

## **Webjet Limited Corporate Governance Statement 2022**

### **Introduction**

The Board of Directors (Board) of Webjet Limited (Webjet or Company) is responsible for the corporate governance of the Company and its controlled entities (Group). Webjet is committed to ensuring high standards of corporate governance. The Board provides the leadership to implement strong corporate governance across the Group so that decisions and actions are based on transparency, integrity, responsibility and performance. The governance practices are designed to support the business and its growth by facilitating effective Board and management decision-making, providing clear lines of responsibility and accountability and a commitment to transparent communications with shareholders and other stakeholders.

This Corporate Governance Statement explains the corporate governance framework and practices adopted by Webjet. In developing this framework, the Board has had regard to the corporate governance standards published in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (ASX Principles) and to the governance standards and risk management practices adopted generally by companies of a similar size to Webjet.

All Webjet's corporate governance documents and policies, Sustainability Report and Modern Slavery Statement are accessible in the Corporate Governance section on Webjet's Corporate website: [www.webjetlimited.com/corporate-governance](http://www.webjetlimited.com/corporate-governance).

This Corporate Governance Statement is current as at 19 May 2022 and has been approved by the Board on this date.

## **Principle 1**

### **Lay solid foundations for management and oversight**

#### **Role of the Board and management**

The Board governs with regard to the interests of our shareholders (as a whole), our business and financial partners, our employees, our customers and our community.

The Board, through its Chair and Managing Director, aims for and seeks to instil within the Company a culture of excellence, quality, customer care and service, respect, integrity and trust. The governance framework is based on accountability, effective delegation and appropriate oversight to support sound decision making.

The Board is responsible for setting the strategic direction and risk appetite of the Company and for leading the culture, values and behaviours of its people.

The Managing Director has responsibility for the day-to-day management of the Group and is supported in this function by the Company's senior executive team, which is appointed and functions by reference to geographic, business unit and functional requirements.

The Board Charter sets out the Board's role and responsibilities and describes those matters expressly reserved for the Board and those matters delegated to management. The Board Charter is accessible in the Corporate Governance section on Webjet's Corporate website.

#### **Director appointment, election and re-election**

The responsibility for the selection of potential Directors lies with the Board. Following discussion and agreement at Board level on the preferred characteristics of the candidates for appointment, the Board delegates responsibility to the Remuneration and Nomination Committee for the selection, and recommendation to the Board, of the preferred candidate. Importantly, no resolution for the appointment of any candidate to the Board will be put before the Board for approval without extensive and appropriate background and reference checks taking place.

Similarly, before a Director's election or re-election at an Annual General Meeting (AGM), the performance of the relevant Director will be evaluated and all information relevant to the election or re-election will be provided to the shareholders.

Under Webjet's Constitution, with the exception of the Managing Director, Directors may not hold office without re-election beyond the third AGM following their election or most recent re-election.

Any Director appointed to fill a casual vacancy since the previous AGM must stand for election at the next AGM.

#### **Written agreements with Directors and Senior Executives**

The Board has a letter of appointment that contains the terms on which Non-executive Directors are appointed, including the basis on which they will be appointed, paid, insured and indemnified. The letter of appointment clearly defines the role of Directors, including the expectations in terms of participation, time commitment and conflicts. The letter of appointment also makes it clear that Directors are required to disclose circumstances that may affect, or may be perceived to affect, their ability to exercise independent judgement so that the Board can assess independence on a regular basis.

On appointment, all new Non-executive Directors are briefed fully on the business and strategic plans of Webjet and, on an on-going basis, are required to commit the time necessary to develop and maintain the skills and knowledge needed to perform their role effectively. All Directors are expected to constructively challenge, demonstrate the approved values and standards of Webjet, monitor the performance of management and Webjet itself, satisfy themselves as to the adequacy and integrity of Webjet's financial statements and satisfy themselves that the systems for the identification and management of risks are robust and appropriate.

Senior Executives (including the Managing Director) enter into an employment contract with Webjet which sets out the terms of their employment, the circumstances in which their service may be terminated and any entitlements on termination.

#### **Role of Company Secretary**

The Company Secretary at Webjet is responsible for supporting the Board and its Committees in matters to do with the effective functioning and governance of the Company and compliance by the Company with its financial reporting and disclosure obligations to the Australian Stock Exchange (ASX), Australian Securities and Investments Commission (ASIC) and other regulatory bodies.

