

# Audit and Risk Committee Charter

**Webjet Group Limited**

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## Introduction.

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

## Role.

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2. The Committee's role is to:
  - maintain and improve the quality, credibility and objectivity of the financial accounting and reporting processes for the Company and its controlled subsidiaries (**Group**);
  - oversee the appointment, remuneration, qualifications, independence and performance of the external auditor and the integrity of the audit process as a whole;
  - promote a culture of compliance;
  - ensure effective external audit functions and communication between the Board and the external auditors;
  - review and generally assess the effectiveness of the Group's financial compliance processes and strategies (including internal audit capability as required);
  - assist the Board to understand and manage the risks faced by the Group;
  - oversee all categories of risk across the Group (including the management of tax and accounting risks across the Group), including the processes used to identify, evaluate and manage risk; and
  - oversee the Group's adherence to internal risk management policies and procedures.
3. The Committee is authorised to perform the functions outlined in this charter and to make appropriate recommendations to the Board.

## Duties and Responsibilities.

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4. The Committee has the following duties and responsibilities:

### Financial reporting

- Review and make recommendations to the Board regarding the approval of all half-yearly and annual financial statements presented by management, together with reports and opinions from the external auditor.
- Assess the appropriateness and reliability of the accounting policies, principles and financial disclosure practices put forward by management and their application in the preparation of the Company's financial statements.
- Review recent regulatory and professional developments in accounting and reporting requirements and their impact on the Company's financial statements, accounting policies and practices.
- Review (including through discussions with management and the external auditor) significant accounting and reporting issues, including any significant estimates or judgments in the financial statements of the Company and the assessment of going concern.
- Review management representations regarding the financial statements and financial records.
- Review and discuss the results of the audit with the external auditor, including any actual or potential material audit adjustments, uncorrected misstatements, material disclosures, non-compliance with laws and regulations, internal control issues or unresolved disagreements with management.

- Review compliance (where applicable) with all related party disclosures required by the accounting standards and the Corporations Act.

## Internal financial control

### **Internal audit, compliance and control systems**

- Oversee the establishment and implementation of internal compliance and control systems and the mechanisms for assessing the efficiency and effectiveness of those systems.
- Review and make recommendations to the Board on policies and procedures relating to financial risk management.
- Oversee the design and implementation of an effective and efficient system for identifying, assessing, monitoring and managing financial risks.
- Monitor the effectiveness of, and assess the adequacy of, the internal financial control systems with management and external auditors.
- Regularly assess the need for an internal audit capability and, if it is determined that there is a need, the scale, scope and resourcing of that internal audit capability and method of its introduction.

### **Key financial issues and risks**

- Consider the management of capital in the context of the financial risk management of the Group.
- Assess the process for identifying areas of greatest potential financial risk for the Group and review and report to the Board on the adequacy of the management of such risks.

### **Tax**

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

### **Disclosure and reporting**

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

### **External audit**

- Review and make recommendations to the Board regarding the selection, appointment, re-appointment and replacement of the external auditor, including remuneration of the external auditor and rotation of the lead audit partner.
- Regularly review with the external auditor:
  - the scope and terms of the external audit and the appropriateness of the audit fee;
  - the materiality of fees paid for non-audit services and the nature of those services; the independence and objectivity of the external auditor;
  - the external auditor's performance and the quality and effectiveness of the audit conducted;
  - the audit plan for coverage of material risk areas and financial reporting requirements; and

- matters relating to the conduct of the audit, including any difficulties encountered during the audit, any restrictions on the scope of the external auditor’s activities or access to information.
- Recommend to the Board for approval the types of non-audit services that the external auditor may provide without impairing or giving rise to the appearance or perception of impairment of the external auditor's independence.
- Develop and oversee the implementation of the Board’s policy on the engagement of the external auditor to supply non-audit services.
- Establish ongoing communications with the external auditor, including through periodic meetings and invitations to attend Committee meetings.
- Obtain feedback from the external auditor regarding any significant disagreements with management and the adequacy of management response.
- Monitor and report to the Board on management's response to the external auditor's findings and recommendations.
- Receive and review the reports of the external auditor, including auditor’s reports, management letters and auditor independence declarations.
- Review and assess the integrity of the external audit process as a whole.

## **Risk identification, assessment and management**

- Review and recommend for approval by the Board the risk management framework, profile and risk appetite across the Group.
- Receive reports from management concerning the Group’s risk management strategies, to consider, approve or vary them.
- Approve and oversee the process developed by management to identify principal risks, evaluate their potential impact, and implement appropriate systems to manage such risks.
- Monitor the effectiveness of the risk management framework against the agreed risk appetite across the Group.
- Assess the Group's risk culture and report any material issues or concerns to the Board.
- Approve principles, policies, strategies and processes for the management of risk, which may include the establishment of other committees from time to time to manage specific risks and the delegation of matters to those committees.
- Approve and, where appropriate, make recommendations to the Board as to the exposure limits and risk-taking authority to be delegated by the Board to the Managing Director and other members of the executive management team.
- Receive reports from management concerning the Group’s delegation frameworks, to consider, approve or vary them.
- Monitor and receive reports from management concerning the risk implications of new and emerging risks, organisational change, information technology programs and projects, material acquisitions, divestments and other major initiatives.
- Receive reports from management concerning resolution of significant risk exposures and risk events, to monitor and approve them where appropriate.

