

Webjet Limited

ABN 68 002 013 612



Notice of Annual General Meeting and Explanatory Statement

- Date:** Wednesday 22 November 2017
- Time:** 11.00 am (Melbourne time)
- Place:** Webjet Limited - Corporate Office,
Level 2, 509 St Kilda Road, Melbourne, Victoria

2017 Annual Report

A copy of Webjet's 2017 Annual Report (including the financial report, directors' report and auditor's report for the year ended 30 June 2017), together with the associated ASX announcement, media release and investor pack relevant to the financial performance of Webjet for the financial year ended 30 June 2017, is accessible on Webjet's investor website at the following address - <http://www.webjetlimited.com>.

As permitted by the Corporations Act, a printed copy of the 2017 Annual Report has been sent only to those Shareholders who have elected to receive a printed copy.

WEBJET LIMITED
ABN 68 002 013 612

NOTICE OF ANNUAL GENERAL MEETING
Wednesday, 22 November 2017

Notice is given that the Annual General Meeting of the members (**Shareholders**) of Webjet Limited (**Company** or **Webjet**) will be held at the corporate office of Webjet, Level 2, 509 St Kilda Road, Melbourne, Victoria on Wednesday, 22 November 2017 at 11.00 am (Melbourne time).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered at the Annual General Meeting. Please ensure you that you read the Explanatory Statement in full.

ORDINARY BUSINESS

1. Financial statements and reports

To receive and consider the:

- Financial Report;
- Directors' Report; and
- Auditor's Report,

for the Company for financial year ended 30 June 2017.

2. Adoption of Remuneration Report (Resolution 1)

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

That the Remuneration Report (as set out in the Annual Report for the financial year ended 30 June 2017) be adopted.

3. Election of Directors (Resolutions 2, 3 and 4)

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Resolution 2

That Mr Don Clarke, a director retiring in accordance with the Company's constitution, and being eligible, be re-elected as a director of the Company.

Resolution 3

That Mr Brad Holman, a director retiring in accordance with the Company's constitution, and being eligible, be re-elected as a director of the Company.

Resolution 4

That Mr Rajiv Ramanathan, a director appointed to fill a casual vacancy during the year and retiring in accordance with the Company's constitution, and being eligible, be elected as a director of the Company.

4. Issue of options to the Managing Director (Resolution 5)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That, for the purpose of ASX Listing Rule 10.11, the Corporations Act and for all other purposes, approval be given for the issue of options to Mr John Guscic, and on exercise of those options, the acquisition of Shares underlying those options, in the number and on the terms set out in the Explanatory Statement accompanying and forming part of this Notice of Meeting.

5. Ratification of share issue (Resolution 6)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given to the issue of 2,624,926 Shares by the Company on the date and on terms and conditions more fully described in the Explanatory Statement accompanying this Notice.

6. Increase in the fee-cap for non-executive directors (Resolution 7)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That the maximum amount that may be paid or provided in any financial year to the non-executive directors by way of remuneration for their services be increased by \$250,000 from \$600,000 to \$850,000.

NOTES

Proxy forms and voting

- A Shareholder entitled to attend and vote at the Meeting has the right to appoint a proxy.
- A proxy does not need to be a Shareholder of the Company.
- A Shareholder who is entitled to cast two or more votes may appoint up to two proxies and, in the case of such an appointment, may specify the proportion or number of votes each proxy is appointed to exercise.
- If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes which each proxy may exercise, each proxy may exercise half of the votes.
- Proxies may be appointed using the enclosed proxy form (**Proxy Form**). Detailed instructions for appointing a proxy are provided on the back of the Proxy Form.
- Proxy appointments (and any necessary supporting document) must be received by the Company no later than **48 hours before the commencement of the Meeting**. Proxies received after this deadline will **not** be effective for the scheduled meeting.
- Completed Proxy Forms may be lodged as follows:

By mail to:	Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001
By facsimile to:	Computershare Investor Services Pty Ltd (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555
Online:	by visiting www.investorvote.com.au and following the instructions and information provided on the enclosed Proxy Form
Custodian voting:	For Intermediary Online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions
- If a Proxy Form is signed on behalf of a Shareholder under a power of attorney, then either the original power of attorney, or a certified copy of it, must be lodged with the Proxy Form (before the deadline for the lodgement of proxies), unless the power of attorney has already been sighted by the Share Registry.

- A proxy may decide whether to vote on any item of business or other resolution put before the Meeting, except where the proxy is required by law or the Company's constitution to vote or abstain from voting in their capacity as proxy. If the proxy's appointment directs the proxy how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If the proxy's appointment does not direct the proxy how to vote on an item of business or any other resolution before the Meeting, the proxy may vote as he or she thinks fit on that item or resolution.
- If a Shareholder appoints two proxies, neither is entitled to vote (as proxy for that Shareholder) on a show of hands at the Meeting. However, each can vote if a poll is taken on an item of business.
- If the same person (such as the chair of the Meeting) is appointed as proxy for two or more Shareholders and those Shareholders have specified different ways for the proxy to vote on an item of business, then the proxy is not entitled to vote (as proxy) on a show of hands on that item.

