terms not defined in this section have the meanings given to them in the PSU Plan.

The PSU Plan consists of cash-settled units vesting based on three-year performance objectives approved on the grant date, specifically vesting of the PSUs is tied to performance indicators related to ROIC and relative TSR. There is no guaranteed minimum vesting of PSUs. See “2022 LTIP Grants”.

The cash amount payable by the Company to a participant in respect of the applicable number of vested PSUs will be determined by multiplying the number of such PSUs by the Fair Market Value on the date a determination is required, namely the earliest of (i) the last date of any Applicable Period, (ii) the Termination Date, (iii) the vesting date set out in any Grant Agreement, or (iv) the Latest Settlement Date.

The PSU Plan includes various provisions in respect of vesting and settlement of PSUs in the event of a participant’s termination of service with the Company. Subject to the terms of a participant’s employment agreement, grant agreement and the change of control provisions described below:

- in the event of a participant’s death or disability, unvested PSUs will continue to vest for a maximum period of 12 months or until the vesting date set out in the grant agreement (whichever is shorter and being the “**Applicable Period**”) and settle within 30 days of such period on a pro-rata basis based on the number of months of active service or employment between the Award Date and the last date of the Applicable Period, and assuming target performance objectives have been achieved;
- in the event of a participant’s termination with Cause or resignation without Good Reason, the date on which any unvested PSUs held by such participant expire is the participant’s Termination Date, subject to the Board determining otherwise;
- in the event of a participant’s retirement, any unvested PSUs will vest and settle within 30 days of the Termination Date on a pro-rata basis based on the number of months of active service or employment between the Award Date and the Termination Date, and assuming target performance objectives have been achieved; and
- upon a participant’s Good Leaver Termination, any unvested PSUs will vest and settle at the end of the applicable performance period (following the determination of the Board) on a pro-rata basis based on the number of completed months of active service or employment between the Award date and the Termination Date, at the performance level actually achieved by the Company, as determined by the Board.

Subject to any provisions with respect to vesting of PSUs in a participant’s employment agreement with the Company, in the event of a Change of Control of the Company (as such term is defined in the PSU Plan), all PSUs then outstanding shall automatically vest based on a pro-rata assessment of performance up to the time of the Change of Control upon an involuntary termination of employment or resignation for good reason within 24 months of the Change of Control.

Summary Compensation Table

The following table provides information for the financial years ended December 31, 2022, 2021 and 2020 regarding compensation paid to or earned by the NEOs.

Name and Principal Position	Year	Salary (\$)	Share Based Awards (\$) ⁽²⁾	Option Based Awards (\$)	Non-Equity Incentive Plan Compensation - Annual Incentive Plans (\$)	Pension Value (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total Compensation (\$)
Dr. Ajay Virmani ⁽¹⁾⁽⁵⁾ Founder, President & Chief Executive Officer	2022	1,113,558	3,487,500	243,750	1,875,000	-	211,200	6,931,008
	2021	975,000	487,500	243,750	3,656,250	(2,424,790)	211,200	3,148,910
	2020	975,000	487,500	243,750	3,656,250	6,307,000	219,322	11,888,822
Jamie Porteous Executive Vice President and Chief Commercial Officer	2022	495,000	198,000	99,000	371,250	14,605	110,400	1,288,255
	2021	495,000	165,000	82,500	643,500	13,915	110,400	1,510,315
	2020	495,000	660,000	82,500	563,063	13,915	2,611,415	4,425,893
Pauline Dhillon Chief Corporate Officer	2022	673,077	260,000	130,000	525,000	14,605	192,000	1,794,682
	2021	550,077	106,667	53,333	845,000	13,915	64,616	1,633,608
	2020	400,000	380,000	40,000	455,000	13,615	1,549,846	2,838,461
Scott Calver Chief Financial Officer	2022	227,500	-	-	135,781	1,615	31,200	396,096
	2021	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-
Sanjeev Maini ⁽⁶⁾ Interim Chief Financial Officer and Vice-President	2022	217,462	56,267	28,133	240,000	10,873	24,000	576,735
	2021	211,000	35,167	17,583	175,000	10,550	24,000	473,300
	2020	199,969	30,833	15,417	219,375	9,998	24,923	500,515
Paul Rinaldo Senior Vice President Engineering and Maintenance	2022	273,077	66,667	33,333	120,000	13,654	48,000	554,731
	2021	250,000	66,667	33,333	175,000	12,500	48,000	585,500
	2020	250,000	166,667	33,333	150,000	12,981	49,846	662,827

