



ABN 68 002 013 612

Remuneration and Nomination Committee Charter

1. Introduction

- 1.1 The Remuneration and Nomination Committee (**Committee**) is a committee of the board of directors (**Board**) of Webjet Limited (**Company**).
- 1.2 The Board established the Committee under the constitution of the Company.
- 1.3 The Committee is accountable to the Board for its performance.
- 1.4 The Charter sets out the general rules governing the composition, responsibilities and operation of the Committee in relation to the Company and its controlled entities (**Group**). It records how the Committee will undertake its responsibilities.
- 1.5 It is intended by the Board that the two primary functions of the Committee will be as a committee of review and general oversight regarding:
 - (a) the composition and diversity of persons and skills on the Board; and
 - (b) the remuneration of the Managing Director and other Key Management Personnel (KMP).

It is not intended, unless specifically delegated by the Board in respect of a particular matter and resources are allocated accordingly, that the Committee will undertake detailed investigation of matters (other than remuneration levels generally) within its areas of responsibility or any executive function.
- 1.6 The Charter is not intended to be either exhaustive or prescriptive of the responsibilities of the Committee or that, in the performance by the Committee of its functions and responsibilities, it is to be read and applied in a literal manner.
- 1.7 Terms defined in the Board Charter have the same meaning when used in this Charter.

2. Objective

The objective of the Committee is to help the Board achieve its objective of ensuring that the Company:

- (a) has a board of an effective size, composition, diversity and commitment to adequately discharge its responsibilities and duties;
- (b) has coherent remuneration policies and practices to attract and retain executives and directors (executive and non-executive) who will create value for shareholders;
- (a) observes those remuneration policies and practices; and
- (b) fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the respective executives (including KMPs) and the general business environment.

3. Nominations and Board composition - responsibilities

The Committee is responsible for:

- (a) identifying and recommending to the Board nominees for membership of the Board and for the position of the senior executive officer of the Company (i.e. the managing director or, if no person holds that office, the chief executive officer) (which person, for the purpose of this Charter, and regardless of whether he or she is the managing director or chief executive officer, is referred to as the '**CEO**');

-
- (b) identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing the extent to which those competencies and characteristics, and diversity of personnel and thought, are represented on the Board;
 - (c) developing and implementing processes to identify and assess necessary and desirable competencies and characteristics for Board members;
 - (d) establishing processes for identifying suitable candidates for appointment to the Board (to ensure an appropriate mix of expertise, experience and succession);
 - (e) prepare, review and update on a regular basis director's education and skills enhancement program;
 - (f) ensuring succession plans for the Board and executives are in place – a report on these plans is to be prepared and submitted to the Board at least once per year; and
 - (g) recommending the removal of directors.

4. Performance of directors - responsibilities

4.1 The Committee is responsible for:

- (a) annually reviewing the performance of the CEO;
- (b) establishing processes for evaluating the performance of the Board, both collectively and individually;
- (c) annually evaluating the performance of the Board, both collectively and individually;
- (d) regularly reviewing the time required from non-executive directors to perform their functions and assessing whether they are satisfying time requirements; and
- (e) developing continuing education programmes for directors.

4.2 A member of the Committee must not participate in any review or assessment of their own performance.

5. Remuneration policies and practices

5.1 The Committee will consider and agree with the Board the policies for the remuneration of the Chairman, the CEO and the non-executive directors and, in the case of the CEO's direct reports, the general policies and limits applicable to the determination of their remuneration.

5.2 Executive remuneration and incentive policies and practices must be performance based and aligned with the Group's vision, values and overall business objectives.

5.3 Executive remuneration and incentive policies and practices must be designed to:

- (a) motivate the directors and management to pursue the Group's long term growth and success; and
- (b) demonstrate a clear relationship between the Group's overall performance, delivery of long term value to the shareholders and the performance of executives.

5.4 In considering the remuneration and incentive policies and practices, the Committee will take into account all factors which it deems necessary. The objective of the policies and practices will be to:

- (a) provide competitive rewards to attract, motivate and retain highly skilled executives;
- (b) apply demanding key performance indicators (**KPIs**), including financial and non-financial measures of performance, to the payment of short and long term incentives;

-
- (c) link rewards to the creation of value to shareholders;
 - (d) ensure remuneration arrangements are equitable, not subject to gender or other inappropriate bias, designed to facilitate retention of key management personnel and the deployment of management resources appropriately around the Group; and
 - (e) limit severance payments on termination to pre-established contractual arrangements that do not commit the Group to making unjustified payments in the event of non-performance.

5.5 The Committee will review the ongoing appropriateness and relevance of the remuneration policies and practices.

6. Remuneration - responsibilities

6.1 In performing its responsibilities in relation to remuneration, the Committee must give appropriate consideration to the Group's performance and objectives, employment conditions and remuneration policies, practices and applicable relativities.

