January 6, 2025

Dear Independent Members of Willis Lease Finance's Board of Directors,

As a long-term shareholder of Willis Lease Finance Corporation, this letter is directed to you in your capacity as the least conflicted directors with responsibility for overseeing fiduciary conduct and the company's governance standards. In recent periods, a series of compensation and related-party decisions benefiting Executive Chairman Charles Willis appear inconsistent with the Board's duties of care and loyalty and with widely accepted governance norms, and they are materially damaging to minority shareholders.

I. Summary of concerns

Over the last 15 months, at least four major board-approved actions have resulted in outcomes that are difficult to reconcile with the Board's fiduciary obligations, particularly the duty of loyalty and the requirement to make prudent decisions for the company. These actions collectively transfer substantial value and ownership away from minority shareholders to Mr. Willis, while WLFC's share price has substantially underperformed relevant peers and the broader market.

The two core fiduciary duties at issue are:

- Duty of Care: Acting with the diligence and skill a reasonable person would in a similar position, staying informed and making prudent decisions for the company.
- Duty of Loyalty: Prioritizing the corporation's interests over personal gain, avoiding conflicts of interest, and not taking secret or opportunistic profits.

II. Recent decisions inconsistent with these duties

Over roughly the last 15 months, the following decisions stand out:

1. **September 2024 special bonus**

   Mr. Willis received a $3 million off-cycle bonus of fully vested stock, purportedly "for his contributions to the company's strong financial performance through the first half of 2024 and the company's recent strong stock price performance," while no similar awards were made to any other executives.

2. **March 2025 amended and restated employment agreement**

   In March 2025, the board approved a new employment contract for Mr. Willis that includes, among other items:

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- An $8 million signing grant, eight times the prior signing bonus three years earlier, in stock awarded at a time when shares traded materially below recent highs.

- An increase in personal use of the corporate jet allowance to a level six times that in the prior contract.

- An increase in target bonus of 74 percent versus the prior contract.

- A continuation of the $500,000 per year allowance to use the company's private luxury yacht.

- New language on the use of the corporate jet and yacht on "empty and/or repositioning legs," creating broad loopholes that are susceptible to abuse and that make it easy to extract further value from the company with limited scrutiny.

3. **November 2025 300,000-share option grant**

   In November 2025, with WLFC's stock down approximately 39% year-to-date and having underperformed key public comparables FTAI and AerCap by roughly 60% and 80% respectively, Mr. Willis received an at-the-money option grant of 300,000 shares, representing approximately 4 percent of the company, with a three-year vesting schedule and no explicit performance conditions. Rather than demonstrating confidence through open-market purchases with personal capital, this structure appropriates additional ownership from existing shareholders to Mr. Willis at depressed prices.

This award is roughly 30 percent larger than the 231,000-share option package described in his original March employment agreement, even though WLFC's stock declined roughly 30 percent in the intervening period. The November grant also sits uncomfortably beside the language in the March 31 amended and restated agreement stating that the earlier Option Award was "canceled and forfeited in its entirety for no consideration" and that there was "no commitment to grant any award of any type whatsoever in substitution or in lieu of the Option Award."

4. **December 2025 buyback supporting insider liquidity**

   In December 2025, WLFC repurchased approximately 30,000 shares (roughly $3.8 million dollars of stock), soon after granting Mr. Willis the 300,000 share option package and at nearly the same exercise price of that 300,000 share option grant. This was the company's first buyback in years and appears timed to facilitate insider liquidity at favorable pricing, rather than to capitalize on undervaluation for the benefit of all shareholders.

Taken together, these actions create a pattern: upside is repeatedly bestowed to Mr. Willis through special awards and structural advantages, while downside is borne by minority shareholders.

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III. Governance and contractual expectations

This pattern is not only a fiduciary concern; it is also a corporate governance and contractual concern. In Mr. Willis's 15-page updated employment agreement, roughly 13 pages are devoted to defining or describing the company's obligations to him, with only a single short paragraph describing his responsibilities to WLFC. That paragraph explicitly states that he is "responsible for promoting the highest standards of integrity, probity and corporate governance throughout the Company and particularly at the Board level."

Leading governance frameworks and institutional investors typically view excessive, weakly conditioned executive pay, especially where equity is granted at depressed prices without robust performance hurdles, as a sign of misaligned incentives and poor board oversight. The recent decisions described above are hard to reconcile with the role of Executive Chairman as the primary steward of WLFC's governance culture.

IV. Evidence of excessive compensation vs. peers

Over the two-year period 2023–2024, compensation for WLFC's top three executives (Charles Willis, Austin Willis, and Brian Hole) has been materially excessive versus peers on multiple relative measures. For example, aggregate compensation for these three executives represented approximately:

- 32 percent of pretax income in 2023.
- 18 percent of pretax income in 2024.