Notes:

- (1) No compensation was paid to Dr. Virmani in his capacity as a director.
- (2) Regular share-based awards were granted in the form of PSUs for 2022, 2021 and 2020. See "2022 LTIP Grants – Performance Share Unit Plan". The special 2022 bonus awarded to Dr. Virmani in connection with the closing of the strategic agreement with DHL was settled in RSUs in lieu of cash to increase shareholder alignment over the first three years of the agreement.
- (3) Compensatory value of the pension arrangements (SRP and IPP) for Dr. Virmani. Amounts contributed by the Company to the Company's Deferred Profit Sharing Plan for other NEOs.
- (4) Details of all other compensation are provided in the following tables.
- (5) In 2022, Dr. Virmani voluntarily agreed, and the Board approved, that his pension plan and supplemental plan be terminated. See "Wind Up of the Founder / President & Chief Executive Officer Pension Arrangements". A previously approved and disclosed outstanding non-registered pension arrangement with Pauline Dhillon was similarly settled with the Company in 2022. For additional information regarding the wind up, please refer to the Company's audited annual financial statements for the year ended December 31, 2022.
- (6) Effective May 10, 2022, Mr. Maini, stepped down as Interim CFO. Mr. Maini continue to serve as Vice President of Finance.

Perquisites and Benefits

Dr. Virmani, Mr. Porteous and Ms. Dhillon are provided with an annual car allowance and home office allowance, health, and other benefits. For 2022, the aggregate annual perquisites and benefits amounted to \$211,200 for Dr. Virmani, \$110,400 for Mr. Porteous and \$64,616 for Ms. Dhillon. For 2022, Mr. Calver, Mr. Maini, and Mr. Rinaldo were each provided with a car allowance of \$31,000, \$24,000, and \$48,000, respectively.

Name	Year	Automobile Allowance (\$) ⁽¹⁾	Home Office Allowance (\$)	Health Club and Other Memberships (\$)	Proposed Pension Arrangement (\$) ⁽²⁾	Total All Other Compensation (\$)
Dr. Ajay Virmani	2022	120,000	43,200	48,000	-	211,200
	2021	120,000	43,200	48,000	-	211,200
	2020	124,615	44,861	49,846	-	219,322
Jamie Porteous	2022	84,000	14,400	12,000	-	110,400
	2021	84,000	14,400	12,000	-	110,400
	2020	84,000	14,953	12,462	2,500,000	2,611,415
Pauline Dhillon	2022	120,000	42,000	30,000	-	192,000
	2021	56,308	4,846	3,462	-	64,616
	2020	48,000	-	-	1,500,000	1,549,846
Scott Calver	2022	31,200	-	-	-	31,200
	2021	-	-	-	-	-
	2020	-	-	-	-	-
Sanjeev Maini	2022	24,000	-	-	-	24,000
	2021	24,000	-	-	-	24,000
	2020	24,923	-	-	-	24,923
Paul Rinaldo	2022	48,000	-	-	-	48,000
	2021	48,000	-	-	-	48,000
	2020	49,846	-	-	-	49,846

Note:

- (1) Automobile allowances are paid to NEOs per their respective employment agreements for the capital or lease cost of the vehicle and all related operating costs including, fuel, repairs, parking, and insurance.
- (2) One-time compensatory value of special pension arrangements for two NEOs, with which was proposed in fiscal 2020 and the final design approved in fiscal 2021.

All-Employee Pension Plan

The Company offers a Deferred Profit Sharing Plan (“DPSP”) to all permanent full-time and part-time employees, except the CEO. The Company matches employee contributions made in the year to the employee’s group RRSP. For employees with less than five years of continuous service the rate is 3%, for

employees with more than five years of continuous service the rate is 4% and for employees with more than ten years of continuous service the rate is 5%. DPSP contributions become vested upon the completion of two years of plan membership.

