

# Qantas Corporate Governance Statement 2021





# Corporate Governance Statement

FOR THE YEAR ENDED 30 JUNE 2021

As at 17 September 2021

## OVERVIEW

The Board is responsible for the overall corporate governance of Qantas Airways Limited (Qantas) and its controlled entities (Qantas Group or Group). This includes adopting appropriate policies and procedures designed to ensure the Qantas Group is properly managed to protect and enhance the interests of its shareholders and all other stakeholder groups.

The Board monitors the operational and financial position and performance of the Qantas Group, and agrees its business strategy, including approving the strategic goals of the Group and considering and approving a business plan and annual budget. The Board is committed to maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of the Qantas Group.

Corporate governance is core to ensuring the creation, protection and enhancement of shareholder value. The Board maintains, and requires that Qantas Group Management maintains, the highest level of ethics at all times.

The Board comprises a majority of Independent Non-Executive Directors who, together with the Chief Executive Officer (CEO) as Executive Director, have an appropriate balance of skills, knowledge, experience, independence and diversity. The Board has endorsed and adopted the ASX Corporate Governance Principles and Recommendations (ASX Principles) 4<sup>th</sup> Edition throughout 2020/21, and at the date of this Statement.



# Corporate Governance Statement continued

FOR THE YEAR ENDED 30 JUNE 2021

## LAYING SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board has adopted a formal Charter which is available in the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/board-charter.pdf>.

The Board is responsible for agreeing and reviewing the strategic direction and objectives of Qantas and monitoring the implementation of that strategy by Management, including:

- approving the Qantas Group's purpose and statement of values, including the Non-Negotiable Business Principles in the Qantas Group Code of Conduct and Ethics which is available on the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/Qantas-Group---Code-of-Conduct-and-Ethics.pdf> that encourage and promote a culture of ethical and responsible decision-making, compliance with legal responsibilities, and transparency through effective and timely reporting;
- monitoring compliance with all relevant laws, tax obligations, regulations, applicable accounting standards and significant corporate policies, including the Qantas Group Code of Conduct and Ethics, which is available on the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-code-of-conduct.pdf>;
- oversight of the Qantas Group, including its control and accountability systems;
- approving the annual operating budget and monitoring the operating and financial performance of the Qantas Group;
- approving and monitoring the capital management strategy, including major acquisitions and divestitures;
- appointing and removing the CEO;
- appointing and removing the Company Secretary;
- monitoring the performance of the CEO and Executive Management, including the Chief Financial Officer (CFO);
- Board and Executive Management development and succession planning;
- approving the remuneration and incentive framework for Executive Management and Senior Executives and ensuring a clear relationship between performance and executive remuneration;
- satisfying itself that the remuneration framework is aligned with the Qantas Group's purpose, values, strategic objectives and risk appetite;
- overseeing the integrity of the accounting and corporate financial reporting systems, including appointment, reappointment or replacement of the external auditor;
- ensuring that the market and shareholders are fully informed of material developments; and
- approving and monitoring financial and other reporting to the market and shareholders.

The CEO is responsible for the day-to-day management of the Qantas Group with all powers, discretions and delegations authorised from time to time by the Board.

The CEO's Executive Management team, known as the Group Management Committee (GMC), is listed along with biographical details on the Qantas website at <https://www.qantas.com/au/en/qantas-group/acting-responsibly/our-leadership.html>. The GMC is responsible for operating within the risk appetite set by the Board and for providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

### Board Meetings

The Board holds several formally scheduled meetings a year, one serves to review and approve the strategy and financial plan for the next financial year. Additional meetings and Board conference calls are held as required, and the Board also meets with Executive Management to consider matters of strategic importance.

Attendance at 2020/21 Board and Committee Meetings is contained in the Qantas Annual Report 2021.

Biographical details of the current Directors are also contained in the Qantas Annual Report 2021. The Board considers that the current Directors have an appropriate mix of skills to enable the Board as a collective to discharge its duties and responsibilities effectively.