- Review from time to time the base principles, policies, limits, standards, guidelines, management committee mandates and other significant procedures established by management with respect to specific categories of risk.
- Adherence to risk management policies and procedures.
- Address such risk issues in connection with the Group's strategic and business objectives as considered appropriate by the Committee.
- Consider risk aspects of strategies or exposures to industry segments to ensure they are in keeping with overall Group risk tolerances.
- Approve, ratify or review (as the Committee considers appropriate) any transaction or other proposal that involves management exceeding delegation limits set out in Group policies.
- Ensure the risk management systems take into account all material risks, including risks arising from:
  - management of tax and accounting practices (tax and accounting risk);
  - compliance of internal and external auditing and financial reporting (financial risk);
  - implementing strategies (strategic risk);
  - ineffective enterprise risk management framework, which includes risk appetite, risk strategies, risk policies and authority levels (enterprise risk);
  - inadequate or failed internal processes, people and systems or from external events that impact adversely on operational matters (operational risk);
  - legal and regulatory compliance (legal risk);
  - inappropriate business conduct and ethics (corporate responsibility risk);
  - changes in community expectations of corporate behaviour (reputation risk);
  - legal or regulatory sanctions, financial loss, or loss of reputation that the Group may suffer as a result of a failure to comply with applicable regulations, codes of conduct and good practice standards (compliance risk);
  - a counterparty not meeting its obligations (financial or otherwise) in accordance with the agreed terms (credit / counterparty risk);
  - unfavourable changes in consumer confidence, competition, consumer prices, foreign exchange rates, interest rates, equity prices, market volatilities and liquidity (market risk); and
  - inability to service existing or future cash flow obligations or convert assets into cash (liquidity risk).
- Assess the adequacy of internal controls in place to identify unusual transactions and any potential transactions that may carry more than an acceptable degree of risk.
- Assess and prioritise the areas of greatest legal and regulatory risk, and report and make recommendations to the Board regarding the management of such risks.
- Monitor compliance with legal and regulatory obligations.
- Receive reports from management on any actual or suspected fraud, theft, data breach, cyber security breach or other breach of the law.

- Review for completeness and accuracy the reporting of corporate governance practices in accordance with the ASX Listing Rules.
- Review management's recommendations concerning the scope, cover and cost of insurance, including insurances relating to directors' and officers' liability, company reimbursement, business interruption, cyber risk, public liability and any other special risks.

## Compliance processes

- Approve and oversee the Group's legal, licensing and regulatory compliance processes developed by management, including compliance by subsidiary companies, and where considered necessary, commission and direct specific actions and assignment of responsibility to ensure compliance practices are adequate.
- Receive reports from management concerning the Group's compliance management processes, to consider, approve or vary them.
- Review management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to all public announcements, interim reporting, analyst briefings and other open or one-on-one briefings and continuous disclosure.

## Sustainability

- Oversee the development and review the effectiveness of the Group's environmental, social and governance (ESG) strategy to ensure it is consistent with the Group's business strategy and objectives, supports the Group's values and addresses material sustainability risk facing the Group.
- Oversee the development and review the effectiveness of the policies, frameworks and initiatives supporting the Group's overall ESG strategy, including but not limited to policies, frameworks and initiatives relating to human rights, modern slavery, ethical sourcing, wellbeing, climate change and the environment.
- Review and make recommendations to the Board on the approval of the Sustainability Report and the Modern Slavery Statement.
- Monitor ESG perspectives from external stakeholders and the sustainable investment landscape.

## Other

- Review issues raised by external and internal audit processes that impact the risk management framework or risk management processes and practices of the Group.
- Review and make recommendations to the Board on draft statutory statements covering governance and risk management issues in accordance with the requirements of the applicable regulators.
- Review and receive reports from management regarding the Group's tax compliance risk management framework and risk appetite.
- Conduct or authorise any reviews, special projects or investigations into any matter within the Committee's charter or as may be requested by the Board from time to time.
- Review and monitor related party transactions and recommend their approval or termination.
- Ensure the Group's audit and compliance policies and procedures are adequately documented, reviewed and updated to address any legal and regulatory developments.
- Conduct or authorise any reviews, special projects or investigations into any matter within the Committee's charter or as may be requested by the Board from time to time.

# Structure and operations.

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## Size and composition

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

## Chair

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

## Company Secretary

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

## Meetings

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

## Reporting

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

## Access

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



# Evaluation and Review

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## Committee evaluation

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

## Charter review

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

**Webjet Group Limited**

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