Appointment of corporate representatives

- A body corporate that is a Shareholder and entitled to attend and vote at the Meeting, or that has been appointed as proxy of a Shareholder entitled to attend and vote at the Meeting, may appoint an individual to act as its representative at the Meeting. The appointment must comply with section 250D of the Corporations Act. The representative must bring to the Meeting adequate evidence of his or her appointment, including any authority under which the appointment is signed, unless that evidence has previously been provided to the Share Registry.

Appointing the chairperson of the Meeting as your proxy

The Proxy Form accompanying this Notice contains detailed instructions regarding completion of the Proxy Form in circumstances where a Shareholder wishes to appoint the chairperson of the Meeting as his or her proxy. You should read those instructions carefully.

- By appointing the chairperson of the Meeting as your proxy in relation to Resolution 1, 5 or 7, you expressly authorise the chairperson to exercise your vote on Resolution 1, 5 or 7 despite Resolution 1, 5 or 7 being connected directly or indirectly with the remuneration of members of the KMP (which, in respect of Resolution 1 and 7, includes the chairperson) unless you have directed the chairperson how to vote on the resolutions by marking the appropriate box at Step 2 of the Proxy Form.
- The chairperson intends to exercise all available proxies by voting in favour of all Resolutions on the agenda.
- If you do not wish the chairperson of the Meeting to exercise the proxy in accordance with the chairperson's stated voting intentions on a Resolution, you should ensure that a box other than the 'For' box is clearly marked against each of the Resolutions in the Proxy Form.

Shareholders should refer to the Explanatory Statement, which accompanies and forms part of this Notice of Meeting, for information regarding voting restrictions.

Voting by proxy holders

Under the Corporations Act:

- if proxy holders vote, they must vote all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the chairperson of the AGM, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

Section 250BB of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
- if the proxy has two or more appointments that specify different ways to vote on a resolution – the proxy must not vote on a show of hands;
- if the proxy is the chairperson of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

- if the proxy is not the chairperson of the meeting – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's shareholders; and
- the appointed proxy is not the chairperson of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chairperson of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.

Voting restrictions

In accordance with the Corporations Act, certain persons are specifically prohibited or excluded from voting on Resolution 1 (Adoption of Remuneration Report), Resolution 5 (Issue of options to the Managing Director, Mr John Guscic), Resolution 6 (Ratification of share issue) and Resolution 7 (Increase in fee-cap for the non-executive directors). Details of the voting prohibitions / exclusions for each of Resolution 1, 5, 6 and 7 are set out in the information provided in the Explanatory Statement for the respective Resolutions.

Determination of voting entitlements

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, only those persons registered as the holders of Shares as at 7.00pm on 20 November 2017 will be regarded as Shareholders. This means that if you are not the registered holder of a Share (or Shares) at that time and date, you will not be entitled to vote in respect of that Share (or those Shares) at the Meeting.

Questions and comments from Shareholders

In accordance with the Corporations Act, a reasonable opportunity will be given to the Shareholders – as a whole – to ask questions at the AGM about, or make comments on, the financial statements for the year ended 30 June 2017 and the management of the Company.

Similarly, a reasonable opportunity will be given to the Shareholders – as a whole – to ask the Company's external auditor, BDO, questions relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions to the Company or to BDO (if the question is relevant to the content of the Auditor's Report or the conduct of its audit of the financial statements of the Company for the year ended 30 June 2017) in advance of the AGM. Questions to the Company or to BDO may be submitted:

- by facsimile (+61 3 9820 9258);
- by mail addressed to the Company Secretary, Webjet Limited, Level 2, 509 St Kilda Road, Melbourne Vic 3004,

and must be submitted no later than 5 business days before the AGM.

A list of the written questions will be made available to Shareholders attending the AGM. BDO will either answer the questions at the AGM or table written answers to them at the AGM.

Questions will be collated and, during the Meeting, the chairman will seek to address as many of the more frequently raised topics as possible and, where appropriate, will give a representative of the Company's auditor, BDO, the opportunity to answer, or to table answers to, written questions submitted to the auditor. If written answers are tabled at the AGM, they will be made available to all Shareholders (on the Company's website) as soon as practicable after the AGM.

If there is not sufficient time available at the AGM to address all topics raised, the Company will endeavour to provide a subsequent written answer to each question submitted. The Company cannot guarantee that an individual response will be sent to each Shareholder.

Explanatory Notes

Please read the enclosed Explanatory Statement for an explanation of the business of the AGM.

Definitions

Words that are defined in the Glossary have the same meaning when used in the Notice unless the context or the definitions in the Glossary provide otherwise.

Electronic Annual Reports

In accordance with the Corporations Act, Webjet has provided printed copies of its 2017 Annual Report only to those Shareholders who have specifically requested a copy.

For all other Shareholders, an electronic copy of the Annual Report, together with Webjet's ASX announcement, media release and investor pack relevant to the financial performance of the Company for the year ended 30 June 2017, is available on Webjet's investor website: <http://www.webjetlimited.com>.

