

**SKYWEST, INC.**  
**COMPENSATION COMMITTEE CHARTER**

**Purpose of Committee**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of SkyWest, Inc. (the “Company”) is to oversee the administration of the Company’s compensation programs and prepare any report on executive compensation required by the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”).

**Committee Membership**

The Committee shall consist of three or more independent directors of the Board. For purposes of this Charter, an “independent director” means a director who (1) is “independent” in accordance with the provisions of Rule 10c-1(b)(i) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (2) meets the NASDAQ Stock Market, Inc. definition of “independent director” as determined by the Board. Each member of the Committee must qualify as a “non-employee” director for the purposes of Rule 16b-3 promulgated under the Exchange Act, and as an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code, as amended.

Members of the Committee shall be appointed by the Board based on nominations recommended by the Nominating and Governance Committee of the Board and shall serve at the pleasure of the Board and for such terms as the Board may determine.

**Committee Structure and Operations**

The Board of Directors shall designate one member of the Committee as its chairperson. In the event of a tie vote on any issue, the Chairperson’s vote shall decide the issue. The Committee shall meet in person or telephonically at least two times a year at a time and place determined by the Chairperson, with further meetings to occur, or actions to be taken by written consent, when deemed necessary or desirable by the Committee or its Chairperson.

The Committee may invite such members of management to its meetings as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of compensation discussions. The Company’s Chief Executive Officer (“CEO”) should not attend any meeting where the CEO’s performance or compensation is discussed, unless specifically invited by the Committee.

The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum

and voting requirements as are applicable to the Board. The Committee may invite such members of management to its meetings as it deems appropriate; however, the Committee shall meet regularly without such members present.

### **Committee Duties and Responsibilities**

The following are the duties and responsibilities of the Committee:

- 1) In consultation with senior management, establish the Company's general compensation philosophy and oversee the development and implementation of compensation programs.
- 2) Review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the performance of the CEO in light of those goals and objectives, and recommend to the Board of Directors the CEO's compensation based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee shall consider, among other factors, the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the CEO in past years, and other factors considered relevant by the Committee.
- 3) Review and approve compensation programs applicable to all officers of the Company.
- 4) Review and approve the Company's incentive compensation plans, stock option plans, profit sharing/retirement plan and oversee the activities of the individuals and committees responsible for administering these plans.
- 5) Review Company compensation packages as a whole.
- 6) In consultation with senior management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
- 7) Review and approve any severance or similar termination payments proposed to be made to any current or former officers of the Company.
- 8) Prepare and issue the report of the Committee required by the rules of the SEC to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of a Form 10-K).
- 9) Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's compensation programs.

- 10) Review and approve, and, when appropriate, recommend to the Board for approval, any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control of the Company, for the CEO and other executive officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans.
- 11) Review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation
- 12) Review and recommend to the Board for approval the frequency with which the Company will conduct "Say on Pay" votes, taking into account the results of the most recent shareholder advisory vote on frequency of Say on Pay votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay vote and the frequency of the Say on Pay vote to be included in the Company's proxy statement.

### **Outside Advisors**

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the compensation committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

The compensation consultant(s), outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the Company's in-house counsel) shall be independent as determined in the discretion of the Committee after considering the factors specified in the Rules of The Nasdaq Stock Market, Inc. In retaining or seeking advice from compensation consultants, outside counsel and other advisors (other than the Company's in-house counsel), the Committee must take into consideration the factors specified in rule 5605(d)(3). The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors. The

Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. Any compensation consultant retained by the Committee to assist with its responsibilities relating to executive compensation shall not be retained by the Company for any compensation or other human resource matters.

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