Wind Up of the Founder / President & Chief Executive Officer Pension Arrangements

The Company maintained an Individual Pension Plan (“**IPP**”) and a Supplemental Pension Plan (“**SRP**”) for the Founder / President & CEO until 2022. Because the CEO had already reached maximum pension annuity under the pension arrangements, the Board approved the wind up of the pension arrangements as per the IPP and SRP terms and relevant regulation. The SRP obligation will be settled over three years instead of through providing Dr. Virmani with a lifetime annuity. A third of the accumulated SRP obligation was settled in September 2022 and the other two thirds will be settled in September 2023 and September 2024. Therefore, the Company’s SRP-related liabilities will become nil after the September 2024 payment. There was no pension-related compensatory value associated with the CEO’s pension arrangements in 2022 and there will be none going forward under the IPP or SRP since the arrangements will no longer exist. For additional information regarding the wind up, please refer to the Company’s audited annual financial statements for the year ended December 31, 2022.

The CEO no longer participates in a Company pension plan. The Company similarly settled in 2022 a previously approved and disclosed outstanding non-registered pension arrangement with Pauline Dhillon.

Equity-based Awards

The following table presents the grant-date value of share-based and option-based grants awarded to NEOs over the last three years.

Name	Year	Share-based Awards			Options-based Awards (\$) ⁽²⁾
		RSU Grants (\$) ⁽¹⁾	PSU Grants (\$) ⁽¹⁾	Total (\$)	
Dr. Ajay Virmani	2022	3,000,000	487,500	3,487,500	243,750
	2021	-	487,500	487,500	243,750
	2020	-	487,500	487,500	243,750
Jamie Porteous	2022	-	198,000	198,000	99,000
	2021	-	165,000	165,000	82,500
	2020	495,000	165,000	660,000	82,500
Pauline Dhillon	2022	-	260,000	260,000	130,000
	2021	-	106,667	106,667	53,333
	2020	300,000	80,000	380,000	40,000
Scott Calver	2022	-	-	-	-
	2021	-	-	-	-
	2020	-	-	-	-
Sanjeev Maini ⁽³⁾	2022	-	56,267	56,267	28,133
	2021	-	35,167	35,167	17,583
	2020	-	30,833	30,833	15,417
Paul Rinaldo	2022	-	66,667	66,667	33,333
	2021	-	66,667	66,667	33,333
	2020	100,000	66,667	166,667	33,333

Notes:

- (1) Regular share-based awards were granted in the form of PSUs for 2022, 2021 and 2020. See “2022 LTIP Grants – Performance Share Unit Plan”. The special 2022 bonus awarded to Dr. Virmani in connection with the closing of the strategic agreement with DHL was settled in RSUs in lieu of cash to increase shareholder alignment over the first years of the agreement. The dollar amounts of the awards represent the fair value of RSUs on the date they were granted. The grant date for the RSUs was at least 10 trading days after the release of Cargojet’s financial results. The value of each RSU and PSU was determined based on the volume weighted average price of the Voting Shares on the TSX for the 5 trading days preceding the grant date. RSUs normally vest annually at the rate of one third. PSUs vest at the conclusion of a three-year performance period.

- (2) The value of each Option awarded in 2022 was determined by the using the Black-Scholes valuation method which is the industry standard method to value options. The following assumptions were used:
- Risk free rate: 1.25%
 - Dividend yield: 0.74%
 - Expected volatility: 36.45%
- (3) Effective May 10, 2022, Mr. Maini, ceased to carry on the role of Interim CFO. Mr. Maini continue to serve as Vice President of Finance.

