

## **HELLOWORLD TRAVEL LIMITED**

### **BOARD CHARTER**

#### **Overview**

1. The Board is primarily responsible for ensuring that Helloworld Travel Limited has an appropriate corporate governance structure to ensure the creation and protection of shareholder value.
2. The Board is also responsible for ensuring that Management recognises and supports Helloworld Travel Limited's legal and other obligations to all legitimate stakeholders. "Stakeholders" are groups that are likely to feel a social, environmental, economic or financial impact from Helloworld Travel Limited's actions. They include shareholders, customers, suppliers, employees, government regulators and members of the communities where Helloworld Travel Limited operates and are affected by Helloworld Travel Limited's activities.
3. Helloworld Travel Limited's obligations to its Stakeholders require that appropriate accountability and control systems are in place.
4. This Board Charter explains Helloworld Travel Limited's commitment to corporate governance. It is not an "all inclusive" document and should be read as a broad expression of principles. The Board will review and update this Charter at least every two years.
5. Helloworld Travel Limited endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 3<sup>rd</sup> Edition (ASX Principles) issued in March 2014. Helloworld Travel Limited will review its governance arrangements to ensure the company is in a position to endorse the 4<sup>th</sup> Edition of the ASX Principles at or prior to 1 July 2020.

#### **The Helloworld Travel Limited Constitution**

6. The Helloworld Travel Limited Constitution is Helloworld Travel Limited's key governance document. The Board must ensure that it and Helloworld Travel Limited comply at all times with the provisions of the Constitution.

#### **Compliance with Laws**

7. As a public company listed on the Australian Securities Exchange (ASX), Helloworld Travel Limited must comply with the Corporations Act, the ASX Listing Rules as well as all other applicable laws and statutes. Examples of applicable areas of regulation include:
  - a. occupational health and safety legislation;
  - b. employment related laws;
  - c. environmental protection legislation;
  - d. anti-discrimination legislation;
  - e. taxation legislation;
  - f. the Competition and Consumer Act 2010;
  - g. privacy legislation; and
  - h. franchising code of conduct.
  - i. whistleblower protection legislation

8. As a company operating in numerous jurisdictions, Helloworld Travel Limited must ensure that it is aware of and complies with all applicable laws and statutes in those jurisdictions.

### **Composition of the Helloworld Travel Limited Board**

9. Helloworld Travel Limited's constitution provides the Board is to be comprised of a minimum of 3 Directors.
10. The Chairperson is to be an Independent Non-Executive Director<sup>1</sup>.

### **Meetings**

11. The Board is to meet as requested by the Chairman.
12. A quorum for a Board meeting is 2 Directors<sup>2</sup>.
13. Meetings of the Board may be held using any means of audio or audio-visual communication by which each Director can hear and be heard by each other Director participating.

### **Duties and Responsibilities**

14. The Helloworld Travel Limited Board is responsible for setting and monitoring the strategic direction of Helloworld Travel Limited and monitoring the implementation of that strategy by the management team, including<sup>3</sup>:
- a. oversight of Helloworld Travel Limited, including its control and accountability systems;
  - b. appointing and removing the CEO;
  - c. appointing and removing the CFO (based on the recommendation of the CEO);
  - d. approving the appointment and removal of the Company Secretary;
  - e. Board and Executive Management development and succession planning;
  - f. input into and final approval of corporate strategy;
  - g. input into and final approval of the annual operating budget (including the capital management budget);
  - h. approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestitures;
  - i. monitoring compliance with all legal, tax and regulatory obligations;
  - j. reviewing and ratifying systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
  - k. satisfying itself that management has developed and implemented a sound system of risk management and internal control;
  - l. at least annually, reviewing the effectiveness of Helloworld Travel Limited's implementation of its risk management system<sup>4</sup> ;
  - m. monitoring senior management's performance and implementation of strategy and policies, ensuring appropriate resources are available;
  - n. approving and monitoring financial and other reporting to the market;
  - o. appointment, reappointment or replacement of the external auditor;
  - p. overseeing the company's process for making timely and balanced disclosure of all material information concerning the company; and
  - q. having and disclosing a Board skills matrix<sup>5</sup>.
15. In discharging his/her duties, each Director must;
- a. exercise care and diligence;