## **Board and Director performance evaluation**

The Webjet Board is committed to transparency in determining Board membership and in assessing the performance of the Board, Board Committees and individual Directors.

The Board conducts regular evaluations of its performance, the performance of its Committees, the Chair, individual Directors and the governance processes that support the Board's work. The Board evaluation process comprises both assessment and review. This includes analysis of how the Board and its Directors are functioning, the time spent by the Board considering matters and whether the terms of reference of the Board Committees have been met, as well as compliance with the Board Charter.

The evaluation considers the balance of skills, experience, independence and knowledge of the Company and the Board, its overall diversity, including gender, and how the Board works together as a unit.

The Board did not conduct a performance evaluation in FY22 due to the change in the Company's financial year-end date and the effects of the COVID-19 pandemic. A performance evaluation will be undertaken in FY23.

## **Senior Executive performance evaluation**

Arrangements are in place to monitor and assess the performance of the Managing Director and Senior Executives each financial year, including:

- a review of the Company's financial and operating performance against targets; and
- performance appraisals incorporating key performance indicators with each individual.

The Board conducts the performance evaluation of the Managing Director and the Managing Director conducts the performance evaluations of the Senior Executives.

## **Diversity and inclusion at Webjet**

Webjet's Diversity Policy is approved by the Board and responsibility for its oversight rests with the Board. Further details of the Company's approach to diversity and inclusion are set out in the Company's Code of Conduct and Sustainability Report.

The Board is committed to ensuring diversity is actively pursued and implemented in terms of Board composition. Diversity is a core consideration in ensuring that the Board and its Committees have the right balance of skills, experience, independence and Group knowledge necessary to discharge their responsibilities.

The Board believes that many facets of diversity are required in order to meet the corporate purpose. In that context, diversity is not restricted to gender.

It includes geographic location, nationality, skills, background, knowledge, experience and outlook.

The right blend of perspectives is critical to ensuring the Board oversees Webjet effectively for the benefit of its shareholders. In addition, and supporting the achievement of diversity across the Group, the Board also believes in the importance of creating an inclusive work environment.

Our values, along with the Diversity Policy, guide our approach to diversity and inclusion. Webjet believes its success to date relies in part on having a team comprised of the best people, each bringing different skills, perspectives and experiences, and an inclusive work environment where these differences are valued.

The vision for diversity at Webjet reflects the broadest definition of difference, where we attract, retain and develop people who differ by gender, ethnicity, disability, age, thought, education, experience, family responsibilities and sexuality. Webjet is a global on-line travel business. As a result, it already has a diverse workforce, not only in terms of gender (refer below) and its geographic locations, but also in terms of nationalities, locations, ethnicity, age, education, skills, knowledge and experience. This applies broadly across the Company at Board, management and less senior employee levels.

It is also important to Webjet that its workforce reflects the communities in the countries in which it operates. Webjet also actively promotes gender equality (in respect of employment terms and payment) across its workforce.

Despite its existing diverse nature, subject to the overriding objective of always recruiting and retaining the best people, the Webjet Board is determined to further improve the representation of employees from diverse ethnic backgrounds in its workforce and to progress towards balanced gender representation at Board and senior management levels. The Board's measurable objectives for diversity and inclusion reflect these goals and the Board will monitor progress towards achieving these objectives on an annual basis.

The Board's primary diversity aims are to:

- progressively increase the diversity profile (including the percentage of women) at both Board and Senior Executive levels; and
- ensure equal access to employment opportunities at work based primarily on merit and regardless of gender, ethnicity or other diversity factors.

Further information on diversity and inclusion at Webjet is set out in the Company's Code of Conduct, Diversity Policy and Sustainability Report. Details of Webjet's gender diversity statistics for FY22 are included in the Sustainability Report.

## **Principle 2**

### **Structure the Board to be effective and add value**

#### **Board Nomination Committee**

The Webjet Remuneration and Nomination Committee operates as the Nomination Committee. The Committee comprises three Non-executive Directors, all of whom are independent (including the Committee Chair). Its Charter outlines the Committee's role in assisting the Board with decisions regarding the composition and structure of the Board. It does this by reviewing and making recommendations to the Board in relation to:

- The appointment and re-election of Directors
- The induction and continuing professional development of Directors
- Board and senior management succession planning
- The recruitment process for a new Director
- Board, Committee and Director performance evaluation

Management attend Committee meetings by invitation.