Webcast

Shareholders unable to attend the AGM in person are invited to listen to the AGM via webcast which will be available via the instructions on Webjet's investor website: <http://www.webjetlimited.com>. Please note that the webcast will be a listen-only mode and there will be no opportunity to ask questions or participate in the meeting via the webcast.

By Order of the Board



Michael Sheehy
Company Secretary
WEBJET LIMITED

Dated: 20 October 2017

WEBJET LIMITED
ABN 68 002 013 612

EXPLANATORY STATEMENT

INTRODUCTION

The purpose of this Explanatory Statement (which is included in and forms part of the Notice of Meeting) is to provide Shareholders with an explanation of the business of the Annual General Meeting (AGM or Meeting) and the resolutions to be considered at the AGM to be held at the Corporate Office of Webjet Limited - Level 2, 509 St Kilda Road, Melbourne, Victoria on Wednesday, 22 November 2017 at 11.00am (Melbourne time) and to assist Shareholders to determine how they wish to vote on each resolution.

FINANCIAL STATEMENTS AND REPORTS

The Company's financial report (including the financial statements and Directors' declaration) and the reports of the directors and auditor for the financial year ended 30 June 2017 will be tabled at the AGM (as required by section 317 of the *Corporations Act 2001* (Cth)).

The Annual Report (which includes the Directors', Auditor's and Financial Reports) is available on the Company's investor website at the following address: <http://www.webjetlimited.com/annual-reports/>. A printed copy of the Annual Report has been sent to those Shareholders who requested a printed copy. Shareholders may elect to receive, free of charge, a printed copy of the Company's annual report each financial year. To obtain information about making this election, please contact the Share Registry.

During the discussion of this item of business, Shareholders will be given a reasonable opportunity to ask questions about, and make comments on, the financial report (including the Directors' and Auditor's reports) and on the business, operations and management of the Company generally.

A representative of the Company's auditor, BDO, will be present at the Meeting. Shareholders will be given a reasonable opportunity to ask questions of the Company and of BDO's representative relevant to the content of the 2017 financial statements, the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor (in the context of the conduct of the audit).

Shareholders may also submit written questions to the Company and/or BDO if the questions are relevant to the content of the 2017 financial statements (including the Auditor's Report) or the conduct of the audit of the financial statements of the Company. Written questions for the Company or BDO must be received by the Company by no later than 5 business days before the date of the AGM. During this item of business, BDO will be given the opportunity to answer, or to table written answers to, any relevant written questions directed to them and received by that date.

For questions submitted by Shareholders to the Company in advance of the Meeting, where appropriate and practical to do so, the Company will provide answers to any such written questions at the Meeting. In all other cases, the Company will provide written answers to the Shareholders within 10 business days after the Meeting.

Shareholders will not be asked or required to vote on this item of business.

APPROVAL OF REMUNERATION REPORT (Resolution 1)

The Annual Report for the year ended 30 June 2017 contains the Remuneration Report which sets out the policies of the Company for and applicable to the remuneration of its officers and senior employees.

The Remuneration Report includes (among other things):

1. discussion of the Board's policy in relation to the nature and level of remuneration of the key management personnel of the Company (KMP), in respect of the financial year ended 30 June 2017;
2. discussion of the relationship between the Company's performance over the five financial years up to and including 30 June 2017; and
3. the required details of the remuneration provided to the KMP (including the executive and non-executive directors) of the Company for the financial year ended 30 June 2017.

While the Corporations Act (section 250R(2)) requires a listed company to put a resolution to its members at its annual general meeting that its remuneration report be adopted, the Corporations Act expressly provides that the vote on any such resolution is advisory only (meaning that while such vote provides guidance to the directors, it does not bind the Directors or the Company). However, the Directors recognise the vote as an indication of shareholder sentiment and will have regard to the outcome of the vote and any discussion when setting the Company's remuneration policies.

However, under the Corporations Act, if at least 25% of the votes cast on Resolution 1 at the AGM are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the AGM, the Company's remuneration report for the financial year ending 30 June 2018 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for taking no action; and
- if subsequently, at the Company's 2018 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for that financial year are cast against its adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting (Spill Meeting) be called to consider the election of all Directors (other than any managing director) of the Company (Spill Meeting Resolution). The Spill Meeting must be held within 90 days of the date of the 2018 AGM. For any Spill Meeting Resolution to be approved, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Meeting Resolution is passed, all of the Directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

The Remuneration Report forms part of the Directors' Report for the year ended 30 June 2017 and is made in accordance with a unanimous resolution of the Directors. While noting that each Director has a personal interest in his remuneration, as described in the Remuneration Report, the Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

Resolution 1 is put to the Shareholders at the Meeting in fulfilment of the obligations of the Company under section 250R(2) of the Corporations Act. Shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting Exclusion Statement

In accordance with section 250R(4) of the Corporations Act, the Company will disregard any votes cast (in any capacity) in respect of Resolution 1 by or on behalf of:

- (a) a member of the KMP, the details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2017; and
- (b) a Closely Related Party of such a member of the KMP.

