

Corporate Governance Statement

Flight Centre Travel Group Limited (**FLT**) endorses the Australian Securities Exchange's (ASX) Corporate Governance Principles and Recommendations and complies with each recommendation.

This statement is current as at 30 June 2024 and has been approved by the FLT Board.

1. Lay solid foundations for management and oversight

Roles and responsibilities of the Board and management

The Board acknowledges that its primary role is to create and safeguard shareholder value. The FLT Board Charter is available on the company's corporate website (see www.fctgl.com/investors#governance-documents) and sets out:

- the respective roles and responsibilities of the Board and management; and
- the matters expressly reserved to the Board and those delegated to management.

In short, the Board's functions include:

- charting the group's direction, strategies and financial objectives;
- overseeing and monitoring organisational performance;
- identifying risks and implementing appropriate control, monitoring and reporting mechanisms;
- instilling and reinforcing the values and culture of FLT including through the Code of Conduct;
- the chair's appointment;
- appointment, performance assessment and, where appropriate, replacement of the chief executive officer (**CEO**), chief financial officer (**CFO**) and company secretary
- ensuring Board structure and composition is effective;
- approving and monitoring major capital expenditure, capital management, operating budgets, acquisitions and divestitures;
- overseeing FLT's corporate reporting systems, disclosure processes and risk management frameworks; and
- approving the incorporation and deregistration of all FLT group entities

The chairman leads the Board in meeting its responsibilities to FLT stakeholders. Under FLT's constitution, the Board can also delegate any of its powers to the CEO. Those powers can be withdrawn, suspended or varied at any time.

The CEO, CFO and the other senior executives are authorised to make day-to-day decisions required to fulfil their roles and to achieve the company's strategic and financial objectives. The company secretary is directly accountable to the Board through the chairman on all matters to do with the Board's proper functioning.

Senior executives report to the Board each month to update it on initiatives and issues. These reports include key performance indicators (**KPIs**), which are the basis of executive performance evaluations.

The full Board deals with all significant matters. To assist in its deliberations, the Board has established various committees that act primarily in a review or advisory capacity.

Checks undertaken prior to appointment

Before appointing a director, or putting forward to security holders a candidate for election, appropriate checks are undertaken in relation to such persons, including checks as to the candidate's character, experience, education, criminal record and bankruptcy history. All material information is provided to security holders with regard to the decision on whether or not to elect or re-elect a director. FLT has a written agreement with each director and senior executive setting out the terms of their appointment.

Diversity Policy

FLT's Diversity Policy is available on the company's corporate website (see <https://www.fctgl.com/investors#governance-documents>). FLT's vision for diversity relates to a broad range of areas and the Diversity Policy specifies that diversity at FLT includes, but is not limited to, gender, age, ethnicity and cultural background.

Some examples of how FLT's policy on diversity is reflected in its practice include:

- the company continues to follow a best practice recruitment process to ensure all key selection criteria for each role focus on the experience, merit and competency of the candidate. In addition, to avoid unconscious bias in the recruitment process, specialised training is provided to recruiters, hiring managers and members of the talent team;
- all policies, procedures and advertising are reviewed to ensure they are gender neutral and that practices are free of any form of discrimination. Online training modules have been developed to enhance the effectiveness of the policies;
- the company engages industry experts to provide guidance on the use of language that fosters diversity and inclusion;
- targeted remuneration packages are based on the requirements of the role being performed to support equitable pay for roles that are similar. This is designed to limit the influence of gender bias in FLT's remuneration practices;
- approximately 66% of staff members are women and 55% of FLT's senior leaders (defined as area leaders and above) are women. The company endeavours to ensure that interview panels are of mixed gender and that at least one woman applies for all senior roles; and
- with the support of the Remuneration and Nomination Committee, the Board is responsible for setting measurable objectives for achieving diversity across the company and reviews the effectiveness and relevance of these objectives annually.

The Board has established a directorship policy for its subsidiaries that exposes more staff to director roles and responsibilities. Under this policy, the relevant executive general manager (**EGM**) is appointed a director and receives valuable training and experience.

Under FLT's diversity measurable objectives, the company seeks to ensure:

- not less than 30% of directors from each gender;
- that at least one woman is shortlisted as a candidate for all Board and executive management level roles; and

- initiatives are implemented that increase the number of women applying for, and being appointed to, senior leadership positions.

These objectives were achieved in FY24.

