



web travel group

# Independence of Directors Policy.

## Brief Description

This policy defines how the Board of Web Travel Group Limited assesses the independence of each Director.

### 1. Background

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Web Travel Group Limited is committed to adopting the highest standards of corporate governance. Those standards require that a majority of the members of the Board of Directors (including the Chair) are independent of Web Travel Group Limited or any of its controlled subsidiaries (**Web Travel Group**), and that a majority of members of the Risk, Audit and Remuneration Committees of the Board are similarly independent.

This policy has been developed after consideration of corporate governance standards in Australia, the United Kingdom and the United States.

### 2. Purpose

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The purpose of this policy statement is to:

- specify the test that will be used by the Board to assess the independence of each Director;
- identify the information that will be collected from each Director to make the assessment of independence; and
- outline the disclosure to shareholders of the assessment of independence of Directors, including the disclosure of any relationships and associations that may be perceived to affect the independence or objectivity of a Director.

### 3. Test of 'independence'

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Web Travel Group Limited is listed on Australian Securities Exchange (ASX).

The test of independence that will be used by the Board of Web Travel Group to determine the independence of Directors is whether the Director is:

'independent of management and of any business interest, position, association or other relationship that could materially influence (or be reasonably perceived to materially influence) the exercise of objective, unfettered or independent judgement by the Director or the Director's ability to act in the best interests of Web Travel Group or its shareholders generally.'

### 4. Information collected by the Board to assess independence

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All facts and circumstances will be considered in determining the independence of a Director under the above test. With respect to the independence of Directors who serve on Board Committees, the Board will consider, in particular, all facts and circumstances relating to the Director's independence from management in connection with his or her duties on such Committees, including the source of compensation of the Director and whether the Director is associated in any way with management of Web Travel Group.

It is not possible to explicitly provide for all circumstances that will indicate a conflict of interest or a material relationship. However, a Director will normally be considered to be independent if he or she meets all the criteria described below.

It should be noted that a Director may be considered by the Board to be independent where the Director does not meet one or more of the criteria specified below or where any other relationships or circumstances exist which appear relevant to the Board's assessment of independence. The Board reserves its right to make such an assessment and disclose it as described in section 5.

Directors will update the Board with any new information in relation to interests or relationships relevant to independence. The Board will assess the independence of Directors upon appointment and then annually and will re-assess determinations of independence when any new interests or relationships are disclosed by a Director

The criteria on which independence is to be judged are:

- (a) the Director is not a member of management of Web Travel Group and, if the Director was previously a member of management of Web Travel Group, he or she ceased to hold that management position not less than 3 years prior to the commencement of the relevant financial year;
- (b) the Director is not, and does not have close family ties with someone who is, a substantial shareholder in any entity within Web Travel Group or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder in Web Travel Group.

For the purpose of this policy:

A "substantial shareholder" means the holder of more than 5% of the shares entitled to vote in an entity.

An "officer" is:

- (i) a director or secretary of the corporation; or
- (ii) a person:
  - (A) who performs a policy making function; or
  - (B) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the corporation; or
  - (C) who has the capacity to affect significantly the corporation's financial standing; or
  - (D) in accordance with whose instructions or wishes the directors of the corporation are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person's professional capacity or their business relationship with the directors of the corporation); or
- (iii) a receiver, or receiver and manager of the property of the corporation; or
- (iv) an administrator or liquidator of the corporation; or
- (v) an administrator of a deed of company arrangement executed by the corporation;
- or
- (vi) a trustee or other person administering a compromise or arrangement made between the corporation and someone else.
- (c) within the last 3 years the Director, or someone with whom the Director has close family ties, has not been employed in a senior management position by any entity within Web Travel Group or been a Director of any company within Web Travel Group after ceasing to hold such employment;
- (d) the Director does not hold a cross-directorship or have any significant links with other Directors through involvement in other companies or bodies which cross-directorships or links would materially interfere with the Director's objective, unfettered or independent judgement or ability to act in the best interests of Web Travel Group;
- (e) the Director has not served on the Board of Web Travel Group for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Web Travel Group;
- (f) the Director has not accepted, within the last 3 years, from any member of Web Travel Group, directly or indirectly, any consulting, advisory or other compensatory fee other than in the capacity as a Director;
- (g) the Director does not participate in any share based incentive scheme or performance related pay scheme of Web Travel Group. This criteria does not preclude the payment of all or a part of the Director's remuneration in the form of shares;
- (h) the Director, or someone with whom the Director has close family ties, has not, within the last 3 years, been a partner, director or senior employee of a provider of material professional services (including the external auditor) to any member of Web Travel Group. This criteria does not preclude a Director being determined to be independent where the Director is a non-substantial shareholder of the service provider or to a Director who is a limited partner, non-managing member or occupies a similar position and, in each case, has no active role in providing services to Web Travel Group and the payments received from Web Travel Group account for no more than 1% of the provider's consolidated gross revenue per annum;
- (i) the Director, or someone with whom the Director has close family ties, has not been a partner, principal or employee of the external auditor and materially associated with the audit within the last 3 years;

- (j) the Director, or someone with whom the Director has close family ties, is not, and has not within the last 3 years been, a material supplier or customer of Web Travel Group or an officer, substantial shareholder of or otherwise associated directly or indirectly with a material supplier or customer. A supplier or customer will be material if payments received from, or made to, Web Travel Group account for more than 1% of the supplier's or customer's consolidated gross revenue per annum; and
- (k) the Director, or someone with whom the Director has close family ties, has no other material contractual relationship with a member of Web Travel Group (other than as a Director of Web Travel Group).

The test of whether a relationship or business is 'material' will be based on the nature, circumstances and activities of the Director having regard to the guidelines above. Materiality will be considered from the perspective of Web Travel Group, the persons or organisations with which the Director has an affiliation and from the perspective of the Director.

All Directors - whether independent or not - are expected to bring an independent judgement to bear on Board decisions.

## 5. Disclosure

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The Board will make the following disclosure to shareholders in the Web Travel Group Annual Report.

- independent and non-independent Directors (and any change in status that occurred during the year) will be identified and their period of office will be stated.
- any assessment of independence for a Director who does not meet the criteria above, or any other relationships or circumstances exist which appear relevant to the Board's assessment of independence, will be specifically explained.

Independent and non-independent Directors standing for election or re-election will also be identified in the Notice of Annual General Meeting.

If the Board's assessment of a Director's independence changes, that change will be disclosed in a timely manner through an ASX announcement.

## 6. Additional Information

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If you have any questions arising from this Policy, you may contact the Company Secretary.

Approved by the Board of Web Travel Group.

