

Risk Committee Charter

Webjet Limited ABN 68 002 013 612 (**Company**)

WEBJET LIMITED
ABN 68 002 013 612

RISK COMMITTEE CHARTER

Introduction

The Risk Committee is appointed by the Board of Webjet Limited (**Webjet** or **Company**) and performs the functions outlined in this Charter for the Company and each member of the Group (except where a subsidiary or controlled entity has appointed its own risk committee).

The purpose of the Risk Committee is to provide:

- an oversight across the Group for all categories of risk. In this role, the Risk Committee has delegated authority from the Board to approve and oversee the processes used to identify, evaluate and manage risk. At its discretion, the Risk Committee may make recommendations to the Board, including recommendations relating to the Group's risk appetite; and
- to assist the Board to understand and manage the risks faced by the Group (including the range of risks, the relative probabilities of occurrence for each of the types of risk and the potential consequences).

Tax and accounting risks will be covered by the Audit Committee.

Strategic risks will be governed by the full Board, with specific input from the Risk Committee.

Definitions

The following terms have the following meanings:

Board means the board of directors of the Company.

Company or **Webjet** means Webjet Limited ABN 002 013 612.

Group means the Company and each of its subsidiaries and controlled entities (if any).

Managing Director means the managing director (from time to time) of the Company.

Risk Committee or **Committee** means the Risk Committee of the Company.

Role

The Risk Committee is responsible for performing the duties set out in this Charter to enable the Board to fulfil its oversight responsibilities in relation to the Group's:

- identification, assessment and management of risk; and
- adherence to internal risk management policies and procedures.

Composition

The Risk Committee will be appointed by the Board and shall comprise not less than two non-executive directors (unless otherwise determined by the Board).

Chairman

The Board shall appoint one of the Risk Committee members, other than the Chairman of the Board or the Audit Committee, to serve as the Risk Committee Chairman. The Chairman shall be a non-executive director of the Company. The Chairman and membership of the Risk Committee will be confirmed annually.

The chair of the Audit Committee may be, but is not obliged to be, a member of the Risk Committee to ensure the flow of relevant information between the two Committees.

Meetings

Meetings shall be held at a frequency determined by the Risk Committee but in any event not less than four times per year. Special meetings may be convened by the Chairman as required.

The Managing Director, Chief Executive Officer (if applicable), Chief Financial Officer, Chief Commercial Officer (if applicable), the external auditor and representatives of management may be requested (or invited) to attend part or all of any meeting of the Risk Committee (as appropriate).

The Committee has unrestricted access to the senior executives of the Group and the right to require detailed explanations and/or additional information in order to fulfil its role and undertake its duties.

A quorum of any meeting will be any two members or such other number determined by the Board. The agenda and supporting documentation will be circulated to the Committee members a reasonable period in advance of each meeting.

The secretary of the Risk Committee will be the Company Secretary, or such other person as nominated by the Board or by the Committee. The secretary of the Committee will circulate minutes of meetings of the Risk Committee to members of the Committee and the Board as soon as practicable after each meeting.

The Risk Committee has the right, with the concurrence of the Chairman of the Board, to seek independent legal, accounting or other professional advisors to the extent the Committee considers necessary at the Group's expense.

Reporting

The Committee must regularly update the Board regarding Committee activities and make appropriate recommendations.

The Risk Committee shall annually review this Charter and its continuing adequacy together with an evaluation of the Committee's performance and the extent to which the Committee has met the requirements of the Charter.

Specifically, reporting by the Risk Committee will include:

- advice to the Board on any recommendation for change in the Risk Committee's Charter;
- an annual self-assessment of the effectiveness of the Risk Committee;
- regular reports to the Board on the activities of the Risk Committee; and
- referral to the Audit Committee of any matters that have come to the attention of the Risk Committee that are relevant to the Audit Committee.