FLT has a range of strategies and programs to drive greater diversity and inclusion. Some examples include:

- regional initiatives and events that embrace an inclusive workplace culture and celebrate the individual components of diversity;
- a development program across the FLT group to provide career progression paths for all employees;
- regional workplace surveys to gauge employee sentiment and to advance continuous improvement in diversity and inclusion;
- initiatives to support employees in work-life matters, such as financial planning, workplace flexibility, ongoing education, and employee support programs; and
- dedicated roles in Australia and the Americas to provide a culturally safe workplace for First Nations employees; and a commitment to reconciliation through FLT's Innovate Reconciliation Action Plan (RAP) in Australia.

These strategies and programs have been effective during FY24 and FLT will continue to develop them going forward.

Board evaluation

The company follows an established process for periodically evaluating the performance of the Board, its committees and individual directors. Board members and other senior executives evaluate the Board on its overall performance and individual directors' performance. The Board as a unit is assessed on Board process and dynamics, while the individual directors and chairman are assessed on leadership, interaction with other directors and senior executives, imparting of knowledge, attendance and involvement in decision making. The Board may also engage an external facilitator to help conduct periodic performance reviews. For the FY24 financial year, FLT has engaged an external facilitator. The Board is evaluated annually based on its performance during the financial year and the evaluation process for the Board, its committees and directors was undertaken for FY24.

Senior executive evaluation

FLT's senior executives are subject to performance evaluation by the managing director and the task force. This evaluation includes measurement of performance against set KPIs. The process was undertaken during the FY24 financial year and the results of the annual review were communicated to each senior executive.

2. Structure the Board to be effective and add value

The Board has a complementary mix of skills that provides the desired depth and experience. The Board currently consists of five independent non-executive directors (including the chairman) and one executive director, who is the CEO.

The Board generally meets monthly and on an ad hoc basis to consider time critical matters.

Directors may seek legal advice, at the company's expense, on any matter relating to the group, subject to prior notification to the chairman. FLT provides additional updates and training to

Board members on matters relating to their roles. Examples may include corporate governance updates and the impacts of recent court rulings involving such topics as directors' duties, disclosures and transactions.

Board composition

The directors' names and biographical details are provided in the annual report's Information on Directors section.

At all times, the Board seeks to have a complementary mix of financial, industry and listed entity knowledge and experience. The Board believes its current members have the necessary knowledge and experience to direct the company in its current operations. A summary of the breadth and depth of the Board's experience and skills appear below:

SKILLS AND EXPERIENCE

The current mix of skills and experience represented by the directors during the period, is as follows:

	GARY SMITH	JOHN EALES	ROBERT BAKER	COLETTE GARNSEY	KIRSTY RANKIN	GRAHAM TURNER
Travel or retail industry	✓	✓	✓	✓	✓	✓
Senior executive	✓		✓	✓	✓	✓
Finance/capital markets			✓			
Audit/accounting	✓		✓			
Legal*						
Regulatory/public policy	✓					
International markets	✓	✓		✓	✓	✓
Strategy/risk management	✓	✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	
Marketing/communications	✓	✓		✓	✓	✓
Technology/IT*					✓	

* For expertise in areas not listed above, the directors seek expertise within FLT and externally where appropriate.

Remuneration and Nomination Committee functions

FLT has a Remuneration and Nomination Committee which is comprised of all of FLT's non-executive directors. Due to the Board's small size, FLT has a combined Remuneration and Nomination Committee. Consequently, the Remuneration and Nomination Committee considers (per the Board Charter) Board composition to ensure it includes the appropriate blend of skills and competencies to oversee the company.

The Remuneration and Nomination Committee establishes whether to nominate a further director, if a Board position becomes available or where additional skills may be required at Board level. For example, if the company chose to access a new region or sector, the committee may consider appointing an additional director with appropriate experience.

Where the Remuneration and Nomination Committee recommends the nomination of a further director, the Board may engage a professional recruitment firm to identify candidates that fit the criteria being sought to complement the Board and its existing skills set. Other factors to be considered when appointing a new director will include references, ability to devote time to the

role, diversity considerations, cultural fit, strong financial acumen, technology knowledge and residential location.

Once a short list is created, the Remuneration and Nomination Committee will interview candidates.

Ultimately, a candidate will be presented to the full Board for appointment (to be ratified at the next AGM by shareholders). Should shareholders nominate a candidate for election at an upcoming general meeting, the Board will state whether or not it supports the nomination in the explanatory memorandum accompanying the notice of meeting.

Additional information on the roles and responsibilities of the Remuneration and Nomination Committee are set out in the Remuneration and Nomination Committee Charter.

The Remuneration and Nomination Committee also oversees succession planning for the CEO, board members and senior executives.