However, the Company will not disregard a vote cast in respect of Resolution 1 by a member of the KMP or a Closely Related Party of such a member of the KMP if it is cast as a proxy and:

- it is not cast on behalf of a member of the KMP or a Closely Related Party of a member of the KMP; and either:
- the proxy is appointed in writing and specifies how the proxy is to vote on Resolution 1; or
- the proxy is the chairperson of the Meeting and the appointment of the chairperson as the proxy does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

If you are a member of the KMP or a Closely Related Party of a member of the KMP (or are acting on behalf of any such person) and purport to cast a vote on Resolution 1, that vote will be disregarded by the Company (as indicated above). You may also be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company will disregard.

Please read the information under the heading 'Appointing the chairperson as your proxy' which (among other things) deals with the chairperson's voting of proxies on Resolution 1.

What is the Board's recommendation?

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

ELECTION OF DIRECTORS (Resolutions 2, 3 and 4)

Clause 58.1 of the Company's constitution requires that, at each annual general meeting, one-third of the Directors must retire from office, or if their number is not a multiple of three, then the number nearest to but not exceeding one-third of the Directors must retire from office. The Managing Director (Mr John Guscic) is exempt under clause 75.7 of the Company's constitution from the requirement to retire by rotation.

The retirement of Directors by rotation is also subject to the requirement, in clause 58.4 of the Company's constitution, that a Director must retire from office at the conclusion of the third annual general meeting after the Director was last elected. Clause 58.5 of the Company's constitution provides that a retiring Director remains in office until the end of the meeting and will be eligible for re-election at the meeting.

As both Mr Don Clarke and Mr Brad Holman were last re-elected in 2014, both Mr Clarke and Mr Holman will retire at the AGM. Both Mr Clarke and Mr Holman are eligible for re-election and are seeking re-election as Directors at the AGM.

Clause 57 of the Company's constitution allows the Directors to appoint any person as a Director to fill a casual vacancy or as an addition to the existing Directors. A Director appointed under this clause will hold office only until the next annual general meeting of the Company, at which the Director may then be elected. A Director retiring in accordance with clause 57 is not to be taken into account in determining the number of Directors who must retire by rotation.

Mr Rajiv Ramanathan was appointed as a non-executive Director to fill a casual vacancy on the Board on 21 June 2017 and, therefore, he must retire as a Director at the conclusion of the AGM. Mr Ramanathan is eligible for election and is seeking election as a Director at the AGM.

Biographical details of each of the Directors seeking re-election or election are set out below.

Mr Don Clarke, LLB (Hons) (University of Melbourne) – Resolution 2

Independent Non-Executive Director and Deputy Chairman, Chairman of the Risk and the Remuneration Committees

Don Clarke is a lawyer and company director. Don was a corporate partner of international law firm MinterEllison for 27 years prior to his retirement from the partnership in June 2015. Since retiring, Don has been a consultant to MinterEllison focusing on business development. Don is also a director of two other listed companies, Zoono Group Limited and Contango Income Generator Limited, and two unlisted public companies. Don has extensive commercial law and business experience from over 30 years advising ASX listed and private companies and brings to the Board a wealth of knowledge and experience of the commercial, legal and governance framework within which the Company operates.

Don has been a member of the Webjet Board since 10 January 2008. Prior to joining the Board, Don had been the Company's legal adviser since 1999. The Board believes Don's considerable experience and involvement with the Company, initially as a legal adviser and subsequently as a director, provides him with in-depth understanding of the Company's businesses and markets in which it operates. In addition, following the recent departures of David Clarke and Steven Scheuer, the Board considers it critical to retain Don's in-depth knowledge and understanding of the Company's evolution over the past 9 years.

The Board regards Don as an independent Director. While MinterEllison has provided professional services to the Company and, under ASX's Corporate Governance Principles and Recommendations (**Recommendations**), that is a factor to be taken into account in determining a director's independence, the Board views Don as independent for the following reasons:

- consistent with the policies of MinterEllison, since his appointment as a Director, Don has not been involved in the provision of legal advice by MinterEllison to Webjet;
- neither his previous remuneration as a partner of MinterEllison, nor his current remuneration as a consultant of the firm, has been or will be dependent on the professional fees paid by Webjet to MinterEllison;
- the fees paid to MinterEllison for services provided by it during the past 3 years have not been material (within the context of the materiality benchmarks set by the Board) to either Webjet or MinterEllison; and
- commensurate with the nature and scope of its businesses, Webjet has a legal panel for the provision of legal services (i.e. MinterEllison is not the only law firm to provide legal services to the Webjet Group).

Further, the Board notes that, regardless of the view taken regarding Don's independence as a Director, given the recent changes to its Board, it is in compliance with Recommendation 2.4 that the majority of its Board should be independent directors.