### Australian Provisions

The Constitution of Qantas Airways Limited (Qantas Constitution) contains the following provisions required by the *Qantas Sale Act 1992* to protect the airline's position as the Australian flag carrier:

- head office must be in Australia;
- two-thirds of the Directors must be Australian citizens;
- Chairman must be an Australian citizen;
- quorum for a Directors' Meeting must include a majority of Directors who are Australian citizens; and
- maximum 49 per cent aggregate foreign ownership.

The Qantas Constitution is available on the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-constitution.pdf>.

# Corporate Governance Statement continued

FOR THE YEAR ENDED 30 JUNE 2021

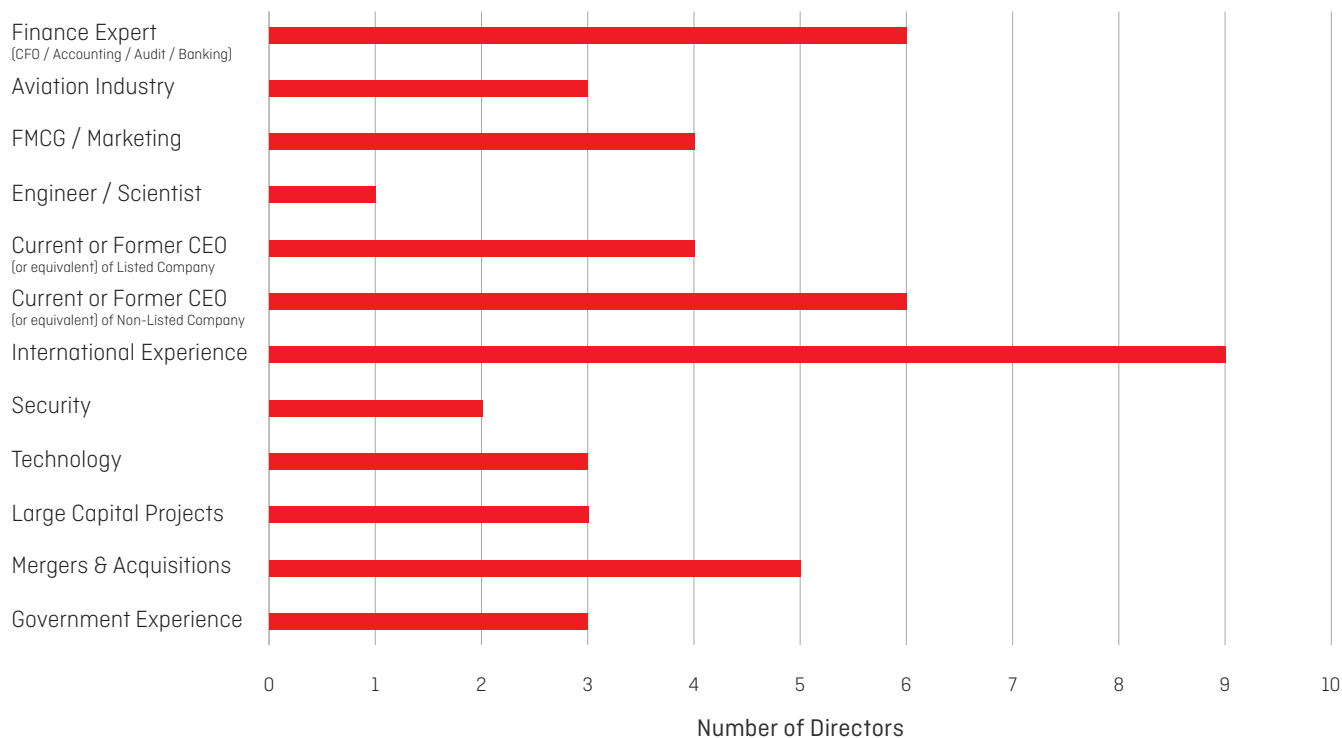
## STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