#### **Structure and composition of the Board**

Webjet is committed to ensuring that the composition of the Board includes Directors who bring an appropriate mix of skills, experience, expertise and diversity to Board decision making.

The Board has collective business expertise in the areas of travel, digital and online businesses, consumer businesses, finance, law, accounting, sales and marketing, operational and project management. Members of the Board also have experience in countries in which Webjet has business assets and activities, namely Australia, New Zealand, Asia, the Middle East, Europe and the Americas.

#### **Director skills, experience and attributes**

The Board considers that a diversity of skills, backgrounds, knowledge, geographic location and gender are important in order to effectively govern the Company and its business. The Board has worked, and will continue to work, to ensure that it has the right balance of skills, experience, independence and business knowledge necessary to discharge its responsibilities in accordance with the appropriate standards of governance.

To govern Webjet effectively, the Non-executive Directors must have a clear understanding of the Company's overall strategy, together with knowledge about the business and the environment in which it operates. Non-executive Directors must be sufficiently familiar with Webjet's core businesses to be effective contributors to the development of strategy and to monitoring performance. They must be familiar with, and understand, the risks that Webjet faces and the processes in place to mitigate and manage those risks.

All Directors are expected to use their range of relevant skills, knowledge and experience and to apply their judgement to all matters discussed at Board meetings.

In addition to formal Board meetings (and Committee meetings) which are held throughout the year, the Directors are in continuous communication on all material and strategic matters. These communications, which are generally conducted by telephone, video and other internet conferencing software, and email, occur frequently and provide for a transparent flow of strategic and operational information and data between the Directors. This level of communication requires significant time commitment and involvement on the part of all Directors (especially the Chair) and is one of the key elements of Webjet's success.

The Webjet Board operates on a consensus basis. As such, in performing their role as Non-executive Directors, each Director must commit to the collective decision-making processes of the Board. They must be willing to debate issues openly and constructively and be free to question or challenge the opinions of others. They must be clear communicators and, equally, good listeners who contribute to the Board in a collegial manner. Each Director must ensure that no decision or action is taken that places his or her interests above the interests of Webjet.

The Board considers that its Directors and senior management have the combined skills and experience to discharge their respective individual and combined responsibilities in a publicly listed, global online travel company.

The Managing Director also brings additional perspectives to the Board through his deep understanding of the travel industry and of the Webjet Group's business and operations.

The following table sets out the mix of skills and experience that the Board considers necessary or desirable in its Directors. The Board reviews the skills matrix on a regular basis to ensure it covers the skills needed to address existing and emerging business and governance issues relevant to Webjet.

## Director skills/experience matrix

### Executive Leadership

- Sustainable success in business at a senior level in a successful career
- 6 Directors

### Global experience

- Senior management or equivalent experience in global businesses, exposed to a range of political, cultural, regulatory and business environments
- 6 Directors

### Strategy/risk

- Developing and implementing a successful strategy (including appropriately probing and challenging management on the delivery of agreed strategic planning objectives) over the long-term
- 6 Directors

### Corporate governance and compliance

- Commitment to high standards of governance, business ethics and regulatory compliance
- 6 Directors

### Financial acumen

- Senior management or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls, including ability to probe the adequacies of financial and risk controls
- 4 Directors

### Commercial capability

- Broad range of commercial skills and experience, including strategy and development, acquisitions and divestments, negotiation, planning and execution phases
- 6 Directors

### Marketing and communications

- Senior management or equivalent experience in experience in marketing and a detailed understanding of the steps required to create long term shareholder value through delivery of on-line consumer transactions and customer service
- 4 Directors

### Regulatory affairs

- Experience in regulatory policy, retail and wholesale transactional business laws and policies
- 3 Directors

In addition to the skills and experience set out in the skills matrix, the Board considers that each Director has the following attributes

- honesty and integrity;
- the ability to think strategically;
- an ability to consider materiality and risk tolerance as key considerations in decision making;
- the time available to devote to Webjet's business;
- a willingness to question, challenge and critique;
- a willingness to understand and commit to the highest standards of governance;
- an understanding of the key drivers of Webjet's businesses; and
- a proven track record of creating value for shareholders.

The Webjet Board represents a range of backgrounds. Future Director appointments provide an opportunity to further enhance the diversity represented on the Board, depending on the availability of candidates from time to time and the Board's assessment of the geographic, skills, experience and diversity needs of the Company.

