

Audit Committee Charter

1. Introduction

1.1 The Audit Committee (**Committee**) is a committee of the Board of Webjet Limited (**Company**). This charter sets out the authority delegated by the Board to the Committee and the Committee's role, responsibilities, structure and operations.

2. Role

2.1 The Committee's role is to:

- maintain and improve the quality, credibility and objectivity of the financial accounting and reporting processes for the Company and its controlled subsidiaries (**Group**);
- oversee the appointment, remuneration, qualifications, independence and performance of the external auditor and the integrity of the audit process as a whole;
- oversee the management of tax and accounting risks across the Group;
- promote a culture of compliance;
- ensure effective external audit functions and communication between the Board and the external auditors; and
- review and generally assess the effectiveness of the Group's financial compliance processes and strategies (including internal audit capability as required).

2.2 The Committee is authorised to perform the functions outlined in this charter and to make appropriate recommendations to the Board.

3. Duties and responsibilities

3.1 The Committee has the following duties and responsibilities:

Financial reporting

- Assess the appropriateness and application of the Group's accounting policies and principles and any changes proposed or required for them to accord with the applicable accounting standards and financial reporting framework.
- Obtain independent opinions from the external auditor on:
 - the acceptability and appropriateness of the accounting policies and principles put forward by management and the Company generally; and
 - the appropriateness and clarity of the current and/or proposed financial disclosure practices put forward by management.
- Assess any significant estimates or judgments in the financial reports (including those in any consolidated financial statements) of the Company by:
 - querying management on how they were made and the assumptions underpinning those estimates or judgments;
 - testing, where appropriate, the estimates or judgments; and
 - querying the external auditors on how they concluded that those estimates or judgements were fair and reasonable.
- Review compliance (where applicable) with all related party disclosures required by the accounting standards and the Corporations Act.
- Assess information from external auditors that may affect the quality of financial reports (for example, actual and potential material audit adjustments, financial report disclosures, non-compliance with laws and regulations and internal control issues).
- Review all half-yearly and annual financial reports (including those prepared on a consolidated basis) with management, advisers and the external auditors (as appropriate) to assess (among other things):
 - the compliance of accounts with accounting standards and financial reporting requirements of the Corporations Act and ASX Listing Rules; and
 - the nature and impact of any changes in accounting policies during the applicable period.
- Discuss any draft audit opinion letter with the external auditors before it is finalised.
- Receive any management letter from the external auditors.

- Review and, as required, recommend amendments to all interim and final financial reports and annual (and other) reports to ASIC and ASX and recommend to the Board their approval and adoption by the Board.
- Review compliance by the Group with any and all industry financial reporting, licensing and compliance requirements.
- Follow up on any matter raised by the Board regarding the Company's financial reports, audit opinions and management letters.

Internal financial control

Internal audit, compliance and control systems

- Oversee the establishment and implementation of internal compliance and control systems and ensuring there is a mechanism for assessing the efficiency and effectiveness of those systems.
- Approve, and recommend for adoption by the Board, policies and procedures on risk management and oversight and to establish an effective and efficient system for identifying, assessing, monitoring and managing financial risks.
- Monitor the effectiveness of, and assess the adequacy of, the internal financial control systems with management and external auditors.
- Regularly assess the need for an internal audit capability and, if it is determined that there is a need, the method of its introduction and/or the scale, scope and resourcing of that internal audit capability.

Key financial issues and risks

- Oversee the management of capital (including funding, liquidity, balance sheet management and dividends).
- Assess and prioritise the areas of greatest potential financial risk, including:
 - protection of key assets;
 - compliance with laws, regulations, accounting standards and best practice guidelines that may result in significant financial loss;
 - important judgments and accounting estimates; and
 - maintenance of proper accounting records.
- Assess the internal process for identifying, and monitor the management of, areas of greatest potential financial risk.
- Report to the Board on the adequacy of the management of financial risk.

Tax

- Review management's practices and systems for managing the imposition and impact of taxation on the Group.

Disclosure and reporting

- Ensure management establishes a comprehensive process to capture all financial information that must be disclosed to ASX.
- Review management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the external reporting of financial information.
- Assess management's processes for ensuring non-financial information in documents (both public and internal) does not conflict inappropriately with financial reports and other documents.