Of the ten Directors on the Qantas Board, nine Directors are Independent Non-Executive Directors, all of whom have been elected by shareholders. The Independent Non-Executive Directors who served Qantas during 2020/21 are set out below:

Director	Year of Appointment
Richard Goyder (Chairman)	2017
Maxine Brenner	2013
Jacqueline Hey	2013
Belinda Hutchinson	2018
Michael L'Estrange	2016
Paul Rayner	2008
Todd Sampson	2015
Antony Tyler	2018
Barbara Ward	2008



The Directors possess a range of skills and experience as set out below:



# Corporate Governance Statement continued

FOR THE YEAR ENDED 30 JUNE 2021

## Independence

Independent Non-Executive Directors are free from any business or other relationship that could, or could be perceived to, materially interfere with their independent judgement and who are willing to express their opinions openly at the Board table. The Board does not consider it possible to list comprehensively the criteria for independence. The approach and attitude of each Non-Executive Director is critical, in addition to other relevant factors, which may include whether a Non-Executive Director:

- is a substantial shareholder of Qantas or an officer of, or otherwise associated directly with, a substantial shareholder of Qantas;
- has, within the last three years, been employed in an executive capacity by the Qantas Group;
- has, within the last three years, been a principal of a material professional advisor or a material consultant to the Qantas Group or an employee materially associated with the service provided;
- is a material supplier or customer of the Qantas Group, or an officer of, or otherwise associated directly or indirectly with, a material supplier or customer;
- has any material contractual relationship with the Qantas Group other than as a Director;
- has served on the Board for a period which could materially interfere with the Director's ability to act in the best interests of the Qantas Group (and it is neither possible nor appropriate to assign a fixed term to this criteria);
- is free from any interest, position, association or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Qantas; or
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme.

Each Director is required to disclose immediately to the Board if he or she has an interest or relationship which is likely to impact materially on his or her independence or if a Director believes he or she may no longer be independent.

Qantas believes that the materiality thresholds set out below are relevant to assessing the independence of Non-Executive Directors:

- a relationship which accounts for more than 10 per cent of the Director's gross income (other than Directors' fees paid by Qantas); and
- when the relationship is with a firm, company or entity, in respect of which the Director (or any associate) has more than a 20 per cent shareholding in a private company or a two per cent shareholding in a listed company.

For Qantas, the following materiality thresholds are also considered relevant:

- in respect of advisors or consultants — if fees paid exceed \$2 million per annum;
- in respect of suppliers — if goods or services purchased by the Qantas Group exceed two per cent of Qantas' annual consolidated gross revenue (other than banks, where materiality must be determined on a case-by-case basis); and
- in respect of customers — if goods or services supplied by the Qantas Group exceed two per cent of Qantas' annual consolidated gross revenue.

Close family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence.

Qantas has commercial relationships with most major entities in Australia. Any Director on the board of another entity is expected to excuse himself or herself during any meeting when that entity's commercial relationship with Qantas is to be discussed.

Qantas currently has one Executive Director, Alan Joyce, who is not considered to be independent.

Independent legal, financial or other professional advice at the expense of Qantas is available to the Directors if necessary in relation to any issues of Director independence.

At the 2000 Annual General Meeting (AGM), shareholders approved Qantas entering into Director Protection Deeds with each Director.

## Nominations Committee

The Nominations Committee:

- has four Members who are Independent Non-Executive Directors;
- is chaired by Richard Goyder, the Qantas Chairman, who is an Independent Non-Executive Director;
- has a written Charter which is available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-nominations-committee-charter.pdf>; and
- meets at least once each year and otherwise as required to assist the Board in fulfilling its corporate governance responsibilities with regard to:
  - Board appointments, re-elections and performance;
  - diversity;
  - Directors' inductions and continuing development;
  - Committee Membership; and
  - succession of the CEO.

The Committee Membership, experience and qualifications of Members of the Nominations Committee and attendance at 2020/21 Nominations Committee Meetings are detailed in the Qantas Annual Report 2021.