Mr Brad Holman, BCom (University of Western Australia) – Resolution 3

Senior Independent Non-Executive Director, Chairman of Audit Committee and Member of Remuneration Committee

Brad Holman has over 20 years' experience working in and providing services to the travel industry, including 9 years as President for Travelport's Asia Pacific, Europe, Middle East and African Operations. More recently, Brad was the President for International Markets for Blackbaud, a NASDAQ listed software and services company specifically focused on serving the non-profit community. In that role, Brad was responsible for developing and leading the company's international business and new market entry strategies. Brad left Blackbaud in November 2015 after five years in that role.

Brad brings to the Company broad management, commercial and operational experience in the travel sector and in the regions where Webjet operates, particularly in Australia, Europe, the Middle East and Africa. He also brings expertise in online businesses.

Brad was appointed to the Webjet board on 19 March 2014. He is the Chair of the Audit Committee, a member of the Remuneration Committee and the company's Senior Independent non-executive Director.

The Board has assessed Brad's position and considers him to be independent.

Mr Rajiv Ramanathan, MBA (Harvard University), MSc, BSc (Northwestern University) – Resolution 4

Independent Non-Executive Director, Member of Audit Committee

Rajiv Ramanathan has 20 years of experience in industries spanning payments, enterprise software and management consulting. Based in Singapore, Rajiv is currently Head of Products, Asia Pacific, with Visa Inc. Prior to Visa, he held roles at Ariba (an SAP company) and has also worked as a consultant with the Boston Consulting Group.

Rajiv brings to the Company broad management, commercial and operational experience in payments, software and technology companies, which broadens the experience of the board in these areas. In addition, Rajiv's experience in B2B businesses and working in and expanding businesses in international markets are of particular relevance to Webjet.

Rajiv was appointed as a director on 21 June 2017 and is a member of the Audit Committee.

The Board has assessed Rajiv's position and considers him to be independent.

What is the Board's recommendation?

The Board unanimously recommends that Shareholders vote in favour of Resolutions 2, 3 and 4.

ISSUE OF OPTIONS TO THE MANAGING DIRECTOR MR JOHN GUSCIC (Resolution 5)

Proposed grant of Options to John Guscic

Board and management succession (and renewal) are constant agenda items for the Webjet Board. With the impending retirement from the Board in June 2017 of Webjet's founder and Chairman, Mr David Clarke, and other Board changes, the Board considered early 2017 to be an opportune time to negotiate an extension of the contract of employment of its Managing Director, Mr John Guscic. In February 2017, the Board reached agreement with Mr Guscic to extend his contract of employment for three years (from an end date of 30 June 2018 to 30 June 2021).

When doing so, consistent with the Company's objective to provide added incentive to Mr Guscic to focus on the delivery of long term total shareholder return, the Company agreed to include a new long term equity incentive in Mr Guscic's overall remuneration for the financial years ending 30 June 2018, 2019 and 2020. In broad terms, subject to shareholder approval, the Company agreed in February 2017 to issue Mr Guscic with a further 3,000,000 options (with an exercise price equal to the 90 day VWAP of the Company's shares traded on ASX in the period to 30 June 2018). In each of the financial years ending 30 June 2018, 2019 and 2020, 1,000,000 options would vest subject to Mr Guscic's continuing employment and the total shareholder return (TSR) for Webjet for the relevant year exceeding the median TSR of all companies in the S&P ASX 200 Index (excluding resource companies and listed property trusts).

Discussion of the nature of a longer term incentive (if any) for the financial year ending 30 June 2021 was deferred by agreement with Mr Guscic until 2020.

The proposed new long term incentive built on the arrangements approved by shareholders at the Company's 2014 annual general meeting which involved the grant to Mr Guscic of 3,000,000 options exercisable at prices significantly in excess of the Company's then share price. Of those options, 3,000,000 options have vested and 1,250,000 options have been exercised.

In subsequent discussions with Mr Guscic, the Company has agreed to vary the terms of Mr Guscic's new long term incentive as set out below. As such, approval is now being sought from Shareholders for the issue (following the conclusion of the Meeting) of 3,000,000 options to Mr Guscic on the terms described below. In seeking approval of the grant of the options to Mr Guscic, it is important to highlight that the securities to be issued are options and, if Mr Guscic is to benefit from the exercise of those options, he will be required to pay a significant premium over the current market price of the Shares on the ASX. Further, if some or all of the options lapse (for example, by reason of any condition attaching to the options not being satisfied), Mr Guscic will not be entitled to any compensation for the loss of the options.

