CARGOJET INC.

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MARCH 29, 2012

CARGOJET INC.
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of Cargojet Inc. (the "**Company**") will be held at the TSX Gallery, The Exchange Tower, 130 King Street West, Toronto, Ontario, on Thursday, March 29, 2012 at 1:30 p.m. (Toronto time), for the following purposes:

(a) to receive and consider the audited consolidated financial statements of the Company, for the fiscal period ended December 31, 2011 and the report of the auditors thereon;

(b) to elect the directors of the Company;

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

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

This notice is accompanied by a form of proxy, a management information circular, the audited consolidated financial statements of the Company and management's discussion and analysis for the fiscal period ended December 31, 2011.

The board of directors of the Company (the "**Board**") have by resolution fixed the close of business on February 13, 2012 as the record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting or any adjournments thereof.

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

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

DATED at Mississauga, Ontario this 27th day of February, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

"Ajay Virmani"
Ajay Virmani
President and Chief Executive Officer

CARGOJET INC.

MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxies

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

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

The board of directors of the Company (the "**Board**") have by resolution fixed the close of business on February 13, 2012 as the record date, being the date for the determination of the registered holders of Voting Shares entitled to receive notice of and vote at the Meeting. Duly completed and executed proxies must be received by the Company's transfer agent at the address indicated on the enclosed envelope no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting.

Unless otherwise stated, the information contained in this management information circular is as of February 27, 2012.

The Company

The Company is the successor to Cargojet Income Fund (the "**Fund**") following the completion of the conversion of the Fund from an income trust to a public corporation by way of a court-approved statutory plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) on January 1, 2011.

All references to the "**Company**" refer to Cargojet Inc. and, as the context requires, its predecessor, the Fund.

Appointment and Revocation of Proxies

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

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

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

Exercise of Discretion by Proxies

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

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

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

Voting Securities and Principal Holders of Voting Securities

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

As at February 27, 2011, the following voting securities in the capital of the Company were issued and outstanding:

Common Voting Shares	7,718,225
Variable Voting Shares	223,445

The Board has fixed the record date of February 13, 2011 for the purpose of determining Shareholders entitled to receive notice of and vote at the Meeting. Only persons registered as Shareholders on the books of the Company as of the close of business on the record date are entitled to receive notice of and to vote at the Meeting. The failure of any Shareholder to receive notice of the Meeting does not deprive the Shareholder of the right to vote at the Meeting.

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

Name		Voting Shares Owned on a Non-Diluted Basis #/%(1)		Voting Shares Owned on a Fully Diluted Basis #/%(1)
The Virmani Family Trust		1,403,213 / 17.7%		1,403,213 / 17.7%
Sentry Select Capital Inc.		1,262,450 / 15.9%		1,262,450 / 15.9%

Note:
(1) The information as to Voting Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the Shareholders listed above.

Executive Compensation

Compensation Discussion and Analysis

Introduction

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

This compensation discussion and analysis ("**CD&A**") is intended to provide Shareholders with an understanding of the Company's approach to compensation, including a description of the decisions and processes involved, the different components of the Company's program, what the Company paid NEOs for the financial year ended December 31, 2011, and why. The NEOs for the financial year ended December 31, 2011 were:

- Ajay Virmani, CEO
- Jamie Porteous, Executive Vice President
- John Kim, CFO
- George Sugar, Senior Vice President
- Paul Rinaldo, Vice President Engineering and Maintenance

In 2009, at the direction of the Board, the Compensation and Nominating Committee (the "**CNC**") undertook a comprehensive review of the Fund's executive compensation policies and practices. The CNC retained Hugessen Consulting Inc. ("**Hugessen**") to act as an independent consultant to gather competitive market data and to advise on the design of a new executive compensation plan. Upon reviewing the objectives of the Fund and the practices of comparable companies, the CNC established and the board of trustees of the Fund approved an executive compensation plan that aligned executive compensation with the Fund's objectives and with the interests of the Fund's unitholders. The new compensation plan was fully implemented in 2010.

Executive Compensation Philosophy

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

- Compensation levels should be fair and competitive with the market;
- Compensation should help to retain and motivate executives who are critical to the Company's long-run success;

- Compensation should reward overall business performance and should encourage an environment of teamwork and collaboration;
- Compensation should align the interests of the Company's executives with those of Shareholders; and
- Compensation should not encourage the Company's executives to expose the Company to inappropriate or excessive risk.