The composition of the Remuneration and Nomination Committee, the Directors' attendance records, as well as the number of times the Remuneration and Nomination Committee met throughout the FY24 financial year, are reported in the annual report's Meetings of Directors section.

Independence and materiality

All of FLT's non-executive directors are independent directors including the chairman. An independent director is a director who is independent of management and free of any business or other relationship that could materially interfere with the exercise of the director's unfettered and independent judgment. Materiality is assessed on a case-by-case basis from the perspective of both the company and the director concerned.

The Board believes all non-executive directors, including the chairman, are independent having regard to the indicia in Box 2.3 of the ASX Corporate Governance Principles and Recommendations. The board took into account a range of factors including, but not limited to, the fact that none of the non-executive board members have ever been employed by FLT, none receive performance-based remuneration or have been in a material business relationship with, or advisor to, FLT in the last three years. While businesses in which John Eales has an interest supply services to FLT, those services are not of a material quantum to those businesses, nor to FLT, such that the Board would consider that the independence of Mr Eales would be affected.

The roles of chairman and CEO are exercised by different individuals, being Gary Smith and Graham Turner respectively.

Further details regarding the length of service of each director and their relevant interests, positions, associations and relationships, are included in the annual report's Information on Directors section.

Board and senior executive induction

Non-executive directors are given a letter of appointment setting out the terms of their appointment, time commitment envisaged and the Company's expectations for their role.

Newly appointed Board members and senior executives are given a practical induction into the group's operations, strategies, culture and values, meeting arrangements and financial position

through access to appropriate documentation and face-to-face discussions with current Board members and senior executives. The induction is tailored to each individual's existing skills, knowledge and experience.

Appropriate professional development opportunities for directors are also provided in order to allow directors to develop and maintain the skills and knowledge required for them to perform their roles as directors effectively and to add value to FLT. The company secretary, in conjunction with the Board, may from time to time identify professional development courses relevant to the Board members. Lastly, the Board ensures that the directors receive briefings on material developments in legislation, regulations and accounting standards relevant to FLT.

3. Instil a culture of acting lawfully, ethically and responsibly

FLT actively promotes a set of values designed to assist employees in their dealings with each other, competitors, customers and the community. These values set out standards expected of all employees. Values endorsed include: honesty, integrity, fairness and respect. These values are incorporated into the company's Philosophies, which are included in the annual report and Code of Conduct. The Code of Conduct also outlines the company's position on lawful and ethical behaviour, conflicts of interest, use of inside information, confidentiality, bribes and facilitation payments, public comments, privacy and harassment, bullying and discrimination.

The Board endorses FLT's Code of Conduct and it applies to all directors, officers, employees, consultants and contractors. All employees receive training on the Code of Conduct, and senior executives are responsible for reinforcing the values in their day-to-day interactions with customers, competitors and suppliers, thereby setting the tone at the top. FLT terminated a small number of employees during the year for material breaches of its code of conduct.

In addition, FLT has implemented a Whistleblowing Policy and an Anti-Bribery and Corruption Policy across its global operations.

The company takes its responsibility to global sustainability seriously. Our purpose as an organisation is to open up the world for those who want to see and as one of the world's largest travel retailers and corporate travel managers, we recognise our responsibility to preserve the places we love while enriching our people, destinations and communities.

We are focused on reducing the environmental impacts of travel while delivering unique travel experiences for generations to come. We will leverage our platforms, people and partnerships to facilitate informed choices, helping customers reduce their impact and ensuring our actions benefit our people, destinations and communities.

In 2022, as part of the process to set the Flight Centre Travel Group (FLT) ESG strategy, we completed a materiality assessment, a formal process outlined by the Global Reporting Initiative (GRI), to determine and prioritise the most significant environmental, social and governance (ESG) impacts for our business. Our approach was informed by existing GRI guidance on materiality and by GRI Standard 3 (2021). While we did not conduct detailed impact analysis to assess the relative significance of ESG impacts, we used GRI 3's significance parameters of scope, scale, likelihood, human rights impact, and irredeemable character (for negative impacts) to inform impact prioritization in an internal materiality workshop with senior leaders across the business. The results of this exercise have informed our ESG strategic direction.

The details of the strategy and the future direction of FLT's ESG approach can be found in the Flight Centre Travel Group Sustainability Reporting available on the company's corporate website at <https://www.fctgl.com/sustainability>.

The Flight Centre Foundation, which started in Australia in 2008, remains a key element in our overall CSR platform and has continued to expand its reach globally.

FLT's workplace giving program in Australia continues to be well supported by our people.

Political contributions

FLT maintains a position of impartiality with respect to party politics and, accordingly, does not contribute any funds in this regard.