The principal terms of the proposed options are as follows:

- Subject to Shareholder approval, Mr Guscic will be granted 3,000,000 options.
- Subject to satisfaction of the vesting conditions below, the options granted to Mr Guscic will vest in three equal tranches of up to 1,000,000 options each as detailed below:

Tranche 1	Up to 1,000,000 options will vest on 30 September 2018 at an exercise price of \$12.50 per share;
Tranche 2	Up to 1,000,000 options will vest on 30 September 2019, at an exercise price of \$14 per share; and
Tranche 3	Up to 1,000,000 options will vest on 30 September 2020, at an exercise price of \$16 per share.
- Mr Guscic will not be required to make any payment to the Company on the grant of the options.
- An option will lapse if Mr Guscic does not exercise the option by 30 June in the third calendar year after an option vests (for example, options vesting on 30 September 2018 would lapse on 30 June 2021).
- On exercise of an option (by payment of the exercise price), Mr Guscic will be entitled to be issued one Share.
- The options issued to Mr Guscic will not be transferable without the prior written consent of the Company.
- The options do not carry any voting entitlement or, unless the options are exercised, any right or entitlement to participate in any bonus or rights issues (should they occur).
- The options will be exercisable subject to two equally weighted performance measures which are independent and which will be tested separately.
- The options, subject to achievement of the above noted vesting conditions and payment of the applicable exercise price, will result in the issue to Mr Guscic of 3,000,000 Shares.

Vesting criteria and performance hurdles

Vesting of the options is subject to the satisfaction of the following conditions:

- Mr Guscic must remain employed by the Company on the applicable vesting date (except in certain limited circumstances including: death, disablement, redundancy, termination of employment by reason of breach by the Company or other circumstance approved by the Company); and
- the following performance hurdles will apply:
 1. **Webjet TSR Hurdle:** Vesting of 50% of the options of each Tranche (i.e. 500,000 options) is conditional upon the Webjet TSR growth achieving the upper quartile of the median of the S&P ASX 200 TSR Growth (**TSR Benchmark**) for the relevant year. If Webjet's TSR growth for the relevant year does not reach the TSR Benchmark, the following will apply:

Webjet TSR Growth as against the TSR Benchmark	Percentage of Webjet TSR Hurdle options that will vest
Upper Quartile (75%)	100%
Median to Upper Quartile (75%)	Sliding scale between 100% and 50%
Median	50%
Below Median	0%

For the purpose of this performance hurdle, the median S&P ASX 200 TSR Growth is the median of the TSR growth rate for all companies that make up the S&P ASX 200 Index on the first day (1 July) of the relevant financial year, excluding banks, resource companies and listed property trusts.

2. **Webjet EBITDA Hurdle:** Vesting of the other 50% of the options for each Tranche (i.e. 500,000 options) is conditional upon the Webjet EBITDA Growth achieving 120% of the S&P ASX 200 Average EBITDA Growth Rate for the relevant year (**EBITDA Benchmark**). If Webjet's EBITDA Growth for the relevant financial year does not reach the EBITDA Benchmark, the following will apply:

Webjet EBITDA Growth as a percentage of EBITDA Benchmark	Percentage of Webjet EBITDA Growth Hurdle options that will vest
100%	100%
100-90%	Sliding scale between 100% and 50%
90%	50%
<90%	0%

For the purpose of this performance hurdle, the S&P ASX 200 Average EBITDA Growth is the average EBITDA growth rate for all companies that make up the S&P ASX 200 Index on the first day (1 July) of the relevant financial year, excluding banks, resource companies and listed property trusts.

No options will vest in respect of the Webjet TSR or Webjet EBITDA hurdles if the respective benchmark for the relevant hurdle is negative.

Why is shareholder approval being sought?

The grant of securities to a director requires the approval of shareholders under ASX Listing Rule 10.11. ASX Listing Rule 10.11 provides that a company must not permit a director or any of his / her associates to acquire securities without Shareholder approval.

Disclosures for the purposes of ASX Listing Rule 10.11

As Mr Guscic is an executive director of the Company, the approval of Shareholders (in accordance with ASX Listing Rule 10.11) is required. Further, the Notice of Meeting must comply with ASX Listing Rule 10.13

The following disclosures are made for the purposes of ASX Listing Rule 10.13:

- the maximum number of options that will be issued to Mr Guscic under this approval is 3,000,000;

- the price payable on the issue of the options is nil and, on exercise of the options, \$12.50, \$14 and \$16 respectively;
- there is no loan proposed in relation to the proposed issue of options to Mr Guscic;
- details of the voting prohibition statement applicable to Resolution 5 are set out below; and
- if approved, it is expected the options will be issued to Mr Guscic shortly following the Annual General Meeting (and in any event, no later than 1 month after the Annual General Meeting).

Voting Exclusion Statement

Pursuant to ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by Mr Guscic or any other executive Director and any associate of Mr Guscic or any other executive Director.

However, subject to the provisions of section 250BD of the Corporations Act, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 5 if:

- (c) the proxy is either:
 - (i) a member of KMP (which includes any Director); or
 - (ii) a Closely Related Party of a member of KMP; and
- (d) the appointment does not specify the way the proxy is to vote on Resolution 5.

However, the above prohibition does not apply if the proxy is the chairperson of the Meeting and the appointment expressly authorizes the chairperson to exercise the proxy (despite the Resolution being connected directly or indirectly with the remuneration of a member of KMP).

Please note that persons referred to in paragraph (c) above, other than the chairperson, cannot vote on Resolution 5 as proxy unless given voting directions on the Proxy Form. Please direct your proxy how to vote by crossing the 'For', 'Against' or 'Abstain' box for Resolution 5 on the proxy form. If the chairperson has been appointed as your proxy, he cannot vote on Resolution 5 in the absence of directions on how to vote unless you specifically authorise him to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of KMP.