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

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

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

<u>Role and Composition of the Compensation and Nominating Committee, and the Role of Management and Independent Advisors</u>

(i) Role and Composition of the Compensation and Nominating Committee

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

The CNC administers and makes recommendations regarding the operation of the LTIP and advises the Board in filling vacancies on the Board and periodically reviewing the composition and effectiveness of the Board and the contributions of individual directors.

The CNC is comprised of Paul Godfrey (Chairman), Terence Francis, and John Webster, all of whom have relevant direct experience in matters of executive compensation and are "independent" within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "**Governance Disclosure Rule**"):

<u>Terence Francis:</u>
Mr. Francis is a graduate of the Harvard Business School Advanced Management Program. He is the principal of T.&T.G.(SA) Consulting Ltd. and has served as a corporate officer and senior executive of Canadian Airlines Corporation.

Paul Godfrey:
Mr. Godfrey currently serves as the President and Chief Executive Officer of Postmedia Network Inc., the Chairman of RioCan Real Estate Investment Trust, the Chairman of the Ontario Lottery and Gaming Corp., and serves as a director in Astral Media Inc. and Data & Audio-Visual Enterprises Wireless Inc. that operates under the trade name “Mobilicity”. 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 CEO 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 graduated from the University of Toronto with a Bachelor of Applied Science in Chemical Engineering.

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

(ii) Role of Management in Compensation Decisions

The CFO assists the CEO in developing and presenting to the CNC all of management’s recommendations and supporting material pertaining to the compensation of the NEOs and other senior executives. In addition, the CFO works with the 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, and an in camera session, during which management is not in attendance, is held during each committee meeting.

(iii) Role of Independent Advisor in Compensation Decisions

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

Compensation consulting fees charged by Hugessen in 2010 were $37,170, inclusive of applicable taxes ($53,668 in 2009). All of the work performed by Hugessen was completed in 2010. Hugessen has no other mandate with the Company and no fees were charged by Hugessen in 2011.

Components of the Company’s Executive Compensation Program

Compensation component	Objectives	Form
Base salary	Provide fixed compensation reflecting the role, skills, and experience of the executive officer.	Cash
STIP/bonus	Provide performance-based compensation linked to the achievement of cashflow objectives and of individual performance objectives.	Cash
LTIP	Provide performance-based compensation linked to the achievement of cashflow objectives and of individual performance objectives, align the interests of executive officers with those of Shareholders and encourage retention of talented executive officers.	Time-vested Voting Shares

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

The target mix of the primary compensation components for the NEOs for fiscal 2011 is shown in the following table:

NEO	Percentage of Target Total Direct Compensation(1)			Percentage of variable compensation(1)
	Base salary	Short-term incentives	Long-term incentives	
Ajay Virmani	49%	36%	15%	51%
Jamie Porteous	49%	36%	15%	51%
John Kim	62%	19%	19%	38%
George Sugar	62%	19%	19%	38%
Paul Rinaldo	62%	19%	19%	38%

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

The overall design of the 2011 NEO compensation program is summarized in the following table:

NEO	Annual Salary ($000's)	STIP Target (as % of salary)	LTIP Target (as % of salary)
Ajay Virmani	500,000	75%	30%
Jamie Porteous	375,000	75%	30%
John Kim	250,000	30%	30%
George Sugar	200,000	30%	30%
Paul Rinaldo	200,000	30%	30%

Competitive Benchmarking

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

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

Benchmarking Peer Group
Contrans Group Inc
Trimac Transportation Services LP
Clarke Inc.
Exchange Income Corporation
Discovery Air Inc.
Canadian Helicopters Income Fund

In 2011, the CNC benchmarked the compensation of Ajay Virmani, Jamie Porteous and John Kim against the same group of companies listed in the table above. The next review will be completed by the CNC in 2012.