Trading policy

The Board has established guidelines in its Share Trading Policy (available on FLT's corporate website at <https://www.fctgl.com/investors#governance-documents>) governing trading in FLT shares by directors, senior executives, employees, contractors and people closely connected to FLT's directors and senior executives. Dealings in FLT's shares are only permitted for 30 days following the public release of the company's price sensitive announcements. If new price sensitive information emerges during this period, directors, senior executives, employees, contractors and closely connected persons are not permitted to trade in FLT's shares until the information has been publicly released. The Share Trading Policy also prohibits short-selling and short term dealing in FLT shares at all times. FLT monitors dealing in FLT shares as part of the administration of the Policy.

Other policies

The Board also oversees the implementation of:

- the Code of Conduct;
- the Anti-Bribery and Corruption Policy; and
- the Whistleblowing Policy

(available on FLT's corporate website at <https://www.fctgl.com/investors#governance-documents>).

4. Safeguard the integrity of corporate reports

Audit and Risk Committee

The Audit and Risk Committee functions include:

- reviewing and making recommendations on the adequacy of FLT's corporate reporting processes;
- reviewing FLT's financial statements and making recommendations as to whether they reflect the understanding of the committee members, and otherwise provide a true and fair view, of FLT's financial position and performance;
- providing assurance to the Board on the preparation and review of FLT's financial statements;
- assessing the appropriateness of any significant accounting estimates, judgments or choices in FLT's financial statements;
- recommending the external auditor's appointment/removal, reviewing the auditor's performance and the audit's scope and adequacy;
- advising on procedures in relation to the audit engagement partner's rotation;
- reviewing the company's published financial results;

- ensuring timely adoption of, and adherence to, all relevant accounting policy changes;
- assisting the Board in approving the Group Risk Management Framework and the Board Risk Appetite Statement in managing financial and non-financial risks;
- reviewing and monitoring the Group risk profile in line with the Board Risk Appetite Statement.
- ratifying the appointment/removal and performance assessment of risk management personnel;
- making recommendations on objectivity and performance of FLT's risk function;
- reporting to the Board on matters relevant to the committee's role and responsibilities;
- reporting to the Board on the effectiveness of FLT's risk management framework; and
- considering advice from Enterprise Risk on whether FLT is operating efficiently, effectively and in accordance with relevant laws and regulations.

These responsibilities are included in the Audit and Risk Committee charter available on the company's corporate website (see <https://www.fctgl.com/investors#governance-documents>).

Committee composition

The Audit and Risk Committee consists of all of FLT's independent non-executive directors: Robert Baker (appointed chairman of the committee in September 2013), Gary Smith, John Eales, Colette Garnsey and Kirsty Rankin, who have a complementary mix of experience and expertise in accountancy, financial management, risk management, legal compliance and corporate finance. Details of the directors' qualifications are set out in the annual report's Information on Directors section.

The Board has reviewed the committee's composition and is satisfied that, given the size of FLT's Board, the committee has appropriate financial representation. The Audit and Risk Committee chairman is not the Board's chairman.

Committee meetings

Directors' attendance records, as well as the number of times the Audit and Risk Committee met throughout the FY24 financial year, are reported in the annual report's Meetings of Directors section.

Auditor appointment

The policy of the company and the Audit and Risk Committee is to appoint an external auditor that clearly demonstrates quality and independence. The external auditor's performance is reviewed annually. Ernst & Young (EY), the current external auditor, is obliged to rotate audit engagement partners at least every five years.

An analysis of fees paid to the external auditor, including fees for non-audit services, is provided in the annual report. The external auditor's policy is to provide the Audit and Risk Committee with an annual declaration of independence.

Certification of financial reports

A decision by the Board to approve FLT's financial statements for a financial period is subject to receipt, from the CEO and CFO, of a declaration in accordance with section 295A of the *Corporations Act 2001* (Cth) and recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations.

Auditor communication

The external auditor attends every annual general meeting to answer shareholder questions concerning the conduct, preparation and content of the audit report.

5. Make timely and balanced disclosure

FLT has a Communications and Continuous Disclosure Policy (available on FLT's corporate website at <https://www.fctgl.com/investors#governance-documents>) which discloses FLT's policies and procedures governing continuous disclosure and shareholder communication.

In accordance with ASX Listing Rules, the company will immediately disclose publicly any information that a reasonable person will expect to have a material effect on the value of its shares. The Board receives copies of all material market announcements promptly after they have been made.

Prior to any new and substantive presentation being given to investors or analysts, FLT will release a copy of the presentation materials on the ASX Market Announcements Platform.