6.2 The Committee is responsible for:

Executive remuneration and incentive policies

- (a) reviewing and recommending for adoption by the Board the overall executive remuneration and incentive policies, practices and limits;

Executive directors and senior management

- (b) annually considering and recommending to the Board the CEO's total remuneration (including base pay, incentive awards, equity awards, retirement rights and terms of engagement) having regard to executive remuneration and incentive policies and practices and the Corporate Objective;
- (c) determining if shareholder approval is needed for any change to remuneration of the directors;
- (d) reviewing and approving, on the recommendation of the CEO, the general nature, structure (including incentive awards, equity awards, superannuation, retirement and termination payments), terms of engagement and limits applicable to the remuneration of direct reports of the CEO and, if applicable, other senior executives;
- (e) arranging for the approval of the Board of any report on executive remuneration that may be:
 - (i) required by the ASX Listing Rules or the *Corporations Act 2001* (Cth); or
 - (ii) proposed for inclusion in the annual report,and reporting to the Board on those matters;

Executive incentive plans

- (f) reviewing, approving and recommending to the Board for adoption the design of any executive equity based incentive plans and KPIs;
- (g) reviewing, approving and recommending to the Board for approval the total proposed payments to the CEO (and other key management personnel) under any executive incentive plan;
- (h) reviewing, approving and recommending to the Board for approval the proposed award to the CEO and each executive under the rules of any executive equity based incentive plan;

-
- (i) reviewing, approving, recommending to the Board for adoption the performance hurdles applicable to any equity based incentive plan;

Non-executive directors

- (j) reviewing the remuneration of non-executive directors for serving on the Board and any committee (both individually and in total);
- (k) recommending to the Board the remuneration and any retirement policies (if any) for non-executive directors having regard to market trends and shareholder interests;

Reimbursement of expenses

- (l) generally reviewing the Group's policies and systems for the reimbursement of any expenses incurred by directors and senior executives of the Group;

Insurance and indemnities

- (m) generally reviewing any insurance or indemnity arrangements for the benefit of directors and officers;

Termination Payments

- (n) generally reviewing termination payments for the CEO, any executive director and, if applicable, the CEO's direct reports to ensure that such payments are consistent with Group policies and the rules of any incentive scheme and that any payments made are fair to the individual and the Group;

Performance review

- (o) annual review and evaluation of the performance of the CEO (in conjunction with the Chairman of the Company); and

Reporting

- (p) reporting on all remuneration issues to the Board.

7. Annual Remuneration Report & review

- 7.1 The Committee will approve the annual Remuneration Report and make recommendations to the Board for the inclusion of the Remuneration Report in the Company's annual report. The Remuneration Report will contain information on the Company's remuneration policies, practices, attendance at and frequency of meetings of the Committee.
- 7.2 The Committee will have oversight of the design, implementation and evaluation of all policies, procedures, internal controls and verification processes in order to satisfy the objective of safeguarding the integrity of the Group's annual Remuneration Report in accordance with best practice, as determined by the Committee, and to meet provisions of the relevant legislation regarding disclosure of remuneration.

8. Other responsibilities

The Committee is responsible for doing any other function or task the Board considers appropriate in the context of this Charter.

9. Committee composition

- 9.1 The Committee must comprise:
 - (a) at least 3 directors, a majority of whom are independent directors; and
 - (b) only non-executive directors.

-
- 9.2 The Committee will appoint its chairperson. The chairperson of the Committee must be an independent director.
 - 9.3 The Committee must be of sufficient size, independence and technical expertise to effectively discharge its mandate.
 - 9.4 The Board will decide appointments, rotations and resignations within the Committee having regard to the ASX Listing Rules, the *Corporations Act 2001* (Cth) and the constitution of the Company. Membership of the Committee will be reviewed regularly.
 - 9.5 A member of the Committee may act by his or her alternate.

10. Committee meetings

- 10.1 Any member of the Committee may call a meeting of the Committee. The Committee will meet as often as it considers necessary.
- 10.2 The quorum for a Committee meeting is any two members of the Committee.
- 10.3 Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- 10.4 The Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in section 248A of the *Corporations Act 2001* (Cth).
- 10.5 The Committee may invite anyone it considers appropriate to attend Committee meetings.
- 10.6 The Committee may appoint and instruct expert advisers who will be advisers solely to the Committee. They shall not receive a standing invitation to attend meetings.
- 10.7 The chairman of the Committee does not have a second or casting vote.
- 10.8 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 10.9 The Committee will have available to it sufficient resources, as determined by the Committee (in conjunction with the Board), to conduct its business effectively, including funds to:
 - (a) engage independent advisory services of experts (if it is determined that those services are required) to assist it in carrying out its work under this Charter; and
 - (b) pay any administrative expenses of the Committee that are necessary or appropriate to assist it in carrying out its work under this Charter.

11. Minutes of Committee meetings

- 11.1 The Committee must keep minutes of its meetings.
- 11.2 Minutes of each Committee meeting must be included in the papers for, or tabled at, the next full Board meeting after each meeting of the Committee.
- 11.3 Minutes must be distributed to all Committee members after the approval by the chairman of the Committee.
- 11.4 Minutes, agenda and supporting papers are available to directors upon request to the chairman of the Committee, except if a conflict of interest exists.

12. Reporting to the Board

The chairman of the Committee will report to the Board regularly, including recommendations on any specified decision or actions the Board should consider.

13. Access to information and independent advice

- 13.1 The Committee may seek any information it considers necessary to fulfil its responsibilities.
- 13.2 The Committee has access to management to seek explanations and information from management (without other members of management being present).
- 13.3 The Committee (and each member of the Committee, with the consent of the chairman of the Committee and prior approval by the chairman of the Committee of the likely costs of obtaining that advice) may seek professional advice from employees of the Group and from appropriate external advisers, at the Company's cost. The Committee may meet with these external advisers without management being present.

14. Review and changes to this Charter

- 14.1 The Committee will review this Charter annually or as often as it considers necessary.
- 14.2 The Board may change this Charter from time to time by resolution.

WEBJET LIMITED

February 2019