

ASX Release.

Long Term Incentive Plan

2 September 2020

Webjet Limited (**Webjet** or **Company**) (ASX: WEB) announces today that it proposes to introduce a new Long-Term Incentive Plan (**LTIP**) for its senior executives and key personnel.

Long Term Incentive Plan

Webjet's senior executive team and employees are working to place the Company in the best possible position to deliver value for shareholders when the travel industry recovers from the COVID-19 pandemic. Fixed remuneration has been cut, FY20 short-term incentives have been cancelled, as have all long-term incentive equity grants.

Recognising the sacrifices the executive team have made to assist the Company, and to assist in retaining personnel who are both sought-after and will be essential to driving the business forward, the Webjet Board proposes to introduce a new LTIP, and to make both long term incentive (**LTI**) and retention grants under it.

LTI Grant – Managing Director

Webjet will make an LTI grant to John Guscic, the Managing Director of Webjet, comprising options to acquire fully paid ordinary shares in Webjet which vest in three equal tranches over the next three years, subject to his continued employment and Webjet achieving certain share price targets. The terms and conditions of the new LTI grant (which are attached) will be subject to shareholder approval.

LTI Grants – Executive and Key Staff

Retention of Executive Team

The Board has agreed to make a one-off retention grant of performance rights to a small group of Webjet senior management personnel (excluding Mr. Guscic). These rights, which will convert into fully paid ordinary shares, will vest in three equal tranches over the next three years subject only to the relevant senior management personnel remaining employed by the Company.

Long term incentive grants

Webjet also proposes to replace the cancelled LTI equity grants with a new, broader-based grant of options. These grants will replicate the Company's LTI practice over the past four years but will involve a broader group of key personnel and, given the current uncertainty as to when and how quickly the travel sector will recover from the pandemic, provide for vesting conditions which are based on Webjet achieving certain share price targets.

The Board considers the new LTIP and proposed LTI grants to be critical to ensuring Webjet retains key talent within the Company as the global travel industry recovers. The grants are an important part of incentivising key personnel to generate long term shareholder value - they align management more closely with shareholders; they are non-cash and, equally importantly, provide a reward for the effort put in by the management team in negotiating the Company through one of the toughest environments ever faced by the travel sector. The Board believes the LTI grants are in the best interests of all shareholders.

Webjet proposes to seek shareholder approval for the LTIP Plan, and the new LTI grant to be made to Mr. Guscic, at the Webjet's 2020 AGM on 22 October 2020.

This announcement has been approved for release to the ASX by the Board of Directors.

Key terms of proposed option grant to John Guscic

Recipient	John Guscic, Managing Director
LTI	4.5 million options to acquire fully paid ordinary shares in Webjet
Key terms of options	<p><i>Exercise price:</i> \$3.08 based on the 30-day VWAP ending 19 August 2020 (being the day of release of Webjet's 2020 Annual Report)</p> <p><i>Vesting:</i> One third of the options to vest on each anniversary of the grant date for a period of 3 years, provided the following share price targets (based on an agreed VWAP to date of vesting) are achieved:</p> <ul style="list-style-type: none"> • First year: \$3.08 plus 10% growth • Second year: First year vesting price plus 10%; and • Third year: Second year vesting price plus 10%. <p><i>Exercise period:</i> 3 years from vesting date</p>
Other Conditions	Claw back and Change in Control
Approvals required:	Approval of the Board and Shareholders