All information communicated to the ASX is posted on the company website. The annual report is available on the company's website and, on request, can be emailed or posted to shareholders.

6. Respect rights of security holders

Shareholder communications

The Board aims to keep shareholders informed of all major developments affecting the group's activities and its state of affairs through distribution of the annual report, ASX announcements and media releases. All such communications (including historical announcements for at least the previous three years) are placed on the company website (see <https://www.fctgl.com/investors>).

To facilitate and encourage participation at meetings of security holders, shareholders are encouraged to supply, prior to the annual general meeting, any questions of the Board so that these can be addressed at the meeting. To further encourage participation, FLT's investor relations manager is available at other times to address shareholder, analyst and media queries. Security holders are able to receive communications from, and send communications to, the company and its share registry electronically.

The investor relations manager maintains a register of analyst and investor briefings and supplies teleconference facility details at the end of the results announcements (if held) for shareholders to be fully informed. Where possible, recordings are made available on the company's website.

7. Recognise and manage risk

MATERIAL BUSINESS RISKS

RECOGNISE AND MANAGE RISK

FLT's risk management approach is anchored around the following key principles:

- Protecting the group's assets, people and interests of our key stakeholders through effective identification and management of risk;
- Optimising the group's operations through continuous improvement and informed decision making; and
- Supporting the continued growth and sustainability of the group through taking the right amounts and types of risk to deliver sustained value

Risk management is all employees' responsibility and this is clearly established within the risk management policy and risk management strategy.

While FLT does not have a separate risk committee, the Board, through the combined Audit and Risk Committee, is responsible for overseeing the company's risk management framework. This provides the Board and management with an ongoing program to identify, evaluate, monitor and manage material risks to enhance, over time, the value of the shareholders' investments and to safeguard assets.

The Audit and Risk Committee's charter is available on FLT's website (see www.fctgl.com/investors#governance-documents).

The framework is based around the following risk management process, as set out in the risk management strategy:

- risk identification – identifying risks that have a potential material impact to the Group's strategic objectives and operations;
- risk assessment – assessing the impacts and likelihood of key risks;
- risk management – developing appropriate mitigation and treatments to manage risk within acceptable levels; and
- risk monitoring and reporting – ongoing monitoring and reporting, of risks in line with the Group's risk appetite.

Risks are identified in the context of the Group's strategic and operational objectives including financial and non-financial risk classes. The Board and/or Audit and Risk Committee reviews the FLT risk management policy and FLT's risk management framework and is satisfied that it continues to be sound.

The CEO and senior management are responsible for identifying, assessing and monitoring risk. Senior management personnel are responsible for communication of their risk management activities in line with the Group's risk strategy and framework. A self-assessment on key business risks is performed and reported to the Audit and Risk Committee. Risk classes considered strategic risk and disruption, market conditions, climate change, macroeconomic and geopolitical conditions, regulatory risk, financial risk, operating risks, and ethics and conduct risks to the Group. Impacts as a result of key risks are assessed across financial and non-financial impact categories, including the reputational impact to the Group.

The Enterprise Risk function ensures the approach to risk management across the Group is in accordance with the risk management framework and supports the risk-based assurance approach to monitor the effectiveness of key controls. The Enterprise Risk function operates independently of the businesses and provides an objective and independent assessment of the effectiveness of FLT's risk and control environment.

Whilst FLT does not have a dedicated internal audit function, each internal business has a risk function that is responsible for monitoring and helping to manage risks in that business. Key strategic projects (i.e. capital raisings, mergers/acquisitions/divestments, joint ventures, business

initiatives or transformations etc.) are subjected to separate risk assessments that meet the specific needs of the project in line with Group objectives and risk appetite.

The CEO and CFO provide the Board with a formal sign-off on the Group's financial statements, in accordance with section 295A of the Corporations Act 2001 (Cth) and recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations. That sign-off is founded upon a sound system of risk management and internal control which is operating effectively in all material aspects in relation to financial reporting risks.

RISK PROFILE

The below section does not purport to list every risk that may be associated with the Group now or in the future. There is no guarantee that the importance of these risks will not change, or that other risks will not emerge. While the Group aims to manage risks in order to minimise adverse impacts on its financial and reputational standing, some risks are outside the control of the Group.

Strategic risk and disruption

FLT faces threats and disruption that may affect its ability to execute its growth strategies, including delivering organic growth and pursuing strategic growth through mergers and acquisitions (M&A). The Group operates in a highly competitive environment, where it faces challenges from existing and new competitors, as well as the risk of disruption to its key business models by emerging technologies, changing customer preferences and regulatory changes. The group's strategic growth objectives depend on the performance and alignment of its Global Pillars (Leisure, Corporate, Other) and its investments, which may be influenced by various internal and external factors. The group's M&A strategy also involves significant risks, such as identifying suitable targets, conducting appropriate due diligence, integrating acquired businesses, achieving synergies and meeting financial expectations. The above risks may have an adverse effect on the Group's operational and/or financial performance.

