Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity:

WEBJET LIMITED

ABN / ARBN:	**Financial year ended:**
68 002 013 612	30 JUNE 2020

Our corporate governance statement[2] for the above period above can be found at:[3]

☐ These pages of our annual report:

☒ This URL on our website: https://www.webjetlimited.com/corporate-governance/

The Corporate Governance Statement is accurate and up to date as at 21 August 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located. Date: 19 August 2020

Name: Tony Ristevski

Title: Company Secretary

Signature: ___________________

[1] Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

[2] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

[3] Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed …
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	… the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement … and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☒ in our Corporate Governance Statement … and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	[If the entity complies with paragraph (a):] … the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement … and a copy of the charter of the committee: ☒ at https://www.webjetlimited.com/corporate-governance/ … and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	… our board skills matrix: ☒ in our Corporate Governance Statement
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	… the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement … and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement … and the length of service of each director: ☒ in our Directors Report

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
2.4	A majority of the board of a listed entity should be independent directors.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	… our code of conduct or a summary of it: ☒ in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[If the entity complies with paragraph (a):] … the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement … and a copy of the charter of the committee: ☒ at https://www.webjetlimited.com/corporate-governance/ … and the information referred to in paragraphs (4) and (5): ☒ in the Directors' Report
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	… our continuous disclosure compliance policy or a summary of it: ☒ at https://www.webjetlimited.com/corporate-governance/

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	… information about us and our governance on our website: ☒ at https://www.webjetlimited.com/corporate-governance/
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	… our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] … the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement … and a copy of the charter of the committee: ☒ at https://www.webjetlimited.com/corporate-governance/ … and the information referred to in paragraphs (4) and (5): ☐ in the Directors Report

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	… the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement … and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	… the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☒ in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	… whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	[If the entity complies with paragraph (a):] … the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement … and a copy of the charter of the committee: ☒ at https://www.webjetlimited.com/corporate-governance/ … and the information referred to in paragraphs (4) and (5): ☒ in the Directors Report
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	… separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	… our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement

Webjet Limited

Webjet Limited
Corporate Governance Statement

Introduction

The Board of Directors (Board) of Webjet Limited (the Company) is responsible for the corporate governance of the Company and its controlled entities. Webjet is committed to ensuring high standards of corporate governance. Its governance practices have demonstrably supported 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 3rd Edition and 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 and its Corporate Social Responsibility Statement are accessible in the Corporate Governance section on Webjet's investor website www.webjetlimited.com/corporate-governance/.

This Corporate Governance Statement is current as at 19 August 2020 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 Chairman 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. It has over many years implemented and managed extensive internal and external quality reviews designed to further these objectives.

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 (principally the Managing Director).

The Board has specifically reserved certain matters for its decision. These include:

- oversight of the operation of Webjet including establishing, reviewing and changing corporate strategies, budgets and business plans;
- reviewing, ratifying and overseeing systems of risk management and internal control and ethical and legal compliance including matters of health, safety, environment and community;
- capital management and decisions regarding major capital expenditure, acquisitions and divestitures;
- developing and reviewing the application of corporate governance principles and policies including approval of the Company's diversity policy and measurable objectives for achieving broad diversity across Webjet;
- approving material documents such as the Annual Report and financial statements;
- appointing and conducting performance appraisals of the Managing Director and overseeing succession planning for the Managing Director and Board; and
- reviewing and approving material contractual arrangements, remuneration and benefits in relation to the Managing Director and general oversight of the contractual arrangements, remuneration and benefits in relation to the other Senior Executives.

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. However, the ultimate responsibility for governance and strategy rests with the Board. It delegates authority for all other matters that are necessary for the management of the Company's business to management (through the Managing Director) within authority limits approved from time to time.

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 submit themselves to shareholders 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; set the values and standards for 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 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 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 annual evaluations of its performance, the performance of its Committees, the Chairman, 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.

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 Corporate Social Responsibility (CSR) Statement.