---

<sup>1</sup> ASX Principles, Recommendation 2.5

<sup>2</sup> Helloworld Travel Limited Constitution, clause 12.5

<sup>3</sup> Based on ASX Principles, Recommendation 1.1, Commentary

<sup>4</sup> ASX Principles, Recommendation 7.2, Commentary

<sup>5</sup> ASX Principles, Recommendation 2.2

- b. act in good faith in the best interests of Helloworld Travel Limited;
  - c. not improperly use his/her position or misuse information of Helloworld Travel Limited;  
and
  - d. commit the time necessary to discharge effectively his/her role as a Director.
16. All Directors (including Executive Directors) are entitled to be heard at all Meetings and should bring an independent judgement to bear in decision-making.
17. Non-Executive Directors should confer at least annually without Management present.
18. The Directors will:
- a. at once every two years review this Charter and approve any required amendments including those required to comply with the ASX Principles and Recommendations; and
  - b. review the Board's performance during the previous 12 months.

### **Committees**

19. To assist the Board in fulfilling its duties and responsibilities, it has established three Committees:
- a. Remuneration Committee;
  - b. Nomination & Governance Committee; and
  - c. Audit and Risk Committee
20. Each Committee has a formal Charter.
21. With the exception of certain limited delegations contained in their Charters, recommendations of the Committees are to be referred to the Board for approval.

### **Remuneration Committee<sup>6</sup>**

22. The Remuneration Committee assists the Board in regard to:
- a. Executive Directors and Executive Management remuneration and remuneration frameworks including any proposed incentive awards;
  - b. Recommendations on remuneration for Executive Management;
  - c. Recommendations on all incentive awards;
  - d. Decisions on remuneration for the Senior Management Team;
  - e. Executive Management succession planning, appointments and terminations;
  - f. Approve and monitor compliance with diversity and inclusion obligations and reporting;
  - g. remuneration policies for Non-Executive Directors; and
  - h. Strategic human resources policies.

### **Nominations & Governance Committee**

23. The Nominations & Governance Committee assists the Board in relation to:
- a. Composition of the Board;
  - b. Board renewal;
  - c. Non-Executive Director appointments including re-elections;
  - d. Evaluating Board, Board Committee and individual Director performance;
  - e. Directors' induction and continuing professional development programs;<sup>7</sup>
  - f. Committee membership;
  - g. Executive Directors appointments and terminations;
  - h. Assessing whether a Director is independent; and
  - i. other matters referred to the Committee by the Board.

---

<sup>6</sup> ASX Principles, Recommendation 2.1, Commentary and Recommendation 8.1, Commentary

<sup>7</sup> ASX Principles, Recommendation 2.1, Commentary

## **Audit and Risk Committee**

24. The Audit and Risk Committee assists the Board in regard to<sup>8</sup>:
- a. the reliability and integrity of information for inclusion in Helloworld Travel Limited's financial statements;
  - b. enterprise-wide risk management (other than the risk management issues dealt with the Board) including assessing and overseeing the management of any material exposure to economic, environment and social sustainability risks;
  - c. compliance with legal and regulatory obligations;
  - d. the integrity of Helloworld Travel Limited's internal control framework;
  - e. safeguarding the independence of the external and internal auditors; and
  - f. receiving regular briefings on accounting standards.

## **The Chairperson**

25. The Chairperson:
- a. is to be a Non-Executive Director;
  - b. is not to exercise the role of CEO of Helloworld Travel Limited<sup>9</sup>; and
  - c. is not to have previously held the position of CEO of Helloworld Travel Limited.
26. The Chairperson is responsible for<sup>10</sup>:
- a. leadership of the Board;
  - b. overseeing the Board in the effective discharge of its supervisory role;
  - c. the efficient organisation and conduct of the Board's function and meetings;
  - d. facilitating the effective contribution of all Directors;
  - e. briefing of all Directors in relation to issues arising between Meetings;
  - f. the promotion of constructive and respectful relations between Board Members and between the Board and Management;
  - g. committing the time necessary to discharge effectively his/her role as Chairperson; and
  - h. ensuring that there is regular and effective evaluation of the Board's, Board Committees and individual Director performance.