## Board Renewal

The Board believes that orderly succession and renewal are only achieved as a result of review and careful planning over a period of time. In doing this, the Board:

- determines the skills, backgrounds, knowledge, experience, geographic location, nationality and diversity it believes necessary to meet the corporate purpose;
- assesses the skills, backgrounds, knowledge, experience and diversity currently represented on the Board;
- identifies any deficiency in representation of the desired skills and attributes and agrees a process for selection of one or more candidates who brings those skills to the Board; and
- reviews both individual and Board performance and how performance might be enhanced both at an individual Director level and for the Board as a whole.

## Board and Director independence

The Board Charter requires that a majority of Directors (including the Chair) be independent. The independence of a Director is assessed according to Webjet's Independence of Directors Policy. The assessment is carried out on appointment and, thereafter, annually or sooner if a Director's circumstances change in a manner that warrants re-assessment.

The prime test of independence used by the Board to determine a Director's independence is whether the Director is 'independent of management and of any business interest, position, association or other relationship that could materially influence (or be reasonably perceived to materially influence) the exercise of objective, unfettered or independent judgement by the Director or the Director's ability to act in the best interests of Webjet or its shareholders generally'.

The Board has reviewed the independence of each of the current Directors and determined that all of the Non-executive Directors are independent.

When making assessments of independence, the Board considers all relevant facts and circumstances. For the purpose of testing materiality, the Board uses a benchmark of 1% – i.e. a supplier to, or customer of, the Webjet Group will be material if transactions with parties associated with that person account for more than 1% of the Webjet Group's expenditure or more than 1% of such parties' consolidated gross revenue. There have been no commercial or financial transactions with any Director or related parties during FY22.

Where a Director is considered by the Board to be independent but is affected by circumstances that appear relevant to the Board's (or other person's) assessment of independence, the Board has undertaken to explain the reasons why it reached its conclusion. In applying the independence test, the Board considers relationships with management, major shareholders, subsidiary and associated companies and other parties with whom Webjet transacts business against pre-determined materiality thresholds, all of which are set out in the Independence of Directors Policy.

John Guscic is not considered independent as he is the Managing Director and a member of Webjet's management.

## Independent Chair

The principal role of the Chair is to provide leadership to the Board, to ensure the Board works effectively and discharges its responsibilities, and to encourage a culture of openness, debate, performance and collegiality. The Board Charter requires that the Chair must not be the same person as the Managing Director to ensure there is effective Board oversight of management's activities.

The Chair:

- represents the Board to the shareholders and communicates the Board's position on issues;
- serves as the primary link between the Board and management; and
- sets the agenda for Board meetings (in consultation with the Managing Director and the other Directors) and is responsible for ensuring that all Directors are adequately briefed in relation to issues addressed at Board meetings.

## Senior Independent Director

The senior independent Director role is to act as a sounding board for the Chair, serve as an intermediary for the other Directors (if necessary), and be available to shareholders if they have concerns which contact through the normal channels of Chair or the Managing Director has failed to resolve or for which such contact may be inappropriate.

## Director induction and ongoing professional development

The induction of new Directors is the role of the Remuneration and Nomination Committee and includes ensuring that an effective induction training and orientation program tailored to their existing skills, knowledge and experience is in place. Directors are encouraged to engage in professional development activities and to develop and maintain the skills and knowledge needed to perform their duties as a Director effectively.

## **Principle 3**

### **Instil a culture of acting lawfully, ethically and responsibly**

#### **Promoting responsible, lawful and ethical behaviour**

Webjet believes the culture of an organisation is critically important. Webjet is committed to creating a workplace where its employees at all levels are valued, have an opportunity to actively participate in the business and take on leadership roles. The creation of a culture where everyone is welcome and treated with respect is key to business success. Webjet's Board and senior management team are very conscious of setting the tone within the Company and monitoring the drivers that shape the culture and values within the Webjet workplace.

Webjet is committed to maintaining ethical standards in the conduct of its business activities and strongly believes that its reputation as an ethical business organisation is important in its ongoing success. The Webjet Group has established various policies and procedures that set out its values and expectations as to how the Company and its employees will work and behave towards each other. Webjet believes it is vital that the management team engages with and encourages employee participation, where employees can 'speak up', where employees may raise concerns and where the Board and management will act to address poor behaviours.

The Webjet Board has approved the Company's statement of values and senior management is responsible for embedding the values across the Group.

#### **Code of Conduct**

Webjet has a Code of Conduct that applies to all Directors, Senior Executives, employees, contractors and everyone working at Webjet Group, regardless of their location.