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 in 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 level; and
- ensure equal access (based primarily on merit and regardless of gender and ethnicity) to employment opportunities at work.

During FY20 gender diversity was as follows:

	% Women		
	FY20	**FY19**	**FY18**
Webjet Board	33%	33%	29%
Senior Management (direct report to MD)	30%	30%	30%
Executive management (direct report to Head of Business)	32%	25%	N/A
All employees	53%	53%	55%

Further information on diversity and inclusion at Webjet is set out in the Sustainability Statement in the FY20 Annual Report.

Principle 2
Structure the Board to be effective and add value

Board Nomination Committee

The Webjet Remuneration and Nomination Committee (RNC) operates as the Nomination Committee. The Committee comprises three Non-Executive Directors, all of whom are independent (including the Committee Chairman). 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 on-line 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 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 Chairman) 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 in front of 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 on-line 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 • 5 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 • 5 Directors	**Regulatory affairs** • Experience in regulatory policy, retail and wholesale transactional business laws and policies • 2 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 the Webjet 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 appoint additional international and/or female Directors to 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 if it is 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 Chairman) be independent. The independence of a Director is assessed according to Webjet's Policy on Independence of Directors. 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 FY20.

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 policy.

Prior to joining the Webjet board on 10 January 2008, Don Clarke was a partner with Minter Ellison and was the Company's legal adviser from 1999 until 2008. Mr. Clarke retired as a Partner of Minter Ellison on 30 June 2015 and has been a consultant to the firm since then. He has not been involved in the provision of legal advice by Minter Ellison to Webjet since his appointment as a Director of Webjet, and his remuneration as a consultant to Minter Ellison is not dependent on the professional fees paid by Webjet to Minter Ellison.

Several years ago, Webjet moved to a legal panel arrangement for the provision of legal services and began to engage a range of law firms to provide advice. Since then the amount charged for services by Minter Ellison has not been material (within the context of the materiality benchmarks set by the Board) to either Webjet or Minter Ellison. For those reasons, the Board regards Mr. Clarke as independent and able to act in the best interests of Webjet. The Board also believes that his experience and involvement with the Company provide him with in-depth understanding of its businesses and the markets in which it operates.

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

Independent Chairman

The principal role of the Chairman 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's policy is that the Chairman ought not be the same person as the Managing Director to ensure there is effective Board oversight of management's activities.

The Chairman:

- 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 Chairman, 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 Chairman 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 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

The Webjet Board has initiated the process of approving the Company's statement of values and senior management will be responsible for embedding the values across the Group throughout FY21.

Code of Conduct

Webjet has a Group Code of Conduct for all employees as well as a Code of Conduct for Directors and Senior Executives.

The Webjet Group Code of Conduct 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 employees 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 place of work for its employees. No safety incidents were reported in FY20

In addition, the Code of Conduct for Directors and Senior Executives represents a commitment by all Directors and senior management to uphold ethical business practices and meet or exceed applicable legal requirements. It sets the standard for behaviour and provides guidance which in turn assists in building trusting relationships with suppliers, business partners, customers and shareholders.

Webjet has independent external systems in place for employees and contractors to be able to anonymously report concerns regarding the behaviour of employees, or those 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. All instances of alleged breach of conduct during the year were thoroughly investigated and appropriately actioned.

Whistleblower Policy

Webjet encourages all employees to report any allegations of misconduct by any employee and/or failures by Webjet to honour its obligations, both legal and ethical, or to comply with its values. Employees are able to use a separate third-party website to ensure confidentiality of reporting. During FY20, no allegations of misconduct were reported. Details of the Company's policy are set out in the Webjet Whistleblower Policy as well as the Corporate Social Responsibility (CSR) Statement.

Anti-bribery and Corruption Policy

Information regarding Webjet's commitment to conducting its business fairly, honestly and efficiently is set out in the Webjet Corporate Social Responsibility (CSR) Statement. Key policies on business conduct are also set out in the Webjet Group Code of Conduct.