How the Company Makes Executive Compensation Decisions

(i) Base Salary

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

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

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

(ii) Short-Term Incentive Plan

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

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

For 2011, all NEOs participated in the STIP. Mr. Virmani and Mr. Porteous were eligible to earn an STIP of up to 75% of their annual salary upon the Company meeting certain EBITDA and individual performance targets for the fiscal year ended December 31, 2011. The other NEOs were eligible to earn an STIP of up to 30% of their annual salary upon the Company meeting certain EBITDA and individual performance targets. Payouts were increased between the minimum (0% of annual salary) and target (maximum 75% of annual salary for Mr. Virmani and Mr. Porteous, maximum 30% of annual salary for other NEOs) on a sliding scale proportionate to the EBITDA achieved by the Company.

NEO	STIP Award (% of base salary)
Ajay Virmani	75%
Jamie Porteous	75%
John Kim	30%
George Sugar	30%
Paul Rinaldo	30%

(iii) Long-Term Incentive Plan

The purpose of the LTIP is to provide eligible participants with compensation opportunities that will enhance the Company's ability to attract, retain and motivate key personnel and reward officers and key employees for achieving financial and personal targets. Pursuant to the LTIP, the Company may set aside a pool of funds based upon the LTIP awarded to the NEOs. The Company will purchase Common Voting Shares in the market with this pool of funds and will hold the Common Voting Shares until such time as ownership vests to each participant.

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

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

For 2011, all NEOs participated in the LTIP. The NEOs were eligible to earn an LTIP of up to 30% of their annual salary upon the Company meeting certain EBITDA and non-financial targets for the fiscal year ended December 31, 2011. Payouts were increased between the minimum (0% of annual salary) and target (maximum 30% of annual salary) on a sliding scale proportionate to the EBITDA achieved by the Company. The Company will purchase Common Voting Shares in the market with this pool of funds and will hold the Common Voting Shares until such time as ownership vests to each participant. One-third of the LTIP awarded from 2011 will be paid out to the NEOs in each of 2012, 2013 and 2014. NEOs must continue to be employed by the Company to be eligible to receive their shares.

NEO	Maximum LTIP Award (% of base salary)
Ajay Virmani	30%
Jamie Porteous	30%
John Kim	30%
George Sugar	30%
Paul Rinaldo	30%

Perquisites & Benefits

The Company takes a conservative approach to perquisites. NEOs are provided with an annual car allowance and home office allowance, health and other benefits. For 2011, the aggregate annual perquisites and benefits amounted to $79,200 for Mr. Virmani and $43,491 for Mr. Porteous. Mr. Kim, Mr. Sugar and Mr. Rinaldo were each provided an annual car allowance of $12,000.

2011 Performance and Compensation Decisions

In 2011, the Company's financial performance was negatively affected by the effects of pricing pressure from the previous year, industry consolidation, the exit of one of Cargojet's larger customers from the North American air cargo market, and lower overnight demand in the second half of the year due to weakening economic conditions. Although the Company continues to retain all of its other major customers, demand during the second half of the year and the Company's historical peak season in the fourth quarter was exceptionally low, consistent with the industry and general economy. In contrast, the Company's management was successful in securing new business, in particular a new charter route servicing Canada's northern regions and a record level of ad-hoc charter revenues.