## **Independence of Directors**<sup>11</sup>

27. Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationship and are willing to express their opinions at the board table free of concern about their position or the position of any third party.
28. The Helloworld Travel Limited Board does not believe it is possible to draft a list of criteria which are appropriate to characterise, in all circumstances, whether a Non-Executive Director is independent. It is the approach and attitude of each Non-Executive Director which is critical and this must be considered in relation to each Director while taking into account all other relevant factors, which may include whether the Non-Executive Director:
- a. is a substantial shareholder (within the definition of section 9 of the Corporations Act) of Helloworld Travel Limited, or an officer of, or otherwise associated directly with, a substantial shareholder of Helloworld Travel Limited;
  - b. has, within the last three years, been employed in an executive capacity by Helloworld Travel Limited;
  - c. has, within the last three years, been a principal of a material professional adviser or a material consultant to Helloworld Travel Limited or an employee materially associated with the service provided;

---

<sup>8</sup> ASX Principles, Recommendation 4.1, Commentary

<sup>9</sup> ASX Principles, Recommendation 2.5

<sup>10</sup> ASX Principles, Recommendation 2.6, Commentary

<sup>11</sup> Based on ASX Principles, Recommendation 2.3, Commentary, Box 2.3

- d. has within the last three years been a material supplier or customer of the Helloworld Travel Limited group, or an officer of or otherwise associated directly or indirectly with, a material supplier or customer;
  - e. has any material contractual relationship with the Helloworld Travel Limited group other than as a Director;
  - f. has served on the Board for a period which could materially interfere with the Director's ability to act in the best interests of Helloworld Travel Limited (and it is neither possible nor appropriate to assign a fixed term to this criteria);
  - g. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, interfere materially with the Director's ability to act in the best interests of Helloworld Travel Limited; or
  - h. has close family ties with any person who falls within any of the categories described above
29. The materiality thresholds taken into account when considering the independence of Non-Executive Directors are:
- a. for Directors:
    - i. a relationship that accounts for more than 10% of the Director's gross income (other than Director's Fees paid by Helloworld Travel Limited); and
    - ii. when the relationship is with a firm, company or entity, in respect of which the Director (or any associate) has more than a 20% shareholding if a private company or 2% shareholding if a listed company; and
  - b. for Helloworld Travel Limited:
    - i. in respect of advisers or consultants – where fees paid exceed \$2 million per annum;
    - ii. in respect of suppliers – where goods or services purchased by the Helloworld Travel Limited group exceed \$1.0 million per annum (other than banks, where materiality must be determined on a case by case basis); and
    - iii. in respect of customers – where goods or services supplied by Helloworld Travel Limited group exceed \$1.0 million per annum.
30. Family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence and should be disclosed by Directors to the Board.
31. In determining whether a Non-Executive Director is independent, simply being a non-executive director on the board of another entity is not, in itself, sufficient to affect independence. Nevertheless, any Director on the board of another entity is expected to excuse him or herself from any meeting where that entity's commercial relationship with the Helloworld Travel Limited group is directly or indirectly discussed.
32. The Board will assess the independence or changes to a Director's independence through the Nominations and Governance Committee at least annually.
33. Notwithstanding the above paragraph these guidelines must be applied with common sense. Directors are best able to determine if they have an interest or relationship which is likely to impact on their independence. As such, each Director is expected to advise the Chairperson immediately if he/she believes they may no longer be independent. Should the Chairperson or any other Director have any concern about the independence of a Director, they must immediately raise the issue with that Director and, if the issue is not resolved, with the Board.
34. Should the Chairperson have any concern about his/her own independence, he/she must immediately raise the issue with the Board.
35. Each Director must immediately disclose to the Chairperson (with a copy to the Company

Secretary) all information relevant for determining whether the Director is independent, including details of entities in which the Director has a material, direct or indirect shareholding (or other interest), is an executive officer or is a director.

36. In the preparation of the Agenda for each Board Meeting, the Chairperson and Company Secretary need to be sensitive to disclosed interests and consider whether it is appropriate to withhold part or all of an agenda item (including any relevant Papers) from any Director because of a perceived or actual conflict. If the Chairperson decides to withhold part or all of an agenda item from a Director, he/she must advise the Director at the time of dispatch of the relevant Board Paper.
37. Directors are to inform the Chairperson prior to a Director accepting any new appointment to a listed entity's board, or in relation to the Chairman, that information is to be provided to the Board.
38. Where the independent status of a Director is lost, this is to be immediately disclosed to the market via the ASX.