The Webjet Code of Conduct reinforces the Company's values and is required to be signed by all employees prior to commencing work. Webjet is committed to operating to the highest standards of ethical behaviour and honesty and with full regard for the safety and health of its staff members, customers, the wider community and the environment. Webjet team members must act with integrity and honesty in the day to day performance of their jobs and in any situation where their conduct and behaviour could influence respect for the Company. The Company has adopted policies which commit it to meeting its responsibilities in areas where ethical or legal issues arise. The Company is also focused on ensuring a safe and respectful place of work for its people.

Webjet has independent external systems in place for employees and contractors to be able to anonymously report concerns regarding the behaviour of employees, contractors, Directors or others representing Webjet, in a way that protects their identity.

Failure to comply with the Code of Conduct is viewed as a serious matter, which may lead to disciplinary action, including dismissal and/or legal action.

#### **Whistleblowing Policy**

Webjet encourages all Directors, employees, contractors and others working at Webjet to report any allegations of misconduct by any team member and/or failures by Webjet to honour its obligations, both legal and ethical, or to comply with its values. Webjet team members are able to use a separate third-party website to ensure confidentiality of reporting. All allegations of misconduct are taken seriously by the Board and senior management. Details of the Company's policy are set out in Webjet's Whistleblowing Policy.

#### **Anti-bribery, fraud and corruption**

Webjet requires all its people to comply with applicable anti-bribery and corruption laws. Information regarding Webjet's commitment to conducting its business fairly, honestly and efficiently and the Company's key policies on business conduct are set out in the Code of Conduct and Webjet's Anti-Fraud and Corruption Policy.

#### **Modern Slavery Statement**

The Board of Webjet is responsible for addressing Modern Slavery risk across the Group. Webjet is committed to ensuring high standards of Modern Slavery governance. In September 2021, Webjet issued its second Modern Slavery and Human Trafficking Statement on a voluntary basis. The Statement outlined the steps Webjet has continued to take as a business to prevent slavery and human trafficking in its own operations and supply chains. Information regarding Webjet's commitment to upholding human rights is also set out in its Code of Conduct.

#### **Sustainability Report**

For further information on Webjet's management and performance on key governance topics during FY22, including its safety record and business ethics initiatives, please refer to the Company's Sustainability Report.

## **Principle 4**

### **Safeguard the integrity of corporate reports**

#### **Role of the Audit Committee**

The Audit Committee assists the Board in overseeing:

- the integrity of the Webjet Group's financial statements and financial reporting;
- the appointment, remuneration, qualifications, independence and performance of the External Auditor and the integrity of the audit process as a whole;
- reviewing and monitoring the provision of additional services (if any) by the External Auditor;
- the effectiveness of the systems of internal financial control and risk management;
- plans, performance, objectivity and leadership of the internal financial control and audit functions and the integrity of the audit process as a whole;
- systems for compliance with applicable legal and regulatory requirements within the Committee's area of responsibility;
- capital management (funding, liquidity, balance sheet management, dividends); and
- other matters requiring the approval of the Committee under its Charter or as referred by the Board from time to time.

In addition to its regular business, the Audit Committee discusses matters including compliance, adequacy of the internal accounting and finance resources and taxation. It also assists the Board in assuring the integrity of the Group's financial statements, by making recommendations to the Board about the appropriateness of accounting policies and practices, areas of judgement, compliance with accounting standards, stock exchange and legal requirements and the results of the external audit.

The Audit Committee reviews the half-yearly and annual financial statements and makes recommendations on specific actions (including formal adoption of the financial statements and reports) or decisions the Board should consider in order to maintain the integrity of the financial statements.

The Audit Committee also continues to monitor regulatory developments in relation to the audit regime and the role of audit committees and will continue to review and assess how changes in such matters are likely to impact the Webjet Group in the future.

Under the Audit Committee Charter, the Committee must consist of at least three members. Its members must be Non-executive Directors (a majority of whom must be independent) and have an independent Chair (who is not the Chair of the Board). The Committee members must between them have financial and accounting expertise and a sufficient understanding of the industry in which Webjet operates to be able to discharge the Committee's mandate effectively.

The Managing Director and his nominees, principally the Chief Financial Officer (CFO), support the work of the Committee and are regularly invited to attend and present at Committee meetings.

The Committee also meets with the External Auditor, both with and without members of management being present, on a regular basis and whenever deemed appropriate by the Committee Chair.