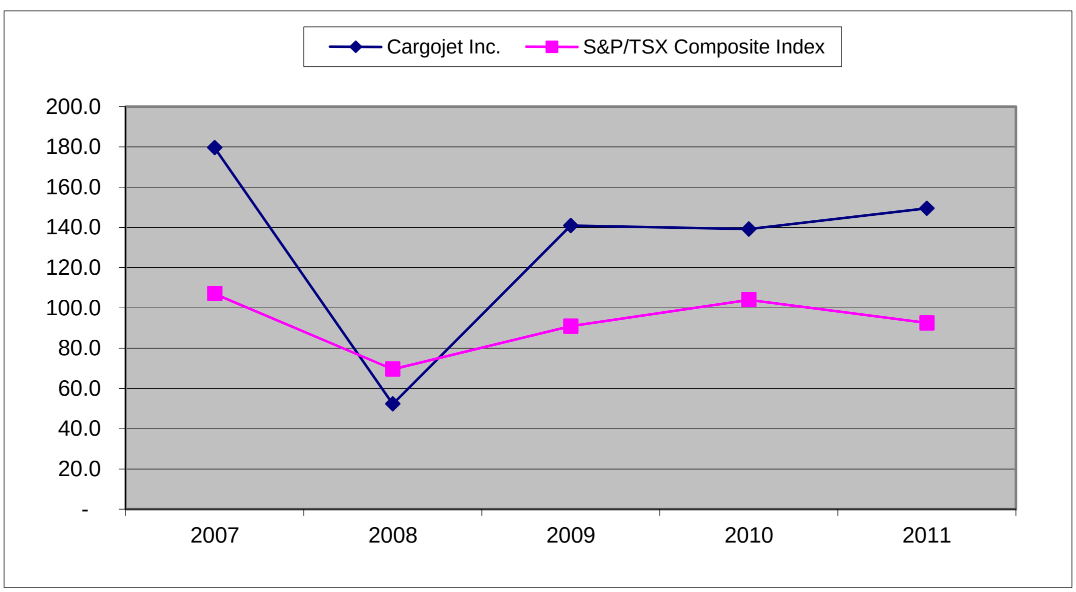
The Company believes strongly in paying its executives based on the Company's performance. At the beginning of 2011, management and the CNC agreed in regard to the STIP and LTIP on a targeted range for EBITDA and individual performance targets. Although EBITDA targets were not met, the Board gave consideration to the increased level of uncertainty and volatility in the economy, and recognized management's efforts to maintain profitability and the achievement of their individual performance targets. In its discretion, the Board awarded 50% of the STIP and LTIP target to the NEOs. (see "Executive Compensation – Summary Compensation Table").

Employment Agreements

Each of Ajay Virmani and Jamie Porteous entered into employment agreements on June 9, 2005 for an indefinite term, to reflect employment terms that became effective in June 2004. The employment agreements were updated in November 2009 as part of the annual review process by the CNC. As a result of this review, Mr. Virmani's salary was increased, and the change of control provisions were amended to reflect a three times multiple of total cash compensation as compared a two times multiple. There were no other material or compensation adjustments to Mr. Virmani's employment contract. Similarly, Mr. Porteous' base salary was increased as above, and the change in control provisions were amended to reflect a two times multiple of total cash compensation as compared to 1½ times. All compensation adjustments were recommended and approved by the CNC to bring Messrs. Virmani's and Porteous' respective salaries more in line with executive salaries paid by comparable businesses and in recognition of the Fund's overall performance.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total unitholder or shareholder return as applicable, for $100 invested in units of the Fund on January 1, 2007 against the cumulative total shareholder return of the S&P/TSX Composite Index for the five most recently completed financial years of the Fund or Company as applicable, assuming the reinvestment of all distributions and dividends as applicable.



	Dec. 2007	Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2011
Cargojet Income Fund	179.5	52.3	140.9	139.2	149.5
S&P/TSX Composite Index	107.0	69.5	90.9	104.0	92.5

During the period from January 1, 2007 to December 31, 2011, the Company's cumulative total shareholder return increased by 49.5% compared to the S&P/TSX Index decrease of 7.5%. During this same period, the annual base salaries of the NEOs increased on average by 34%. Total compensation (excluding benefits) during this period increased by 13.6%.

Summary Compensation Table

The following table provides information for the financial year ended December 31, 2011, regarding compensation paid to or earned by the NEOs.

Name and Principal Position	Year	Salary ($)	Non-equity incentive plan compensation ($)		Pension Value ($)	All other compensation ($)	Total compens-ation ($)
			Annual incentive Plans (STIP)(1)	Long-term incentive Pans (LTIP)(2)			
Ajay Virmani(3) President and Chief Executive Officer	2011	500,000	187,500	75,000	Nil	79,200(4)	841,700
	2010	496,133	375,000	150,000	Nil	86,795(4)	1,107,928
	2009	471,154	356,250	Nil	Nil	79,200(4)	906,604
Jamie Porteous(3) Executive Vice President, Sales and Service	2011	375,000	140,625	56,250	Nil	43,491(5)	615,366
	2010	374,979	281,250	112,500	Nil	51,086(5)	819,815
	2009	356,442	281,250	Nil	Nil	64,800(6)	702,492
John Kim Chief Financial Officer	2011	250,192	37,500	37,500	7,956	12,000	345,148
	2010	199,983	60,000	60,000	2,384	19,595	341,962
	2009	178,081	60,000	Nil	Nil	12,000	250,081
George Sugar Senior Vice President	2011	200,000	30,000	30,000	6,000	12,000	278,000
	2010	200,612	60,000	60,000	4,000	19,595	344,207
	2009	164,652	60,000	Nil	Nil	12,300	236,952
Paul Rinaldo Vice President, Engineering and Maintenance	2011	200,000	30,000	30,000	5,769	11,114	276,883
	2010	199,979	60,000	60,000	4,000	15,995	339,974
	2009	156,154	60,000	Nil	Nil	8,400	224,554