Outstanding Share-based and Option-based Awards

The following table provides information regarding outstanding share-based and option-based awards as of December 31, 2022:

Name	Option-based Awards				Share-based Awards		
	Number of Unexercised Options	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-money Options (\$) ⁽¹⁾	Number of Shares or Units that Have not Vested	Market Value of Shares or Units that Have Not Vested (\$) ⁽²⁾	Market Value of Vested Shares or Units that Have Not Been Distributed (\$) ⁽³⁾
Dr. Ajay Virmani	3,434	98.90	Nov 28, 2024	59,926	-	-	-
	6,286	104.95	Mar 06, 2025	71,638	4,645	540,446	-
	4,813	176.56	Mar 16,2026	-	2,761	321,242	-
	5,257	147.98	May 12,2027	-	26,665	3,102,473	-
Jamie Porteous	1,162	98.90	Nov 28, 2024	20,278	-	--	-
	2,128	104.95	Mar 06, 2025	24,252	1,572	182,902	-
	1,629	176.56	Mar 16,2026	-	935	108,787	-
	2,135	147.98	May 12,2027	-	1,338	155,676	-
Pauline Dhillon	563	98.90	Nov 28, 2024	9,825	-	-	-
	1,031	104.95	Mar 06, 2025	11,750	762	88,659	-
	1,053	176.56	Mar 16,2026	-	604	70,275	-
	2,804	147.98	May 12,2027	-	1,757	204,427	-
Scott Calver	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Sanjeev Maini	217	98.90	Nov 28, 2024	3,787	-	-	-
	397	104.95	Mar 06, 2025	4,524	294	34,207	-
	347	176.56	Mar 16,2026	-	199	23,154	-
	607	147.98	May 12,2027	-	380	44,213	-
Paul Rinaldo	470	98.90	Nov 28, 2024	8,202	-	-	-
	859	104.95	Mar 06, 2025	9,790	635	73,882	-
	658	176.56	Mar 16,2026	-	378	43,980	-

Name	Option-based Awards				Share-based Awards		
	Number of Unexercised Options	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-money Options (\$) ⁽¹⁾	Number of Shares or Units that Have not Vested	Market Value of Shares or Units that Have Not Vested (\$) ⁽²⁾	Market Value of Vested Shares or Units that Have Not Been Distributed (\$) ⁽³⁾
	719	147.98	May 12, 2027	-	451	52,474	-

Notes:

- (1) The Company's Voting Shares, trading under the symbol "CJT" on the TSX, closed at \$116.35 per share on December 31, 2022. The market value of unexercised in-the-money Options was calculated as the difference between exercise strike price and the closing price of the Company's Voting Shares, trading under the symbol "CJT" on the TSX on December 30, 2022, multiplied by the number of unexercised in-the-money Options.
- (2) The market value of the units that have not vested was calculated as the closing price of the Company's Voting Shares, trading under the symbol "CJT" on the TSX on December 31, 2022, multiplied by the number of RSUs that have not vested or PSUs that have not vested, at target.
- (3) There were no vested but undistributed units as at December 31, 2022.



Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides information regarding outstanding share-based and option-based awards vested or earned during the year ended December 31, 2022:

Name	Option-based Awards		Share-based Awards		Value of Non-equity Incentive Plan Compensation Earned During the Year (\$)
	Number of Options Vested During the Year	Value of Option-based Awards Vested During the Year (\$) ⁽¹⁾	Number of Share-based Awards Vested During the Year	Value of Share-based Awards Vested During the Year (\$)	
Dr. Ajay Virmani	8,180	95,728	5,005	1,851,621	1,875,000
Jamie Porteous	2,770	32,421	3,276	735,466	371,250
Pauline Dhillon	1,431	15,723	1,779	384,751	2,025,000
Scott Calver	-	-	-	-	-
Sanjeev Maini	533	6,072	315	58,268	240,000
Paul Rinaldo	1,118	13,085	1,004	224,710	120,000

Note:

- (1) The earned value of vested in-the-money Options was calculated as the difference between exercise strike price and the volume weighted average price of the Company's Voting Shares, trading under the symbol "CJT" on the TSX on the vesting dates multiplied by the number of vested in-the-money Options.