What is the Board's recommendation?

The Board has agreed, subject to Shareholder approval, to issue the options to Mr Guscic as part of his remuneration package. The options are an important part of the overall remuneration and retention strategy put in place by the Board for Mr Guscic. The Board also received advice from an independent remuneration consultant in relation to the structure of the options. It is not intended that there will be any further issues of equity securities to Mr Guscic prior to 30 June 2020. The Board (with Mr Guscic absent from its deliberations in this regard) considers the issue of the options to Mr Guscic to be appropriate and reasonable and unanimously recommends Shareholders vote in favour of Resolution 5.

RATIFICATION OF SHARE ISSUE (Resolution 6)

Resolution 6 – Ratification of issue of Shares

Background

As announced to ASX on 2 August 2017, the Company agreed to acquire all of the issued shares of JacTravel Group (Holdings) Limited (**JacTravel**). On 31 August 2017, as part of the completion of the purchase by the Company of JacTravel, the Company issued 2,624,926 Shares to the JacTravel shareholders (**JacTravel Vendors**). No JacTravel Vendor is a Director (or an associate of a Director) or other related party of the Company (within the meaning of that term in ASX Listing Rule 10.11).

The Shares issued to the JacTravel Vendors ranked equally in all respects with all other existing Shares from the date of issue.

Why is shareholder approval being sought?

Generally, under ASX Listing Rule 7.1, a listed company may, in any 12 month period, issue new securities totalling up to 15% of its issued capital without the prior approval of its shareholders.

ASX Listing Rule 7.4 provides that an issue by a listed company of securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with such approval if the issue did not breach ASX Listing Rule 7.1 at the time it was made and the Company's shareholders subsequently ratify the issue.

As the issue of the Shares to the JacTravel Vendors was not approved by shareholders at the time (i.e. approval was not required because the issue of those Shares did not breach ASX Listing Rule 7.1), the Company now seeks shareholder ratification of the issue of the Shares (pursuant to ASX Listing Rule 7.4) in order to fully refresh its ability to issue new securities (up to the 15% limit in ASX Listing Rule 7.1) without the need for prior shareholder approval under that Listing Rule.

Resolution 6, if passed, will increase the Company's financial and capital management flexibility in the future.

If Resolution 6 is not passed by shareholders, the Company, when calculating the number of securities it can issue without shareholder approval in the period prior to 1 September 2018, would need to deduct the number of Shares issued to the JacTravel Vendors from the 15% limit.

The following additional information is provided in connection with the approval sought under Resolution 6:

- *The number of securities issued* – A total of 2,624,926 Shares were issued to the JacTravel Vendors.
- *The price at which the securities were issued* – Each Share was issued at an effective price of \$10.94.
- *The principal terms of the Shares* – As set out above.
- The names of the recipients (i.e. the JacTravel Vendors of the Shares) and the number of Shares issued to each JacTravel Vendor are:

Vendor (Shareholder)	Number of Shares
Jill Travel S A R L	1,828,154
Angela Skelly	65,902
Iain Nicol Limond	58,664
Peter Clements	530,606
Paul Babai	60,815
Stuart Richard Ellis	33,803
Stuart Edward Nassos	25,614
Nicholas Williams	21,368
Total	2,624,926

- *The use of funds raised* – no funds were raised by the issue of the Shares. The issue of the Shares was in part satisfaction of the obligation of the Company to pay the purchase price payable to the JacTravel Vendors on completion of the purchase by the Company of all issued shares of JacTravel.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 6 by all recipients of the Shares and all associates of any such recipient.

However, the Company need not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote and it is cast in accordance with the directions on the voting form; or
- the person chairing the meeting as proxy for a person who is entitled to vote and it is cast in accordance with a direction on the voting form to vote as the proxy decides.

What is the Board's recommendation?

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

INCREASE IN FEE-CAP FOR NON-EXECUTIVE DIRECTORS OF THE COMPANY (Resolution 7)

The Company is proposing to increase the fee cap for non-executive Directors of the Company from \$600,000 to \$850,000 for the reasons outlined below.

Under the Constitution, the limit on the total aggregate remuneration that may be paid each year to the non-executive Directors is fixed by ordinary resolution approved by the Shareholders in general meeting. At present, the maximum aggregate remuneration per annum that may be paid to the non-executive Directors is \$600,000. The current total aggregate remuneration that may be paid to non-executive directors of \$600,000 was approved by shareholders five years ago at the Company's 2012 AGM.

The increase in the total aggregate remuneration at the Company's 2012 AGM allowed the Directors' remuneration to be set at a level that reflected the added responsibilities, complexities, obligations and risks of being a Director of the Company and in the broader commercial context in which the Company operated. Since the increase was approved by shareholders at the Company's AGM five years ago, the Company has continued to grow into an S&P ASX 200 company with global operations across both B2B and B2C businesses.