#### **Integrity of financial reporting – Managing Director (MD) and Chief Financial Officer (CFO) certification**

The MD and CFO respectively provide assurance to the Board that:

- Webjet's financial reports for each half year and full year present a true and fair view of the financial position and performance of the Company and are in accordance with accounting standards;
- their opinion is based on a sound system of risk management and internal compliance and control; and
- the Company's risk management and internal compliance and control system is operating effectively.

#### **Process to verify integrity of other corporate reports that are not audited or reviewed by External Auditor**

All company reports and presentations released to the market are reviewed and verified by senior management and approved by the Board especially as they relate to periodic results announcements.

The Company is committed to complying with the continuous disclosure obligations contained in the ASX Listing Rules and the Corporations Act. Details regarding the Company's procedures for assessing and disclosing material information are set out in the Webjet Market Disclosure and Communications Policy.

## **Principle 5**

### **Make timely and balanced disclosure**

#### **Market disclosure and communications with shareholders**

Webjet places material importance on effective communication with its shareholders, prospective shareholders and market participants and is committed to promoting high standards of disclosure to ensure that trading in Webjet's shares occurs in an efficient and well-informed market.

Webjet has disclosure obligations under Australian law and regulations (i.e. the Corporations Act and ASX Listing Rules).

To safeguard the effective dissemination of information and to ensure that Directors and employees are aware of their obligations, Webjet has adopted a Market Disclosure and Communications Policy that outlines:

- the procedures adopted by the Company for meeting its disclosure requirements;
- the roles and responsibilities of the Board, Managing Director and Company Secretary in ensuring Webjet complies with its disclosure obligations; and
- the standards Webjet adopts for ensuring effective communication with shareholders and market participants.

All employees play an important role in enabling Webjet to comply with these obligations and all steps in the disclosure process are aimed at ensuring that information that may need to be disclosed is reported in a timely manner.

Material ASX announcements are cleared with Directors before release. Copies of all market announcements are made available to them promptly after release.

Copies of new and substantive investor or analyst presentations are released to the ASX Market Announcements Platform ahead of the presentation.

## **Principle 6**

### **Respect the rights of securityholders**

#### **Information about Webjet and its governance for securityholders**

Webjet places considerable importance on effective engagement and communication with shareholders. It recognises the value of providing current and relevant information to shareholders. Webjet's corporate website [www.webjetlimited.com](http://www.webjetlimited.com) includes a corporate governance page, where all relevant corporate governance policies, charters and information can be accessed. Copies of Webjet's annual reports and financial statements, ASX announcements, media releases and investor presentations are also available on the corporate website along with an overview of Webjet's businesses, brands, Board and management and corporate information.

#### **Investor Relations**

Webjet is committed to effective two-way communication with shareholders and other financial market participants through our investor relations, electronic communications and engagement programs.

The Company's investor relations program aims to allow investors and other financial market participants to gain a greater understanding of our business, governance, financial performance and prospects. It provides a forum for investors and other financial market participants to express their views to us on matters of concern and interest to them.

The investor relations team assesses and evaluates shareholder feedback, received through calls and emails, question and answer sessions at the AGM and questions raised at investment briefings.

Engagement between our Directors, shareholders and other financial market participants is an important part of our communication process. It assists in building awareness, alignment and better long-term relationships. While acknowledging and valuing continuous disclosure obligations, it is important for Directors and the Board to understand different perspectives of the various stakeholders and be prepared to respond to feedback.

Webjet is committed to a program of engagement with shareholders and other financial market participants which involves meetings that encourage constructive dialogue with the Company on the business, financial results, strategy and, as appropriate, governance and remuneration matters.

Feedback from these communication programs is reported to the respective Committees and to the Board. This ensures that all Directors have an understanding of shareholder perspectives on important matters.

#### **Shareholder engagement and participation at meetings of securityholders**

The Annual General Meeting (AGM) is an important occasion for updating shareholders on the Company's performance. Webjet encourages its shareholders to participate in the AGM to ensure a high level of accountability and understanding of the Company's strategy and goals.

The AGM offers an opportunity for shareholders to ask questions of and to hear from the Board. Shareholders may also submit written questions to the Company in advance of the AGM. This allows the Board to listen to and respond to feedback. If practicable, all Directors and members of the senior management team attend the AGM. The External Auditor is also ordinarily available to answer questions relevant to the audit.