Termination and Change of Control Benefits

Pursuant to the Company's employment agreements with Messrs. Virmani, Porteous, Calver Rinaldo and Ms. Dhillon, respectively (the "**NEO employment agreements**"), these NEOs may resign by providing not less than six months written notice, with certain exceptions. The NEO employment agreements provide that if the NEO is terminated without cause, he or she is entitled to a lump sum severance payment less any required deductions. In the event that the NEO is terminated for cause, he or she is entitled to receive his or her compensation (including unused vacation pay) to the date of notice of termination.

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

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

The following table provides details regarding the estimated incremental payments from the Company to each NEO on termination without cause, assuming a triggering event occurred on December 31, 2022.

Name	Severance Period (# of months)	Base Salary (\$)	STIP and LTIP (\$)	All Other Compensation (\$)	Total Incremental Payment (\$) ⁽¹⁾⁽²⁾
Dr. Ajay Virmani	36	3,340,673	11,179,864	642,034	15,162,570
Jamie Porteous	24	990,000	2,213,432	230,687	3,434,119
Pauline Dhillon	12	673,077	909,751	197,510	1,780,338
Scott Calver	12	227,500	135,781	33,286	396,567
Sanjeev Maini	-	-	-	-	-
Paul Rinaldo	12	273,077	344,710	50,440	668,227
Total		5,504,327	14,783,538	1,153,955	21,441,820

Notes:

- (1) All payments are gross of any withholding taxes and other required deductions.
- (2) Based on the T4 statements for the year ended December 31, 2022.

Under the NEO employment agreements, each NEO will continue to receive benefits, with certain exceptions, for one year following such termination without cause.

Under the NEO employment agreements, each NEO will also receive lump sum severance payment and benefits if within one year after a “Change of Control” (as defined in the applicable employment agreement) he or she is terminated without cause or resigns for “Good Reason” (as defined in the applicable employment agreement), which is treated as a Double-Trigger. The following table provides details regarding the estimated incremental payments from the Company to each of the NEOs on a change of control assuming a triggering event occurred on December 31, 2022:

Name	Severance Period (# of months)	Base Salary (\$)	STIP and LTIP (\$)	All Other Compensation (\$)	Total Incremental Payment (\$) ⁽¹⁾⁽²⁾
Dr. Ajay Virmani	36	3,340,673	11,179,864	642,034	15,162,570
Jamie Porteous	24	990,000	2,213,432	230,687	3,434,119
Pauline Dhillon	24	1,346,154	1,819,502	395,019	3,560,675
Scott Calver	24	455,000	271,562	66,572	793,134
Sanjeev Maini	-	-	-	-	-
Paul Rinaldo	24	546,154	689,420	100,879	1,336,453
Total		6,677,981	16,173,780	1,435,190	24,286,951

Notes:

- (1) All payments are gross of any withholding taxes and other required deductions
- (2) Based on the T4 statements for the year ended December 31, 2022.

OTHER IMPORTANT INFORMATION

Indebtedness of Directors, Executive Officers and Employees

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

Interests of Informed Persons in Material Transactions

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

Shareholder Engagement

We believe that engaging and communicating directly with shareholders and other stakeholders is important for providing timely and meaningful feedback. The Board encourages shareholder attendance and participation at the Company's annual shareholder meetings as it provides a valuable opportunity to discuss the Company, its corporate governance and other important matters. Outside of the Company's annual meeting, shareholders may contact the Board through the Company's Senior Vice President Legal and Corporate Governance at the following email address: fgarcia@cargojet.com. The Mr. Garcia has been designated by the Board as its agent to receive and review communications and meeting requests addressed to the Board. Directors make themselves available regularly throughout the year and at every annual meeting to engage and respond to questions from shareholders.

Engaging with shareholders is very important for Cargojet. During 2022, Cargojet executives met with over 96% of all institutional investors, many on several occasions throughout the year to provide updates, answer any questions and receive feedback.

Requesting Documents

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

These documents may be obtained upon request to the Company's Investor Relations group. The Company may require the payment of a reasonable charge if the request is made by a person who is not a Shareholder.

The Investor Relations group can be contacted via email at the address of 2281 North Sheridan Way, Mississauga, Ontario, L5K 2S3, to the attention of Investor Relations Group or by mail at: pdhillon@cargojet.com.