In FY2017, the total aggregate remuneration paid to non-executive Directors was \$561,192. The individual remuneration paid to each non-executive Director for FY2017 is set out in the Remuneration Report.

The Company is **not** seeking to increase the fees payable to non-executive Directors for FY2018 and based on the current Board and Committee membership, the aggregate of the non-executive Director base and Committee fees is not expected to exceed \$568,092 for FY2018. The Company does not therefore intend to utilise the maximum aggregate amount of the increase in fee-cap immediately.

The Board is seeking shareholder approval to increase the maximum aggregate remuneration for the following reasons:

- the Company has committed to improve the diversity of the Board and accordingly, the Board intends to recruit an additional female non-executive Director in FY2018;
- to attract and retain high calibre individuals to oversee the strategic and operational challenges of the Company; and
- to allow flexibility for future adjustments of non-executive Director remuneration in line with market value due to the extra scale and complexity of the business, which is adding new dimensions to the role of Directors.

It is for the above reasons that the Directors wish to increase the cap on the maximum aggregate remuneration able to be paid annually to its non-executive Directors to \$850,000 per annum (an increase of \$250,000 over the current maximum limit).

If approved by Shareholders, the increased fee cap will apply immediately following the Meeting.

Voting Exclusion Statement

Pursuant to ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 7 by any Director and any associate of any such Director.

However, subject to the provisions of ASX Listing Rule 14.11, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote and it is cast in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote and it is cast in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 7 if:

- (c) the proxy is either:
 - (i) a member of KMP (which includes any Director); or
 - (ii) a Closely Related Party of a member of KMP; and

- (d) subject to the following paragraph, the appointment does not specify the way the proxy is to vote on Resolution 7.

The above prohibition does not apply if the proxy is the chairperson of the Meeting and the appointment expressly authorises the chairperson to exercise the proxy (despite the Resolution being connected directly or indirectly with the remuneration of a member of KMP and is a matter in which he has an interest in the outcome).

Please also read the information under the heading 'Appointing the chairperson as your proxy' which (among other things) deals with the Chairman's voting of proxies on Resolution 7.

What is the Board's recommendation?

The Board considers the increased fee cap to be appropriate and reasonable and recommends you vote in favour of Resolution 7.

HOW TO VOTE

To vote on the Resolutions, Shareholders will need to do one of the following:

EITHER:

Attend the Meeting,

OR

Complete the enclosed Proxy Form and return it by facsimile or mail or register to vote online and, in each case, the completed Proxy Form must be received, or the online registration must have occurred, by no later than 11.00am (Melbourne time) on 20 November 2017):

- | | |
|--------------------------|---|
| BY MAIL to: | Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001 |
| BY FACSIMILE to: | Computershare Investor Services Pty Ltd
(from within Australia) 1800 783 447
(from outside Australia) +61 3 9473 2555 |
| ONLINE: | by visiting www.investorvote.com.au and following the instructions and information provided on the enclosed Proxy Form |
| CUSTODIAN VOTING: | For Intermediary Online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions |

QUERIES

If you have any queries about the Meeting, the 2017 financial statements to be put to the Meeting or the Resolutions being considered at the Meeting, please contact the Company Secretary by telephone on +61 3 9828 9554



Michael Sheehy
Company Secretary
WEBJET LIMITED

Dated: 20 October 2017

GLOSSARY

In this Notice and Explanatory Statement:

Annual General Meeting or **AGM** or **Meeting** means the annual general meeting of the Company to be held at the Corporate Office of Webjet Limited - Level 2, 509 St Kilda Road, Melbourne, Victoria at 11.00am (Melbourne Time) on 22 November 2017.

Annual Report means the annual report of Webjet for the financial year ended 30 June 2017.

Auditor's Report means the auditor's report for the financial year ended 30 June 2017, as set out in the Annual Report.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.

ASX Listing Rules means the official listing rules of ASX.

BDO means the auditor of the Company, BDO Audit (SA) Pty Ltd.

Board means the board of directors of the Company.

Closely Related Party means, in relation to a member of KMP, any of the following:

- a spouse, child or dependant of the member;
- a child or dependant of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations (as at the date of this notice, no additional persons have been prescribed by regulation).

Company or **Webjet** means Webjet Limited ABN 68 002 013 612.

Corporations Act means *Corporations Act 2001* (Cth).

Directors mean the directors of the Company and **Director** means any one of them.

Explanatory Statement means this explanatory statement that accompanies, and is incorporated as part of, the Notice.

Financial Report means the financial report of the Company for the financial year ended 30 June 2017, as set out in the Annual Report.

KMP means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of key management personnel include the Directors (both executive and non-executive) and certain senior executives of the Company.

Notice or **Notice of Meeting** means this Notice of Annual General Meeting and the accompanying Explanatory Statement.

Remuneration Report means remuneration report for the financial year ended 30 June 2017, as set out in the Annual Report.

Resolution means a resolution set out in the Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of at least one Share.

Share Registry means Computershare Investor Services Pty Ltd.