Notes:
(1) 100% of the STIP awards were paid out in 2011.
(2) Provided that the NEO is an employee of the Company at the time of vesting, LTIP awards to be paid out in increments of 1/3 in each year beginning in March, 2012.
(3) No compensation was paid to Messrs. Virmani or Porteous in their capacities as a director.
(4) Of this amount, $45,600 represents Mr. Virmani's car allowance and $21,600 represents Mr. Virmani's home office allowance.
(5) Of this amount, $29,091 represents Mr. Porteous' car allowance and $14,400 represents Mr. Porteous' home office allowance.
(6) Of this amount, $38,400 represents Mr. Porteous' car allowance and $14,400 represents Mr. Porteous' home office allowance.

Incentive Plan Awards

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the financial year ended December 31, 2011:

Share-based awards (LTIP)

Name	Value of share-based awards earned during 2011 ($)	Number of Common Voting Shares vested in 2011	Value of Common Voting Shares vested in 2011 (1)	Number of Common Voting Shares unvested at December 31, 2011	Market Value of Common Voting Shares unvested at December 31, 2011 (2)(3)
Ajay Virmani	$75,000	11,681	$49,975	11,681	$103,260
Jamie Porteous	$56,250	8,761	$37,483	8,761	$77,447
John Kim	$37,500	4,672	$19,998	4,672	$41,300
George Sugar	$30,000	4,672	$19,998	4,672	$41,300
Paul Rinaldo	$30,000	4,672	$19,998	4,672	$41,300

Notes:

(1) The Company's Common Voting Shares trading under the symbol "CJT" on the TSX were valued at $8.55 per share based on the closing price of shares per the TSX on March 23, 2011 when the shares vested.

(2) The Company's Common Voting Shares trading under the symbol "CJT" on the TSX closed at $8.84 on December 30, 2011.

(3) There were no vested but undistributed Common Voting Shares as at December 31, 2011

Pension Plan Benefits – Deferred compensation plans

The Company offers a DPSP to all permanent full-time and part-time employees. The Company matches employee contributions made in the year to the employee's group RRSP, to a maximum of 3% of base salary. DPSP contributions become vested upon the completion of two years of plan membership. The Company temporarily reduced its matching of employee contributions to a maximum of 1% of base salary for the period July 5, 2010 to December 31, 2010. The Company re-instated the matching of employee contributions effective January 1, 2011.

Termination and Change of Control Benefits

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

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

Additionally, pursuant to their respective employment agreements, Messrs. Kim, Sugar and Rinaldo are bound by non-competition provisions during the period of their employment and for a period of one year after the termination of their employment for cause or voluntarily by the NEO, or for a period of one year after the termination of their employment without cause, with certain exceptions. Additionally, each employment agreement includes a non-solicitation provision during the term of employment of the NEO 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, 2011.

Name	Severance Period (# of months)	Base Salary ($)	STIP and LTIP Value ($)	Other Compensation ($)	Total Incremental Payment ($) (1)
Ajay Virmani	36	1,500,000	993,750	237,600	2,731,350
Jamie Porteous	24	750,000	496,876	86,982	1,333,858
John Kim	12	250,000	Nil	Nil	250,000
George Sugar	12	200,000	Nil	12,000	212,000
Paul Rinaldo	12	200,000	Nil	Nil	200,000
Totals		2,900,000	1,490,626	336,582	4,727,208

Note:
(1) All payments are net of any withholding taxes and other required deductions

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

The 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 is terminated without cause or resigns for “Good Reason” (as defined in the applicable employment agreement). The following table provides details regarding the estimated incremental payments from the Company to each of the NEOs on a change of control assuming a triggering event occurred on December 31, 2011:

Name	Severance Period (# of months)	Base Salary ($)	STIP and LTIP Value ($)	Other Compensation ($)	Total Incremental Payment ($) (1)
Ajay Virmani	36	1,500,000	993,750	237,600	2,731,350
Jamie Porteous	24	750,000	496,876	86,982	1,333,858
John Kim	15	312,500	Nil	Nil	312,500
George Sugar	22	312,500	Nil	22,000	388,667
Paul Rinaldo	20	333,333	Nil	Nil	333,333
Totals		3,262,500	1,490,0626	346,582	5,099,708

Note:
(1) All payments are net of any withholding taxes and other required deductions

Director Compensation

For the year ended December 31, 2011, compensation for directors of the Company was $45,000 per director per year, $1,500 per director per meeting for attending meetings of the Board and $1,500 per director per meeting for attending committee meetings of the Board. The lead director of the Board and the chairman of each of the Audit Committee, the CNC and the Corporate Governance Committee received additional remuneration of $5,000, respectively, per year. The Company also reimbursed directors for out-of-pocket expenses for attending meetings. No director compensation was paid to directors who were members of management of the Company or its subsidiaries.

None of the directors were compensated in their capacity as director of the Company or any of its subsidiaries, as applicable during the financial year ended December 31, 2011 pursuant to any other arrangement or in lieu of any standard compensation arrangement.

The following table provides information regarding compensation paid to the directors for acting in such capacity during the financial year ended December 31, 2011.

Director Compensation Table

Name[(1)]	Fees earned ($)[(2)]	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compen-sation ($)[(3)]	Total ($)
John Webster	67,000	Nil	Nil	Nil	Nil	18,750	85,750
Terence Francis	62,000	Nil	Nil	Nil	Nil	16,750	78,750
Paul Godfrey	62,000	Nil	Nil	Nil	Nil	16,750	78,750

Notes:

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

(2) Fees earned include all fees earned during the fiscal year. As at December 31, 2011, fees earned but not paid were $18,750 to Mr. Webster and $16,750 to Messrs. Francis and Godfrey.

(3) Directors were paid a bonus in respect of performance of the Company and in recognition of their efforts on behalf of the Company in fiscal 2011.

Indebtedness of Directors, Executive Officers and Employees

As at February 27, 2012, no current or former director, executive officer or employee of the Company or any of its subsidiaries, as applicable, is indebted to the Company or any of its subsidiaries, nor has the indebtedness of any of them to another entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

Liability Insurance

The Company provides insurance for the benefit of the directors and officers of the Company against liability incurred by them in such capacities. The current annual policy limit is $15.0 million, with Side A excess liability coverage of $5.0 million, and contains a deductible of $150,000. For the policy year of May 17, 2011 to May 17, 2012, the Company paid an annual premium of $66,000 for this insurance. Under the policy, each entity has reimbursement coverage to the extent that it has indemnified the trustees or the directors and officers of such entity.

Interests of Informed Persons in Material Transactions

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

Statement of Corporate Governance Practices

Corporate Governance

In June 2005, National Policy 58-201 – *Corporate Governance Guidelines* (the “**Governance Guidelines**”) and the Governance Disclosure Rule were adopted by the securities regulatory authorities in Canada. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its security holders for the purpose of electing directors, specified disclosure of its corporate governance practices must be included in its management information circular.

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

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

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

The Board

The Board is comprised of Terence Francis, Paul Godfrey and John Webster, who are independent within the meaning of the Governance Guidelines, and Ajay Virmani, the President and CEO, and Jamie Porteous, the Executive Vice President. Mr. Virmani is the Chairman of the Board and Mr. Webster is the lead director. The lead director works closely with and in an advisory capacity to the Chairman of the Board. His primary focus is to be satisfied that the Board is organized properly, functions effectively and operates independently of management.

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

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

Position Descriptions

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

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

Meetings of the Board

From January 1, 2011 to December 31, 2011, the Board held 5 meetings at which all directors of the Company were in attendance.