Modern Slavery Statement

The Webjet Limited group respects human rights and workplace rights. Webjet Limited is committed to conducting its business in a manner that protects these rights and prohibits and opposes all forms of modern slavery, servitude, forced labour and human trafficking. Webjet adopts a continuous improvement approach to its performance in this area. As a business it continues to review, develop and promote its policies and practices to identify and mitigate risk areas for modern slavery and human trafficking in its business and supply chains. Information regarding Webjet's commitment to human rights is set out in the Webjet Corporate Social Responsibility (CSR) Statement. Webjet Limited is currently preparing its first Modern Slavery Statement in compliance with the Modern Slavery Act 2018 (Cth).

Corporate Social Responsibility

The Webjet Corporate Social Responsibility (CSR) Statement sets out the structures and procedures in place to underpin its corporate social responsibilities and sustainability initiatives. At the core of Webjet's CSR program are three fundamental areas of focus:

- diversity and inclusion
- operating responsibly; and
- Environment and sustainability.

Diversity and Inclusion is covered in commentary on Principle 1 of this Corporate Governance Statement.

Operating responsibly is a key priority for Webjet. The Company champions a workplace culture and approach to business that reflects its values and key beliefs. The CSR Statement covers Webjet's values and principles in relation to a wide range of areas including:

- corporate culture
- human rights
- harassment and discrimination
- training and development
- workplace flexibility
- remuneration
- business ethics and transparency
- anti-bribery/anti-corruption
- political engagement
- anti-money laundering, counter terrorism financial and sanctions laws
- modern slavery
- consumer and competition law
- tax
- whistle blowing;
- information security and privacy; and
- stakeholder engagement

Operating in an environmentally sustainable manner is also a priority for Webjet. While as an on-line business the Company's direct impact on the environment is minimal, Webjet approaches its responsibility in two ways: (a) minimising its own environmental impact; and (b) promoting environmentally responsible and sustainable travel to its customers where relevant.

The various structures and procedures in place to underpin the Company's CSR responsibilities are set out in the Company's CSR Statement.

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 Chairman (who is not the Chairman 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 Chairman.

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.au includes a corporate governance tab, where all relevant corporate governance policies 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 to them, 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.

Shareholders unable to attend the AGM in person are able to listen to the AGM via webcast on Webjet's investor website. The webcast is a 'listen only mode' webcast with no ability for shareholders to ask questions or participate in the meeting.

In order to maintain appropriate social distancing measures during the COVID-19 pandemic, the Company will hold its 2020 AGM via an online platform. Shareholders will be given a reasonable opportunity to participate in the meeting and will be able to put questions to board members and vote online.

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.

Principle 7
Recognise and manage risk

Role of the Risk Committee

The purpose of the Risk Committee is to provide an oversight across the Group for all categories of risk. 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 identification of material business risks and priorities (in terms of relative risk levels) and allocating resources effectively and efficiently;
- procedures for identifying business and operational risks (including cyber-security risks) and controlling their financial impact on Webjet and the operational effectiveness of policies and procedures relating to risk and control;
- the operating effectiveness of the systems of internal financial control and risk management;
- the adequacy of internal controls and allocation of responsibilities for monitoring internal business, IT and financial systems and controls;
- the arrangements for protecting intellectual property, confidential and private customer information and other non-physical assets;
- procedures for ensuring compliance with relevant regulatory and legal requirements including Occupational Health and Safety laws and regulations, policies and practices for detecting, reporting and preventing fraud and serious breaches of business conduct procedures and controls;
- a risk assessment (risk identification, risk analysis – including likelihood and impact assessment and risk evaluation) for material risk issues;
- the design, implementation, operation and assessment of controls to ensure residual risks are tolerable;
- that resources are acquired economically, used efficiently and adequately protected;
- 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 Group Chief Commercial 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, at least annually, and satisfying itself that it continues to be sound, deals adequately with contemporary and emerging risks such as conduct risk, 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:

Economic Risks

- economic conditions
- changes in specific markets in which we operate
- changes in consumer preferences
- increased competition
- financial risks
- impact of war, terrorism and other external events
- pandemics
- changes to Government policies and regulations; and
- technology disruption

Business and social sustainability risks include

- data security
- technology/IT system failure
- retention of key personnel
- reputation risks
- supplier relationships
- customer loyalty
- intellectual property; and
- 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 have an Internal Audit function. Internal audit and risk management are presently contained within each of the Company's business units and are a specific responsibility of the CEOs 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 FY20, systemised its internal control checklist.