Duties and Responsibilities

With respect to the identification, assessment and management of risk, the Committee shall for all risk categories:

- review and recommend the risk management framework, profile and risk appetite across the Group, for approval by the Board;
- receive reports from management concerning the Group's risk management strategies, in order to consider and, if thought fit, 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 / profile against the agreed risk appetite across the Group;
- assess the Group's risk culture with the objective of having a view on the state of the Group's risk culture and reporting any material issues or concerns to the Board;

- approve principles, policies, strategies and processes for the management of risk including the establishment of other committees 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/or other member of the senior executive management team;
- receive reports from management concerning the Group's discretion and delegation frameworks, including the absolute levels of discretion / delegation of the relevant executive management committees and executive management team members, in order to consider and, if thought fit, approve or vary them;
- 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, in order to monitor them; and
- receive reports from management concerning resolution of significant risk exposures and risk events, in order to monitor them and as appropriate, if thought fit, approve them.

With respect to specific categories of risk, review from time to time the base principles, policies, limits, standards, guidelines, management committee mandates and other significant procedures established by management.

Categories of risk may include (but are not limited to) counterparty, cyber, regulatory compliance, market, operational, competition, asset and liability, financial performance, liquidity, insurance, IT, human resources, litigation, data protection and privacy and reputation risk, and matters related to significant new business and/or change management initiatives.

With respect to adherence to internal risk management policies and procedures, the Committee shall:

- address such risk issues as it considers appropriate in connection with the Group's strategic and business objectives;
- 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 discretion / delegation limits detailed in Group policies, including but not limited to exposures in internal policies and procedures recommended by the Managing Director which exceed the limits delegated to him/her.
- ensuring the risk management systems take into account all material risks, including risks arising from:
 - 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, including, but not limited to, compliance with OH&S, safety and environmental laws and regulations (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 to reputation the Group may suffer as a result of its failure to comply with all applicable laws and regulations, codes of conduct and good practice standards (compliance risk);
 - a counterparty will not meet 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);
- health, safety and environment practices and compliance (OH&S risk); and
- unable to service its cash flow obligations today or in the future or convert assets into cash (liquidity risk);
- assessing if management has controls in place for unusual transactions and any potential transactions that may carry more than an acceptable degree of risk;
- assessing and prioritising the areas of greatest legal and regulatory risk;
- receiving reports from management on any actual or suspected fraud, theft, data breach, cyber security breach or other breach of the law;
- monitoring compliance with legal and regulatory obligations;
- reporting and making recommendations to the Board regarding the management of areas of greatest legal and regulatory risk (including fraud and theft); and
- reviewing 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);
- reviewing for completeness and accuracy the reporting of corporate governance practices in accordance with the ASX Listing Rules; and
- reviewing management's recommendations concerning the scope, cover and cost of insurance, including (but not limited to) insurances relating to directors' and officers' liability, company reimbursement, business interruption, cyber risk, public liability and any other special risks.

With respect to the Group's compliance systems, the Committee shall:

- 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; and
- receive reports from management concerning the Group's compliance management processes, in order to consider and, if thought fit, approve or vary them.

Other Responsibilities

The Committee shall:

- review issues raised by external audit and, if applicable, 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; and
- direct any special investigations deemed necessary and engage and consult independent experts where considered necessary or desirable to carry out its duties and rely on the advice of such experts.

Function of Representative Parties

It is recognised that members of the Risk Committee are not full time employees of the Group and generally do not represent themselves to be experts in the fields of risk management. As such, it is not the responsibility of members of the Risk Committee to personally conduct risk management reviews.

Each member of the Risk Committee is entitled to rely on executives of the Group on matters within their responsibility and on external professionals on matters within their areas of expertise. Further, the Risk Committee may assume the accuracy of information provided by such persons so long as it is not aware of any reasonable grounds upon which such reliance or assumption may be inappropriate.

The Board and Audit Committee may rely upon information provided by the Risk Committee and its members, in relation to matters within the Risk Committee's responsibility under the terms of this Charter, provided that it has evaluated the information and is not aware of any reasonable basis upon which to question its accuracy.

Management of the Group is responsible for implementing, managing and maintaining appropriate risk management systems, policies and procedures, reporting protocols and internal controls designed to ensure compliance with the applicable laws and regulations.

Amendment of the Charter

The Risk Committee may recommend to the Board any amendments to this Charter at any time.

WEBJET LIMITED

17 August 2016