How we manage this risk

The Group continually assesses its strategies and models as part of our strategic planning process. Through diversification, the Group aims to mitigate the threat of disruption and market entrants and pursue sustainable growth. Investment into key capabilities and technologies are made with the goal of fostering innovation, automation and digital transformation in respect of our business operations. Inorganic growth via mergers and acquisitions is continually assessed and executed where investment presents strong value, returns and complements our portfolio.

Market conditions

As the travel industry navigates the post COVID-19 pandemic landscape, the Group must closely monitor market conditions and associated market risks. The pandemic has significantly altered customer sentiment and travel expectations. While some travellers are eager to explore new destinations, others remain cautious due to health concerns. Natural disasters, pandemics, and terrorism also remain unpredictable threats. These events further disrupt travel plans, affect safety perceptions, and lead to sudden shifts in demand. Furthermore, geopolitical tensions and regional instability can impact specific markets, necessitating agility in our operations. This has led to patterns of travel behaviour normalising differently across demographics leading to vastly differing consumer preferences (such as sustainable travel options) and changing trends across both corporate and leisure travel markets.

How we manage this risk

The Group has an established presence in our key geographical regions which helps build strong local market knowledge, operations and oversight complementing our global division and brand strategies. We seek to meet shifts in demand by prioritising streamlining, automating and standardising business operations.

Our diverse lines of business and product offerings across the Group assist us to cater for differing travel behaviours across all demographics. Consumer preferences are central to our sales and marketing strategies, product procurement, and our customer experience.

Climate Change

The Group and its customers, suppliers and service providers may be adversely affected by climate change, which may lead to rising sea temperatures and sea levels, extreme weather conditions and changes in the frequency and severity of catastrophic events such as floods, fires, storms and droughts. Physical risks resulting from climate change can be event driven or a result of longer-term shifts in climate patterns and may have financial implications for the Group, such as indirect impacts from supply chain disruption, impacts on sectors that leisure and corporate customers operate in (e.g. agriculture) and the travel patterns and habits of customers. Transitional risks are those that result from actions taken to reduce greenhouse gas emissions and mitigate climate change. Examples of this include policy and legal reforms, investor and customer preferences and technology. Given its broad scope these risks have the potential to have substantial and unexpected impacts on the Group and can be experienced domestically and internationally. There is uncertainty about how the Group's customers will continue to respond to the effects of climate change (and therefore on possible changes in customer demand) and whether this may have an adverse impact on the Group's financial performance, results of operations and prospects.

How we manage this risk

The Group has a dedicated sustainability team which works with various other teams to ensure we are on track to comply with the various proposed jurisdictional sustainability standards. The Group is planning to assess the effects of climate risk and the associated opportunities in the upcoming financial year in accordance with the proposed standards. The Group monitors the risks and opportunities associated with climate change and reports material matters directly to the Board. The team has completed an updated emissions footprint for financial year 2023 and is working with the Science Based Targets initiative to validate the Group's targets. The team also works closely with the businesses to monitor customer expectations to design products and services in line with their preferences and expectations.

Macroeconomic and geopolitical conditions

The travel industry is facing significant challenges due to the macroeconomic and geopolitical conditions in the world. The global economic slowdown, exacerbated by the COVID-19 pandemic, has reduced the demand for travel among both our Leisure and Corporate businesses. Some consumers are more cautious about spending on discretionary items such as travel, and businesses are cutting down on travel expenses to save costs. Moreover, the increasing geopolitical tensions in various regions, such as the conflict between Ukraine and Russia, the instability in Israel and its neighbours, and the trade disputes between major powers, have created uncertainty and risk for travellers and the travel industry alike. These tensions have already led to travel restrictions, major sanctions for countries and nationalities, boycotts, or even violence that could disrupt or endanger travel plans. Therefore, the Group needs to be

prepared for the potential impact of these macroeconomic and geopolitical factors on its operations, profitability, and reputation.

How we manage this risk

Digitisation of processes, diversification and key offerings across different channels, revenue streams and products help the Group remain resilient. Travel is proving a priority amongst consumer discretionary categories and is positioned well for sustained growth. We focus on having a strong market presence and supply chain management in the corporate and leisure travel industries. Further, strong risk management, helps build balance sheet strength whilst business continuity and scenario planning strategies are in place to mitigate any impacts associated with this risk.