External audit

- Approve, and recommend to the Board for acceptance, the terms of engagement of the external auditor prior to or at the beginning of each financial year.
- Regularly review with the external auditor:
 - the scope of the external audit;
 - any conflicts or potential conflicts between the interests of the external auditor and the interests of the Group;
 - identified financial and accounting risk areas; and
 - any other agreed procedures.
- Approve and recommend to the Board for adoption, policies and procedures for appointing or removing an external auditor, including criteria for:
 - assessing and reviewing technical and professional competency;

- adequacy of resources; and
- experience, integrity, objectivity and independence.
- Recommend to the Board for approval, the appointment or removal of an external auditor in accordance with the policies and procedures adopted by the Group.
- Review and assess on a regular basis the compliance of the external auditor with criteria set out in the policies and procedures adopted by the Group.
- Recommend to the Board the remuneration of the external auditor.
- Regularly review the effectiveness and independence of the external auditor taking into account:
 - the length of appointment;
 - the last date that the lead engagement partner was rotated;
 - an analysis and disclosure of fees paid to external auditors, including the materiality of fees paid for non-audit services and the nature of those services; and
 - any relationships with the Group or any other person, body or organisation that may impair or give rise to the appearance or perception of impairment of the external auditor's independence.
- Satisfy itself that the external auditor can do an effective, comprehensive and complete audit for the external auditor's agreed fee.
- Recommend to the Board for approval the types of non-audit services that the external auditor may provide without impairing or giving rise to the appearance or perception of impairment of the external auditor's independence.
- Meet periodically with the external auditors and invite them to attend Committee meetings to:
 - review their plans for carrying out internal control reviews;
 - consider any comments made in the external auditor's management letter, particularly, any comments about material weaknesses in internal controls and management's response to those matters; and
 - make recommendations to the Board.
- Obtain feedback from the external auditor regarding any significant disagreements with management and whether or not they have been resolved.
- Monitor and report to the Board on management's response to the external auditor's findings and recommendations.
- Review all representation letters signed by management and ensure information provided is complete and appropriate.
- Receive and review the reports of the external auditor.
- Develop and oversee the implementation of the Board's policy on the engagement of the external auditor to supply non-audit services, and in particular ensure that:
 - the Company does not engage the external auditor to perform any non-audit or assurance services that may impair or appear to impair the external auditor's judgment or independence in respect of the Company;
 - any non-audit services involving fees estimated to exceed 30% of the annual incumbent external auditor's fees are first reviewed and approved by the Committee before the work commences; and
 - advice is given to the Board, when required, as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non-audit services do not compromise auditor independence.

Other

- Review and monitor any related party transaction and recommend its approval or termination.
- Ensure the Group's audit and compliance policies and procedures are adequately documented, reviewed and updated to address any legal and regulatory developments.
- Conduct or authorise any reviews, special projects or investigations into any matter within the Committee's charter or as may be requested by the Board from time to time.

4. Structure and operations

Size and composition

- 4.1 The Committee will comprise a minimum of three directors. No executive directors will be appointed to the Committee, and the majority of Committee members will be independent directors.
- 4.2 Committee members should have a sufficient understanding of the industry in which the Group operates and should, between them, have sufficient technical expertise and financial literacy to effectively discharge the Committee's duties and responsibilities.
- 4.3 The Board will determine appointments and revocations of appointments to the Committee having regard to the requirements of the ASX Listing Rules and the Corporations Act.

Chair

- 4.4 The Committee Chair will be an independent director appointed by the Board from the Committee's members and will not be the Chair of the Board.

Company Secretary

- 4.5 The secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board or the Committee from time to time.

Meetings

- 4.6 The Committee will meet as often as it considers necessary. Any member of the Committee may call a meeting of the Committee. A quorum is two Committee members.
- 4.7 All non-executive directors who are not members of the Committee will have a standing invitation to attend each Committee meeting where there is no conflict of interest.
- 4.8 Any person (including external advisers) that the Committee regards as appropriate may be invited to attend all or part of any Committee meeting. The Committee may ask management to present at Committee meetings on matters relevant to the Committee's duties and responsibilities.
- 4.9 Papers, reports and minutes of each Committee meeting will be made available to all directors (subject to conflict of interest exclusions).

Reporting

- 4.10 The Committee Chair will report to the Board regularly on the activities of the Committee and make appropriate recommendations to the Board for decision.

Access

- 4.11 The Committee has access to the Group's senior management (in accordance with communication protocols agreed by the Committee from time to time), corporate records, internal and external auditors as required.
- 4.12 The Committee collectively, and each Committee member individually, may seek any independent professional advice as considered necessary to fulfil their responsibilities. Individual Committee members who wish to obtain independent professional advice at the Group's expense should seek the prior approval of the Committee Chair (including approval of the likely costs of obtaining such advice) and such approval will not be unreasonably withheld or delayed. A copy of any such advice must be made available to all directors where there is no conflict of interest.
- 4.13 The Committee may meet with internal and external auditors, with or without management present.

5. Evaluation and review

Committee evaluation

- 5.1 The Committee is accountable to the Board for its performance. The Committee and the Board will conduct an annual review of the Committee's composition, performance and effectiveness, having regard to the principles and requirements of this charter.

Charter review

- 5.2 This charter will be reviewed regularly as considered necessary by the Committee or the Board. The Committee will advise the Board on any recommended changes to this charter.

Webjet Limited

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