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.

Environmental risks

The direct impact of the environment on Webjet's businesses and, conversely, the impact of those businesses (and the manner in which they carry on their activities) on the environment, is very limited by reason of Webjet being primarily an on-line seller of products and services of third parties.

In considering its environmental exposures and risks, Webjet has benchmarked its disclosures against those of its peers. At present, given the limited impact of climate-related financial risks on Webjet's financial performance, the Company believes that disclosure (beyond this report) would not assist shareholders, the market or the investment community in understanding the material financial risks it faces. Webjet does regularly review the likely impact of such risks on its businesses and will report on these risks (and their potential impact) as necessary in future. In doing so, it will have regard to the voluntary framework for companies to disclose the material impacts of climate change on their financial performance.

Webjet approaches its environmental responsibility in three ways: (a) minimising its own environmental impact; (b) promoting environmentally responsible and sustainable travel to its customers where relevant; and (c) monitoring its suppliers.

Minimising Webjet's own environmental impact

Sustainability, energy efficiency and waste reduction are encouraged in the work environment, with key initiatives implemented during the year including:

- energy efficiency initiatives – installation of energy efficient lighting and use of sensor lighting; minimising after hours air-conditioning use; installation of blinds to minimise cooling and heating costs; automatic switch off devices on appliances and equipment when not in use.
- water reduction initiatives – installation of low flow water fixtures and use of water and energy efficient appliances;
- waste reduction initiatives – reducing paper usage and encouraging recycling where possible; printing information only when necessary; overseeing appropriate disposal of old computers and cell phones (including donating to charities to re-use); and
- the Company's WebBeds Europe business is working towards carbon neutrality, and is seeking opportunities to expand this program in the daily conduct of its business

Promoting environmentally responsible and sustainable travel

Webjet promotes environmentally responsible and sustainable travel to its customers. During FY20, the Company introduced carbon offsets for all customers booking flights through the Webjet OTA.

Monitoring the Company's Suppliers

Webjet is cognisant that its product suppliers and other participants in the travel industry face the prospect, whether now or in the future, of climate-related financial risks. These risks may lead to changes in consumers' travel habits and preferences. While Webjet's financial performance to date has not been materially (if at all) affected by climate-related risks, the Webjet Board is conscious of the need to regularly review such risks, where appropriate to take action to address them, and to report accordingly to the market.

Social risks

Webjet has identified a number of social issues that if not monitored and managed appropriately could expose it to material risk including

- data privacy and information security
- human rights
- modern slavery
- harassment and discrimination
- business ethics and transparency
- bribery and corruption
- mistreating employees, customers or suppliers; and
- harming local communities

Webjet's Corporate Social Responsibility Statement provides further information on Webjet's approach to environmental and social sustainability and the structures and procedures it has in place to underpin its corporate responsibilities.

Further information on ways the Company seeks to manage some of the key environmental and social risks impacting its business are set out in the Sustainability Statement contained in the FY20 Annual 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 Chairman). 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 and/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 Chairman of the Company);
- 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	Guidelines for Executive 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.	**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: 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.	**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: Non-Executive Directors do not receive any performance-based remuneration.	**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: Non-Executive Directors do not receive any equity-based remuneration.	**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 performance conditions which must be satisfied before the options vest.
Termination payments: There are no provisions for compensation payable on resignation, early termination of directorships or loss of office.	**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 Chairman. 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 Policy is complied with in advance of entering into such an arrangement.