Regulatory risk

The Group, as a retailer of travel and travel-related products operating across multiple international markets is exposed to the risk of regulatory enforcement where business activities breach jurisdictional regulatory requirements.

These include, but are not limited to the following key areas:

- Data privacy breach / confidentiality mismanagement,
- External financial and regulatory reporting failure
- Tax payment/filing failure
- Money laundering and terrorism financing
- Sanctions violations
- Bribery and corruption activities

Any regulatory enforcement against FLT could materially harm the reputation and financial performance of the Group.

How we manage this risk

The Group applies appropriate resourcing, training, technology and processes to support FLT in maintaining effective relationships with regulators, responding adequately to regulatory change, holding proper licensing and certification, and operating prudently across borders.

Financial risks

Liquidity & Financing risk

Liquidity and access to capital are fundamental requirements to achieve the Group's business objectives and to meet its financial obligations when they fall due. The inability to maintain a strong balance sheet or to secure new capital or credit facilities on favourable terms could impact upon the Group's operational and financial performance and the ability to meet its ongoing liquidity (including debt refinancing) needs.

As a borrower of capital, the Company is exposed to fluctuations in interest rates which may increase the cost of servicing the Company's debt. Developments in global financial markets may adversely affect the liquidity of global credit markets and the Company's access to those markets. This may have a material adverse effect on the Company's future financial performance and financial position.

How we manage this risk

The Group closely manages and monitors liquidity through rolling 18-month operating cashflow forecasts and comparing actual cashflows to this forecast, which is supported by Group Treasury review of 13-week cashflow forecasts prepared weekly at a detailed level by business and country. This provides oversight of the amount and timing of cash inflows and outflows, and identification of any potential liquidity gaps or surpluses. Further, monitoring of liquidity ratios to assess the Group's ability to convert its assets into cash and to cover its short-term liabilities is routinely completed. Efforts to optimise working capital are also made by managing receivables and payables, alongside negotiating favourable terms with suppliers and customers.

The Group monitors its debt structures in accordance with its capital management strategy. Our capital framework is aimed at guiding the allocation of capital in a manner that seeks to effectively balance sustaining growth, maintain a strong balance sheet and maximise returns to our shareholders.

Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures on future cash flows. The movement of foreign exchange rates may have an adverse effect on the Group's operating and financial performance. Furthermore, due to the nature of the Group's functions as an international tourism business, changes to foreign exchange rates can impact the underlying demand for travel and tourism services. The movement of foreign exchange rates are beyond the Group's control and could have an adverse effect on operating and financial performance.

How we manage this risk

A central treasury department oversees financial risk under board-approved policies that cover specific areas, such as foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative financial instruments and investments. Treasury identifies, evaluates and hedges financial risks in co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering the specific areas noted above.

Credit risk (suppliers, corporate customers)

The Group's business model includes payment terms relating to the pre-payment by customers for travel and tourism related services, and the maintenance of large corporate credit balances and related payment terms between the Group and its suppliers. To the extent these terms of payment and supply change, customers seek refunds, chargebacks or reversals, receivables are uncollectable fully or partly, contract assets on balance sheet are unrecoverable or counterparties do not act consistently with supply terms, the Group may need to obtain additional working capital having an adverse effect on operating and financial performance of the Group.

How we manage this risk

The Group manages debtor and supplier risk by applying specific credit terms and criteria to assess the creditworthiness and reliability of its suppliers and corporate customers. The Group also conducts regular supplier and corporate customer evaluations and appraisals to monitor their performance and compliance with the Group's policies and standards. Depending on the stakeholder's risk profile, the Group may require collateral or guarantees as a form of security for

the payment obligations. The Group also adheres to the agreed terms with its suppliers and corporate customers and maintains timely and accurate settlement of invoices.

Acquisition and investment risk

The Group continuously evaluates acquisition and divestment opportunities for sustainable growth. Any past or future acquisitions (or disposals) will cause a change in the sources of the Group's earnings and result in variability of earnings over time. Integration of new businesses may be costly and occupy management's time. The financial performance of investments and the economic conditions they operate within may result in investment impairment should the recoverable amount of the investment fall below its carrying value.

How we manage this risk

The Group manages acquisition and investment risk by applying a rigorous investment and due diligence process, which involves evaluating the financial, operational, legal and strategic aspects of each opportunity. The Group also monitors and reports on the performance and risks of its existing investments on a regular basis. The Group aims to ensure that its investments are aligned with its strategic objectives and deliver value to the Group.