### **Access to Information and Independent Advice**

39. The Board and Committees must be provided with the information they need to discharge their responsibilities efficiently.
40. Management must supply the Board and Committees with information in a form, timeframe and quality that enables them to discharge their duties effectively. All Directors are to receive copies of Committee Papers.
41. Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any employee of the Helloworld Travel Limited group and all employees must comply with such requests. It is expected that any significant issues are communicated to the Chairperson, CEO, CFO or Company Secretary.
42. Any Director may take such independent legal, financial or other advice as they consider necessary at Helloworld Travel Limited's cost. Any Director seeking independent advice must first discuss the request with the Chairperson who will facilitate obtaining such advice and, where appropriate, dissemination of the advice to all Directors.

### **Director Share Trading**

43. The Helloworld Travel Limited Share Trading Policy imposes restrictions on the trading of financial products (for example, shares, options or warrants) by any Directors or employees in possession of undisclosed price sensitive information. In addition, the Share Trading Policy imposes additional restrictions on Directors and key employees in relation to non-trading periods and obtaining clearance to trade.

### **Appointment and Removal of Directors**

44. The Board should be of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interest of Helloworld Travel Limited as a whole rather than of individual shareholders or other stakeholders.
45. The Nominations & Governance Committee is responsible for making recommendations to the Board relating to the appointment and retirement of Directors.
46. A new Director will receive a formal Letter of Appointment setting out the key terms and conditions relative to the appointment, including as a minimum:
  - a. The time commitment envisaged, including expectations regarding involvement with

- committee work and any other special duties attaching to the position;
- b. Remuneration including superannuation entitlements;
- c. The requirement to disclose Directors' interests and any matter which effects the Director's independence;
- d. The requirement to comply with key corporate policies: and
- e. Provide details to the Directors of the circumstances under which the director's office will become vacant.

### **Director Protection Deeds**

- 47. The Constitution indemnifies each Director to the fullest extent permitted by law.
- 48. Each Director is entitled to a Director Protection Deed which will include provisions relating to:
  - a. access to Board Papers;
  - b. confidentiality;
  - c. indemnity by Helloworld Travel Limited; and
  - d. the provision of Directors and Officers Insurance.

### **Responsibilities of the Chief Executive Officer (CEO)**

- 49. The CEO is responsible for the day-to-day management of Helloworld Travel Limited with all powers, discretions and delegations authorised, from time to time, by the Board.
- 50. The CEO is to have a formal Employment Agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.
- 51. At each Meeting where the Board approves the Half-Year, Full-Year Financial Statements or at any other time the Board considers financial statements, the CEO must provide the Board with a written declaration which includes a declaration whether, in the CEO's opinion:
  - a. the financial records of Helloworld Travel Limited for the reporting period have been properly maintained in accordance with section 286 of the Corporations Act;
  - b. the financial statements and the notes referred to in paragraph 295(3)(b) of the Corporations Act, for the reporting period comply with the accounting standards;
  - c. the financial statements and notes for the reporting period give a true and fair view<sup>12</sup>;
  - d. declaration c. is founded on a sound system of risk management and internal control which implements the policies adopted by the Board; and
  - e. Helloworld Travel Limited's risk management and internal control system is operating effectively in all material respects<sup>13</sup>.

### **Responsibilities of the Chief Financial Officer (CFO)**

- 52. The CFO is to have a formal Employment Agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.
- 53. At each Meeting where the Board approves the Half-Year and Full-Year Financial Statements or at any other time it considers financial statements, the CFO must provide the Board with a written declaration which includes a declaration whether, in the CFO's opinion:
  - a. the financial records of Helloworld Travel Limited for the reporting period have been properly maintained in accordance with section 286 of the Corporations Act;
  - b. the financial statements, and the notes referred to in paragraph 295(3)(b) of the Corporations Act for the reporting period comply with the accounting standards;
  - c. the financial statements and notes for the reporting period give a true and fair view<sup>14</sup>;
  - d. declaration c. is founded on a sound system of risk management and internal control

---

<sup>12</sup> Section 295A of the Corporations Act

<sup>13</sup> ASX Principles, Recommendation 4.2

<sup>14</sup> Section 295A of the Corporations Act

- which implements the policies adopted by the Board<sup>15</sup>; and
- e. Helloworld Travel Limited's risk management and internal control system is operating effectively in all material respects<sup>16</sup>.