Other Public Company Directorships/Committee Appointments

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

Trustee	Other Reporting Issuer Directorships	Other Reporting Issuer Committee Appointments
John Webster	None	None
Terence Francis	None	None
Paul Godfrey	RioCan Real Estate Investment Trust	Chairman of the Board, Member of Audit, Nominating and Governance, Human Resource and Compensation, and Investment Committees
	Astral Media Inc.	Compensation and Human Resources and Audit Committees
Ajay Virmani	None	None
Jamie Porteous	None	None

Board Charter

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

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

Orientation and Continuing Education

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

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

Code of Ethics

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

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

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

Compensation

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

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

Audit Committee

Information regarding the Company's Audit Committee is contained in the Company's annual information form (the "**AIF**") dated February 27, 2012 under the heading "Audit Committee". The AIF is available on SEDAR at *www.sedar.com*.

Board Assessments

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

Particulars of Matters to be Acted Upon

Election of Directors

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

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

Name and Province/Country of Residence	Position with the Company	Principal Occupation	No. of Common Voting Shares Beneficially Owned, Controlled or Directed[1]	Principal Amount of Debentures Beneficially Owned, Controlled or Directed[1]	Director of the GP or the Company Since
John P. Webster [2][4][5] Ontario, Canada	Director	President and Chief Executive Officer of Scotia Mortgage Corporation	4,000	Nil	2005
Terence M. Francis[2][3][4] British Columbia, Canada	Director	Principal of T.&T.G. Consulting (SA) Ltd.	3,340	$10,000	2005
Paul V. Godfrey Ontario, Canada[2][3][4]	Director	President and Chief Executive Officer of Postmedia Network	3,000	Nil	2009
Ajay Virmani[6] Ontario, Canada	President and Chief Executive Officer	President and Chief Executive Officer	1,403,213	Nil	2005
Jamie Porteous Ontario, Canada	Executive Vice-President, Sales and Service	Executive Vice- President, Sales and Service	165,217	$100,000	2005

Notes:

(1) The information as to Common Voting Shares and principal amount of debentures beneficially owned or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the proposed nominees.

(2) Member of the CNC. Mr. Godfrey is Chairman of the CNC.

(3) Member of the Corporate Governance Committee. Mr. Francis is Chairman of the Corporate Governance Committee.

(4) Member of the Audit Committee. Mr. Webster is Chairman of the Audit Committee.

(5) Lead director of the Board.

(6) Chairman of the Board.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director of the Company is, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity:

(i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(ii) was subject to an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial officer, in the relevant company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(iii) 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 became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets,

except as follows:

On December 17, 2002, Flagship International Marketing Ltd. ("**FIML**") voluntarily filed an assignment in bankruptcy under the *Bankruptcy and Insolvency Act*. At the time of filing the assignment in bankruptcy, Ajay Virmani was a shareholder and director of FIML. Mr. Virmani and a former officer of the Company represented approximately 76% of creditor claims. The Fuller Landau Group Inc. acted as trustee of

FIML. On December 21, 2006, Starjet Airways Ltd. ("**SAL**") voluntarily filed an assignment in bankruptcy under the *Bankruptcy and Insolvency Act*. At the time of filing the assignment in bankruptcy, Mr. Virmani and Jamie Porteous were officers and directors of SAL. The Virmani Family Trust and The Porteous Family Trust were shareholders of SAL. The Fuller Landau Group Inc. acted as trustee of SAL.

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

No proposed director of the Company has, within 10 years before 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 its assets.

Appointment of Auditors of the Company

The auditors of the Company are Deloitte & Touche LLP, Chartered Accountants and Licensed Public Accountants. Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote for the appointment of Deloitte & Touche LLP as the auditors of the Company, to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the Directors. Deloitte & Touche LLP have been auditors of the Fund since inception.

Additional Information

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

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

Directors' Approval

The contents of this management information circular and the sending thereof have been approved by the directors.

Mississauga, Ontario
February 27, 2012

SCHEDULE "A"

CHARTER OF THE BOARD OF DIRECTORS

I. Purpose

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

II. Composition

The Board of Directors shall be constituted at all times of a majority of individuals who, subject to any exemptions set out in National Instrument 52-110 Audit Committees ("**NI 52-110**"), will be independent. An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board of Directors of the Corporation, be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to NI 52-110.

III. Responsibilities

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

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

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

3. With the assistance of the Audit Committee:

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

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

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

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

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

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

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

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

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

5. With the assistance of the Corporate Governance Committee:

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

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

(c) adopting a communication policy for the Corporation.

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

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

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

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

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

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

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

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

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

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

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

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

IV. Administrative Procedures

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

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

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