Webjet held its 2021 AGM via an online platform in order to maintain appropriate social distancing measures during the COVID-19 pandemic. It is intended that the 2022 AGM be held using a hybrid model allowing shareholders to elect whether to attend in person or via an online platform, subject to any applicable social distancing requirements at that time. Shareholders will be given a reasonable opportunity to participate in the meeting and will be able to put questions to board members and vote.

#### **Voting on resolutions at meetings of securityholders**

Voting rights are seen as an important tool for securityholders to cast their views on significant matters affecting Webjet's business. All substantive resolutions at a meeting of securityholders are decided by conducting a poll rather than by a show of hands.

#### **Electronic Communications with Share Registry**

Shareholders can elect to receive electronic communications from and send communications to Webjet's share registry by visiting [www.computershare.com.au/easyupdate/WEB](http://www.computershare.com.au/easyupdate/WEB).

## **Principle 7**

### **Recognise and manage risk**

#### **Role of the Risk Committee**

The purpose of the Risk Committee is to assist the Board in understanding, assessing and monitoring all categories of risk across the Group, noting that the monitoring of financial risks is primarily the focus of the Audit Committee. The Risk Committee currently comprises three independent Non-executive Directors.

The Risk Committee assists the Board in overseeing:

- the appropriateness of Webjet's strategic direction in light of the economic, social, political, cyber, environmental, legal and regulatory environments in which the Group operates;
- the adequacy of the Group's risk management framework, risk profile and risk appetite;
- the identification and assessment of material business risks and priorities (in terms of relative risk levels);
- procedures for identifying business and operational risks (including cyber-security risks) and controlling their impact on Webjet;
- the adequacy and operating effectiveness of the systems of internal control, risk management and related policies and procedures;
- procedures for ensuring compliance with relevant regulatory and legal requirements;
- the design, implementation, operation and assessment of controls to ensure residual risks are tolerable;
- the adequacy of the coverage and quantum of insurance arrangements of Webjet; and
- other matters requiring the approval of the Committee under its Charter or as referred by the Board from time to time.

The Managing Director and his nominees, principally the Global Chief Operating Officer and the CFO, support the work of the Risk Committee and are invited to attend and present at Committee meetings as required.

#### **Review of Risk Management Framework**

In addition to the work of the Risk Committee, the Board reviews and considers the Group's risk profile on a regular basis to ensure it supports the achievement of Webjet's strategy, including determining the nature and extent of risks the Board is prepared to take in the pursuit of the Webjet Group's objectives. The Board is also responsible for reviewing, endorsing and overseeing the Company's risk management framework for managing financial and non-financial risks at least annually, and satisfying itself that it continues to be sound, deals adequately with contemporary and emerging risks such as conduct risk, risk culture, digital disruption, cyber-security, privacy and data breaches and that Webjet is operating within the risk tolerance levels determined by the Board.

Webjet is exposed to a range of economic, business and social sustainability risks and seeks to mitigate any material exposures to its operations through a range of measures aligned with its risk management framework. Key economic, business and social sustainability risks include (but are not limited to) the following:

- COVID-19 pandemic
- economic conditions
- changes within specific markets in which we operate
- changes in consumer preferences
- increased competition
- financial risks
- impact of war, terrorism and other external events
- changes to Government policies and regulations
- technology disruption
- technology/IT system failure
- data security
- retention of key personnel
- reputation risks
- supplier relationships
- customer loyalty
- intellectual property
- strategy/M&A

Every effort is made to identify and manage material risks, however additional risks not currently known or listed may also adversely affect future performance.

### **Internal Audit Function**

Webjet does not currently have an Internal Audit function. Internal control and risk management are presently contained within each of the Company's business units and are a specific responsibility of the CEO of each business unit. The business unit CEOs complete monthly risk management reports including key performance metrics and detailed control and risk issues for review by the Managing Director and oversight by the Board.

As the Company's global footprint expands, the Board continues to actively monitor whether and when to establish an Internal Audit function. The Company continues to improve internal control functions and during FY22 completed the roll out of new software to monitor key risk areas included in monthly reporting.

### **Management of material exposure to environmental or social risks**

Webjet accepts that, as part of doing business in both Australia and internationally, its customers, shareholders, employees and the community expect that it will do so in an environmentally responsible and socially sustainable manner. The Risk Committee assists the Board in overseeing the management of the Company's material exposure to environmental and social risks.

Webjet's processes to manage and mitigate environmental and social risks are discussed in more detail in the Company's Sustainability Report.