### **Written Resolutions**

54. Written Resolutions:

- a. are to be sent to all Directors entitled to receive reasonable notice of Board Meetings;
- b. are not to be implemented until assented to by all of the Directors in receipt of the Written Resolution in question.

### **Helloworld Travel Limited Standards of Conduct<sup>17</sup>**

55. The Board has adopted, and from time to time amends, the Helloworld Travel Limited Standards of Conduct. This is a formal code of conduct and ethics to be observed by all Directors, employees, consultants and any other person when they represent Helloworld Travel Limited.
56. The Helloworld Travel Limited Standards of Conduct governs the commercial operations of Helloworld Travel Limited and deals with compliance in the following areas of conduct:
- Discrimination, Harassment, Bullying, Victimisation, Unacceptable Behaviour, Misconduct and Serious Misconduct;
  - Compliance with laws, Regulations and Ethical Standards, Political Donations and Prohibited Payments, Giving or Receiving Gifts, Conflicts of Interests, Theft, Fraud and Removal of Property;
  - Accounting Records, Retention and Storage of Records, Dealing with Auditors;
  - Making Public Statements about Helloworld Travel Limited, Use of Confidential Information, Privacy

### **Continuous Disclosure Policy<sup>18</sup>**

57. To ensure compliance with the relevant provisions of the Corporations Act and ASX Listing Rules, the Board has adopted, and from time to time amends, the Continuous Disclosure Policy. This is a formal Policy designed to ensure that all employees are aware of the continuous disclosure obligations of Helloworld Travel Limited.

### **Financial Results**

58. As part of Helloworld Travel Limited's continuous disclosure obligations, Helloworld Travel Limited must provide commentary on its financial results to enhance the clarity and balance of the report. This commentary should include information needed by a sophisticated investor to make an informed assessment of Helloworld Travel Limited's activities and results.
59. As part of its review of operations and activities as required by Listing Rule 4.10.17, Helloworld Travel Limited will conduct its review in accordance with the Group of 100 publication which is reproduced in ASX Guidance Note 10 - Review of Operations and Activities. The company also has reference to ASIC Regulatory Guide RG247 Effective disclosure in an operating and financial review, in its annual reporting.

### **Shareholder Communications Policy<sup>19</sup>**

---

<sup>15</sup> ASX Principles, Recommendation 4.2

<sup>16</sup> ASX Principles, Recommendation 4.2

<sup>17</sup> ASX Principles, Recommendation 3.1

<sup>18</sup> ASX Principles, Recommendation 5.1

<sup>19</sup> ASX Principles, Recommendation 6.2.



60. The Board has adopted, and from time to time will amend, the Shareholder Communications Policy. The Shareholder Communications Policy is designed to promote effective communication with shareholders and encourage effective participation at General Meetings.
61. Beneficial owners of Helloworld Travel Limited shares are encouraged to contact the Helloworld Travel Limited Share Registry to arrange the direct receipt of shareholder materials.

### **Corporate Governance Website**<sup>20</sup>

62. As part of an effective communications strategy, Helloworld Travel Limited will maintain and keep current the Corporate Governance section on the Helloworld Travel Limited Website, such page to include links to the names, photographs and brief biographical information for each Director and senior executive, the constitution, Board and board committee charters and any other corporate governance document which may be relevant to enabling a shareholder to exercise their rights as a security holder of Helloworld Travel Limited.

### **External Auditor**<sup>21</sup>

63. The external auditor must attend the Annual General Meeting of Helloworld Travel Limited and must be available to answer questions about:
  - a. the conduct of the audit;
  - b. the preparations and content of the Auditor's Report;
  - c. the accounting policies adopted by Helloworld Travel Limited in relation to the preparation of the financial statements; and
  - d. the independence of the external auditor in relation to the conduct of the audit.

### **Internal Auditor**<sup>22</sup>

64. The Board and/or Audit Committee will assess the:
  - a. internal audit function, how the function is structured and what role it performs; and
  - b. evaluate the effectiveness of Helloworld's risk management and internal control processes.

---

<sup>20</sup> ASX Principles, Recommendation 6.1

<sup>21</sup> Section 250T of the Corporations Act, ASX Principles, Recommendation 4.3

<sup>22</sup> ASX Principles Recommendation 7.3