# Corporate Governance Statement continued

FOR THE YEAR ENDED 30 JUNE 2021

## Appointment and Re-Election of Directors

When appointing new Directors, the Board and its Nominations Committee look to ensure that an appropriate balance of skills, knowledge, experience, independence and diversity is maintained. Appropriate background checks are conducted prior to appointing any new Director or putting a person forward for election as a Director, and external consultants are engaged to assist with the selection process as necessary. In addition, each Board Member has the opportunity to meet with the nominated Director.

Directors receive formal letters of appointment setting out the key terms, conditions and expectations of their appointment, including a requirement to inform the Chairman prior to accepting a new appointment to any entity's board or any other position with a significant time commitment attached.

Directors submitting themselves for re-election at a general meeting are reviewed by the Nominations Committee. Directors are re-elected in accordance with the Qantas Constitution and the ASX Listing Rules. Qantas discloses all material information relevant to a decision on whether or not to elect or re-elect a Director in the Qantas Notice of Meeting for the AGM.

## Induction and Continuing Development of Directors

A formal induction program is provided to new Directors to ensure they have a working knowledge of the Qantas Group (including its beliefs and values) and the aviation industry. Directors have open access to all relevant information, including discussions with Management and subject matter experts, and site visits to observe operations. Directors may meet independently with Management at any time to discuss areas of interest or concern. Existing Directors are also encouraged to undertake ongoing professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.

## Review of Board and Committee Performance

The Board recognises the importance of continuously monitoring and assessing its performance and undertakes a structured annual review of its performance and that of its Committees. The Board also periodically engages the assistance of external consultants to facilitate formal Board and Committee performance reviews.

During 2020/21, the Board completed an internal review of Board and Committee performance, in which each Director completed a detailed written performance evaluation. The outcomes of those evaluations were presented by the Chair to the Board as a group. Each of the Board's Committees also undertook a similar review of its performance over the period.

## Appointment and Evaluation of Senior Executives

Similar to Directors, Senior Executives of the Qantas Group are appointed on the basis of their skills, experience, knowledge and diversity. Appropriate background checks are conducted prior to any appointment with the Group.

The Board is responsible for appointing and evaluating the performance of the CEO, and during 2020/21 the Board undertook a review of the performance of the CEO. The CEO is responsible for annually assessing and reporting to the Board on the performance of the Senior Executives who report to the CEO against agreed performance criteria. The review process for Senior Executives as set out above was also undertaken during 2020/21.



# Corporate Governance Statement continued

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## Inclusion and Diversity

The aviation industry and Qantas Group continue to experience the ongoing impacts of COVID-19. The Qantas Group Inclusion and Diversity strategic framework 2021–2024 is focused on supporting our Three-Year Plan to accelerate recovery from the COVID crisis. Gender balance will continue to be a strategic priority and progress against several previously paused commitments will recommence aligned to our ongoing operational recovery.

The objective of the framework is to drive better business outcomes and an improved employee experience through shared accountability for inclusion and diversity. This is achieved through realising the following three outcomes:

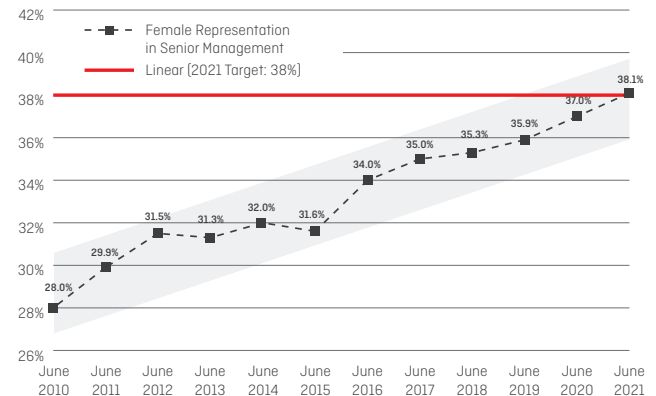
1. Diversity in our organisation and ways of working;
2. An inclusive people experience; and
3. External leadership.