Operational risk

Human Resource Risk

As a predominately service-based organisation with high dependency on key senior management, and having "people at our core", the risk of losing key staff or having excessive turnover in staff is significantly problematic to the Group. Without experienced consultants, sales teams, frontline managers and senior leaders this could cause disruption to the conduct of the Group's business in the short term and negatively affect the Group's operating and financial performance. Similarly, the Group's operations, performance and reputation could be adversely affected if the Group is unable to attract staff or were to lose key staff members which it was unable to replace with equally qualified personnel. This risk is exacerbated by having a complex operating environment with over 30 brands across multiple countries globally.

How we manage this risk

The Group focuses on its culture, reward and recognition which helps staff satisfaction and retention rates remain high. The Executive Team (Taskforce) are collectively accountable for ensuring our organisational culture is appropriate to meet objectives. The Group has strong talent management and succession planning practises in place, along with retention mechanisms in place for key capability.

Technology risk including cyber security

The Group heavily relies on the performance, reliability, and availability of its information technology (IT), communication, and other business systems for many BAU activities. Therefore, any damage to, or failure of, the Group's key systems may result in severe disruptions to the Group's business operations resulting in material risk to the Group's operating and financial performance. The Group also holds / handles a significant amount of personal client data and any failures of, or malicious attacks on, the Group's technical systems may similarly impact both the Group and its reputation. The risk of cyber, ransomware, and malware threats is also significantly increasing and changing constantly, especially as the Group adapts to more hybrid and remote work environments. Moreover, the regulatory environment is becoming more stringent and could impose severe consequences on the Group for any non-compliance, such as

fines, penalties, orders, undertakings, lawsuits, or public statements that could damage the Group's reputation and trust with its customers and suppliers. This could lead to the loss of contracts, market share, and business performance.

How we manage this risk

The Group has established a dedicated Information Security team that supports our businesses in implementing effective security controls and practices. The Group also has a maturing data strategy that helps us to identify, classify and manage our critical data assets across the enterprise. Furthermore, we follow cybersecurity frameworks that are designed to protect our systems and data from unauthorised access, detect any potential breaches or incidents, and respond quickly and appropriately to mitigate the impact. We conduct regular awareness training and campaigns to educate our employees and stakeholders on how to prevent and report cyber threats. The Group performs security assessments and continuous monitoring to evaluate our security posture and identify any gaps or areas for improvement.

Supply Chain Risk

The intricate supply chain of the Group involves a network of travel providers, major airlines, global distribution system providers, and intermediaries. Notably, the International Air Transport Association (IATA) operates a clearing system within this ecosystem, which introduces material risk to the Group. Due to the reliance on third party suppliers, a dispute or breakdown in relationships with suppliers could harm the Group's reputation and financial performance. Failure to reach suitable arrangements or a supplier's inability to meet contractual obligations poses significant threats. Further, the current economic climate exacerbates these risks. Suppliers, including international airlines facing operational challenges, may alter engagement terms or even default on payments. Such financial stress can directly impact the Group's operations and financial health.

How we manage this risk

The Group undertakes due diligence and monitors supply chain and third party risk through relationship management. The Group also maintains a diverse supplier base to reduce dependency and increase resilience. Furthermore, the Group conducts initial and ongoing supplier assessment and due diligence to verify compliance, performance and quality standards.

Ethics and Conduct

FLT recognises that ethical conduct and strong governance are material to the success of our business in line with shareholder, regulator, customer and employee expectations. The failure of our people or third-parties to adhere to our code of conduct could deliver reputational impact or lead to a breach of legislation or regulations.

Ensuring ethical behaviour across our supply chain, especially around issues like human rights, modern slavery, and data security, is essential. Breaches of conduct including fraud, bribery and/or corruption, anti-competitive behaviour, economic and trade sanctions, money laundering and/or terrorism financing, privacy breaches or misconduct carry significant risk to our business.

How we manage this risk

Our approach to corporate governance helps to manage, oversee and report against our risk of misconduct within the Group. FLT endorses and applies the ASX Corporate Governance Principles and Recommendations and complies with each recommendation as outlined in our Corporate

Governance Statement. The Group monitors and reports on material breaches of our code of conduct directly to the Board.

8. Remunerate fairly and responsibly

Full details of FLT's remuneration policies and structures, including director and key management personnel information, are outlined in the remuneration report in the annual report.

A summary of the Remuneration and Nomination Committee's responsibilities is included above at item 2 and additional information can be found in the Remuneration and Nomination Committee charter (see www.fctgl.com/investors#governance-documents).

All relevant governance charters and policies are available on www.fctgl.com/investors#governance-documents .