## **Principle 8**

### **Remunerate fairly and responsibly**

#### **Role of the Remuneration Committee**

The Remuneration and Nomination Committee comprises three independent Non-executive Directors (including the Committee Chair). Members of the senior management team support the work of the Committee and are invited to attend Committee meetings as required. No senior management team member is present when any matter relevant to their remuneration is considered or discussed.

The Remuneration and Nomination Committee assists the Board in overseeing:

- the remuneration policy and framework (including short and long-term incentive plans), its specific application to the Managing Director and its general application to all members of the Senior Executive team and, as appropriate, employees;
- the adoption, operation and administration of all annual and longer-term incentive plans;
- the determination of levels of reward for the Managing Director and general overview of the levels of reward for the Managing Director's direct reports;
- the annual evaluation of the performance of the Managing Director (via the Chair of the Board);
- the Company's compliance with applicable legal and regulatory requirements associated with remuneration matters;
- preparation of the Remuneration Report included in the Annual Report; and
- communication to shareholders and other stakeholders on remuneration policy and the Committee's work on behalf of the Board.

#### **Remuneration policies and practices**

Webjet is committed to attracting and retaining the best people to work in the organisation, including Directors and Senior Executives. The remuneration arrangements the Board has put in place recognise the need to align the activities of management with the interests of Webjet's shareholders. Key objectives which underpin the structure and quantum of remuneration arrangements include to:

- support the execution of the Group's business strategy in alignment with the appropriate risk framework;
- be internationally competitive to attract, motivate and retain skilled executives willing to work globally;
- recognise and reward executives fairly and equitably by reference to their unique skills and industry experience;
- align the structure of executive remuneration as closely as possible with the delivery of shareholder value; and
- support contractual and approved obligations without paying more than is reasonably necessary.

## **Guidelines for Non-executive Director Remuneration**

### **Composition:**

Non-executive Directors are remunerated by way of cash fees and superannuation contributions. They are also entitled to reimbursement of travel and other expenses in attending Board and/or other meetings or performing other duties required of them in their capacity as Directors.

### **Fixed remuneration:**

Competitive base fees are paid in order to attract and retain high quality individuals and to provide appropriate remuneration for the role undertaken. Additional fees are paid to recognise the additional responsibilities, time and commitment required for Committees. Superannuation contributions are made as required by law.

### **Performance-based remuneration:**

Non-executive Directors do not receive any performance-based remuneration.

### **Equity-based remuneration:**

Non-executive Directors do not receive any equity-based remuneration.

### **Termination payments:**

There are no provisions for compensation payable on resignation, early termination of directorships or loss of office.

## **Guidelines for Executive Remuneration**

### **Composition:**

Remuneration packages for the Managing Director and Senior Executives are set so as to include an appropriate balance of fixed remuneration and "at-risk" performance-based remuneration.

### **Fixed remuneration:**

A competitive base salary is paid reflecting responsibilities, location, skills, performance, qualifications and experience. It is aligned with salaries for comparable roles in both Australian and global companies of similar global complexity in order to attract and retain high quality and experienced Executives.

### **Performance-based remuneration:**

Webjet's short term incentives focus the efforts of the Executives on those performance measures and outcomes that are priorities for the Group, and which deliver performance at or above agreed performance objectives. By contrast, the long-term incentives focus the efforts of the Executives on the achievement of sustainable long-term value creation for the Group and the shareholders.

### **Equity-based remuneration:**

Webjet provides long term incentives in the form of equity to focus the efforts of the Executives on the achievement of sustainable long-term value creation for the Group and the shareholders. The equity grants to the Managing Director have primarily been in the form of options (which have a significant hurdle in the form of their exercise price and conditions). All equity grants to Executives include conditions which must be satisfied before the options vest.

### **Termination payments:**

The service contracts for the Managing Director and Senior Executives clearly set out what will happen in the case of early termination and the level of agreed termination payments. In all cases Webjet retains the right to make a payment in lieu of notice. There is no payment payable for removal for misconduct.

## **Equity based remuneration**

Webjet's Managing Director and Senior Executives are not allowed to protect the value of any unvested or restricted equity awards allocated to them or to use unvested or restricted equity awards as collateral in any financial transaction including hedging or margin loan arrangements without specific clearance from the Chair. Any securities that have vested and are no longer subject to restrictions or performance conditions may be subject to hedging arrangements and used as collateral provided Webjet's Share Trading and Conflicts Policy is complied with in advance of entering into such an arrangement.