The Group has an Inclusion and Diversity Policy which is publicly available on the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-inclusion-diversity-policy.pdf>.

The Board Nominations Committee, in consultation with the Group Management Committee, is responsible under the policy for setting and reviewing annually the Group’s inclusion and diversity objectives and initiatives. The Inclusion and Diversity Policy outlines the roles and responsibilities for implementation, including that of the Group Inclusion and Diversity Council.

The measurable objective set by the Board Nominations Committee for gender balance is a new three-year Group gender target of 42 per cent of women in Senior Management roles<sup>1</sup> by June 2024. Our progress against achieving our previous Group gender target of 38 per cent by June 2021 is outlined below:

### Female Representation in Senior Management:



Note: includes majority owned entities of Qantas Airways Limited, excluding Qantas Superannuation.

### Group Gender Representation

Metrics	2021	2020	2019	2018	2017	2016
Percentage of women employees in the whole organisation	43.6%	42.5%	42.0%	42.3%	42.6%	41.7%
Percentage of women graduates recruited	N/A <sup>1</sup>	47.5%	34.4%	51.9%	52.4%	61.0%
Percentage of women in Senior Management positions	38.1%	37.0%	35.9%	35.3%	35.0%	34.0%
Percentage of women on the Board	40.0%	40.0%	36.4%	36.4%	30.0%	30.0%

<sup>1</sup> No graduate intake in 2021.

Note: includes majority owned entities of Qantas Airways Limited, excluding Qantas Superannuation.

The Group complied with the *Australian Workplace Gender Equality Act 2012* by submitting annual compliance reports for 2021.<sup>2</sup>

For more on our approach to Inclusion and Diversity, refer to our website at <https://www.qantas.com/au/en/qantas-group/acting-responsibly/our-people.html>.



<sup>1</sup> Senior Management is defined as Group Executive, Executive Manager, Heads of and Senior Manager levels and includes majority owned entities of Qantas Airways Limited, excluding Qantas Superannuation.

<sup>2</sup> Includes Australian-based employees only.

# Corporate Governance Statement continued

FOR THE YEAR ENDED 30 JUNE 2021

## INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

The Board has established a corporate governance framework, comprised of Non-Negotiable Business Principles (Principles) and Group Policies, which form the foundation for the way in which the Qantas Group undertakes business. The Principles and Group Policies are detailed in the Qantas Group Business Practices Document which is available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-business-practices-document.pdf>.

The Qantas Group has a formal Code of Conduct and Ethics, which sets out minimum requirements in a number of areas including:

- compliance with laws, regulations and ethical standards;
- continuous disclosure;
- share trading;
- political donations and anti-bribery and corruption laws compliance;
- compliance with competition and consumer laws;
- giving or receiving gifts, entertainment and hospitality;
- conflicts of interest;
- accounting records;
- retention and storage of data;
- dealing with auditors and investigators;
- making public statements about the Qantas Group;
- use of confidential information;
- treating people with respect and acting in the best interests of the Qantas Group;
- compliance with privacy laws and regulations worldwide; and
- equal employment opportunity.

The Qantas Group Code of Conduct and Ethics is also available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/Qantas-Group---Code-of-Conduct-and-Ethics.pdf>

The Qantas Group Code of Conduct and Ethics governs conduct for Directors, Senior Executives and Employees of the Qantas Group, and the Board and Audit Committee are informed of any material breaches of the Code.

### Employee Share Trading Policy

The Qantas Group Employee Share Trading Policy sets out guidelines designed to protect the Qantas Group and its employees from intentionally or unintentionally breaching the law. The Policy prohibits employees from dealing in the securities of any Qantas Group entity while in possession of material non-public information.