By contrast, at AerCap and Air Lease, the only two public, Western flight-equipment leasing peers with comparable disclosure for 2023 and 2024, aggregate top-three compensation as a percentage of pretax income fell in a range of approximately 0.5% to 3.7%. On other relative metrics, such as compensation as a percentage of revenue or market capitalization, WLFC's top-three compensation also appears to have been 5-7x of the highest paid peer (or 9-11x the median peer) in 2024 and 6-14x the highest paid peer (or 11-24x the median peer) in 2023.

It is difficult to describe paying 5-plus times more, on a revenue, market-cap, or pretax-earnings basis, than close public peers as a "prudent" decision under the duty of care. These outcomes are better characterized as a breakdown in governance and oversight squarely within the Board's remit, and particularly within that of the independent directors.

V. Requested Board actions and cure

Given the apparent breaches of fiduciary and governance responsibilities, and the clear contractual framework in Mr. Willis's employment agreement for addressing "cause," the independent directors should, at a minimum, formally recognize an accumulation

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of breaches and provide Mr. Willis with the opportunity to cure within the 30-day period contemplated by his contract.

A meaningful cure would include Mr. Willis's agreement to:

1. **Rescind the November 2025 option grant**

    - Forego and fully undo the 300,000-share option award granted in November 2025.

2. **Amend the March 2025 employment agreement** by voluntarily:

    - Eliminating the $8 million signing grant.
    - Reducing base salary to $500,000.
    - Resetting his target annual bonus opportunity to 100 percent of his base salary.
    - Reducing personal corporate jet allowance back to $50,000 per year consistent with the 2022 contract, from the current $300,000 level it has been hiked to.
    - Removing the new language that enables de facto unlimited personal use of the corporate jet and luxury yacht via "empty leg" and similar provisions.
    - Eliminating the $500,000 per-year yacht allowance.

These steps would substantially realign Mr. Willis's compensation and perquisites with both WLFC's performance and peer-company practice and would materially mitigate the harm to minority shareholders. If Mr. Willis declines to cure within the contractual window, the independent directors should then consider their obligations under the "for cause" provisions of his employment agreement and whether continuation in his current role is compatible with their own duties of care and loyalty.

VI. Conclusion and call to action

Minority shareholders are being materially harmed by the systematic extraction of value through excessive compensation, opportunistic equity grants, and excessive company-funded perquisites, all in the face of sustained underperformance versus peers. These practices depress profitability, dilute ownership, and constrain WLFC's ability to attract high-quality institutional investors by raising questions about the integrity of its governance.

The independent members of the Board are respectfully asked to: (1) convene, or mandate, an independent committee (with independent compensation/legal advisers) to review the issues outlined above; (2) notify Mr. Willis of the Board's findings; (3)

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provide him the contractual opportunity to cure through the actions described above; and (4) communicate to shareholders, within a reasonable period, the steps the Board has taken to restore alignment between management, the Board, and all shareholders.

We stand by ready to discuss these important matters further with the independent directors and respectfully request a response no later than January 16, 2026 regarding their willingness to engage or act upon the matters raised in this letter.

Respectfully,

Eric Gregg

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Top three paid employees	Total 2024 Comp (in $mm)	As a % of YE 2024 Market Cap	As a % of 2024 Revenues	As a % of 2024 Pretax Profit		Total 2023 Comp (in $mm)	As a % of YE 2023 Market Cap	As a % of 2023 Revenues	As a % of 2023 Pretax Profit
Industry Comparables with Sufficient Disclosures									
AerCap	$11.90	0.07%	0.17%	0.53%		$9.30	0.06%	0.13%	0.28%
AirLease	$19.65	0.37%	0.76%	3.68%		$21.76	0.47%	0.87%	2.89%
WLFC	$27.95	1.90%	5.33%	18.31%		$21.73	6.49%	5.33%	32.37%
WLFC as a % of Greatest Highest Comparable		519%	697%	497%			1389%	615%	1121%
WLFC as a % of Median Comparable		875%	1142%	870%			2447%	1064%	2042%

Special note. FTAI is excluded because the information is not available. FTAI does not provide the information for 2023 and for 2024 it only reflects the compensation for the top two employees (not top three). Further, of note, FTAI is ~20x WLFC's Market Cap. FTAI's stock has outperformed WLFC's stock by >750% over the last three years and 2024 represented a special year of compensation for FTAI's CEO as it was the first year the Company was reorganized and came out from under Fortress's management. As such, FTAI's CEO was provided a special award that also was contingent on his purchase of $4.8mm of stock from his own personal resources. As of the 2025 proxy Joe Adams had an equity stake of 0.5% of the Company despite being CEO for a decade. Charles Willis has been granted annual equity awards of ~2% of the compay stock (or more) for years.

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