In addition, certain nominated Qantas Group employees (including Key Management Personnel) are required to follow 'request to deal' procedures and are prohibited from dealing in Qantas shares (with some exceptions, as mentioned in ASX Guidance Note 27) between:

- 31 December 2021 and 24 hours after the release to the ASX of Qantas' half year results; and
- 30 June 2021 and 24 hours after the release to the ASX of Qantas' full year results.

Nominated Qantas Group employees are also prohibited from entering into any hedging or margin lending arrangement or otherwise granting a charge over the securities of any Qantas Group listed entity where control of any sale process relating to those securities may be lost.

The Qantas Group Employee Share Trading Policy is contained in the Qantas Group Code of Conduct and Ethics, which is available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/Qantas-Group---Code-of-Conduct-and-Ethics.pdf>.

### Whistleblower Policy

The Qantas Group has a stand-alone Whistleblower Policy that encourages all eligible whistleblowers to raise matters that are of legitimate concern, including in relation to a potential breach of any legal or regulatory requirement, or a Qantas Group Policy. Qantas has a well-established Whistleblower Committee that oversees investigations and reports to the Board and Audit Committee on the Whistleblower Program, and ensures that the Board and Audit Committee are informed of any material incidents reported under the policy. The Whistleblower Policy applies to all current and former Qantas Group employees, as well as a range of other stakeholders, and is available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/whistleblower-policy.pdf>.

### Anti-Bribery and Corruption

The Qantas Group's Anti-Bribery and Corruption Policy is incorporated into our Code of Conduct and Ethics, which is available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/Qantas-Group---Code-of-Conduct-and-Ethics.pdf>. All material breaches of the Code are reported to the Board and Audit Committee.

### Other Policies

The Qantas Group also has established formal policies and statements relating to its legal and other obligations. These include areas such as safety, health, environment, security, cyber security, finance, risk management, employment practices, modern slavery and human trafficking, and fair trading. Policies are supported by procedures for compliance and monitoring effectiveness. An overall summary of Qantas' core business principles, values and practices can be found in the Qantas Group Business Practices Document, which is available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-business-practices-document.pdf>.



# Corporate Governance Statement continued

FOR THE YEAR ENDED 30 JUNE 2021

## SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

### Audit Committee

The Board has an Audit Committee which:

- has four Members who are Independent Non-Executive Directors;
- is chaired by Barbara Ward, an Independent Non-Executive Director;
- has a written Charter which is available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-audit-committee-charter.pdf>;
- includes Members who are all financially literate;
- is responsible for assisting the Board in fulfilling its corporate governance responsibilities with regard to financial reporting, audit and risk management, including:
  - the integrity of the Qantas Group's financial reporting;
  - compliance with legal and regulatory obligations;
  - the effectiveness of the Qantas Group's enterprise-wide risk management and internal control framework; and
  - oversight of the independence of the external and internal auditors.

In particular, the Audit Committee undertakes both the functions of an audit committee and the elements of a risk committee (other than those undertaken by the Safety, Health, Environment and Security Committee) as set out in the ASX Principles.

The Committee Membership, experience and qualifications of Members of the Audit Committee are contained in the Qantas Annual Report 2021. Membership of and attendance at 2020/21 Audit Committee Meetings are also detailed in the Qantas Annual Report 2021.

The Board and Audit Committee closely monitor the independence of the external auditor. Regular reviews occur of the independence safeguards put in place by the external auditor. As required by section 300(11D)(a) of the *Corporations Act 2001* (Cth) and the Audit Committee Charter, the Audit Committee has advised the Board that it is appropriate for the following statement to be included in the 2021 Directors' Report under the heading 'Non-Audit Services':

'The Directors are satisfied that:

1. the non-audit services provided during 2020/21 by KPMG as the external auditor were compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*;
2. any non-audit services provided during 2020/21 by KPMG as the external auditor did not compromise the independence requirements of the *Corporations Act 2001* for the following reasons:
  - i. KPMG services have not involved partners or staff acting in a managerial or decision-making capacity within the Qantas Group or being involved in the processing or originating of transactions;
  - ii. KPMG non-audit services have only been provided where Qantas is satisfied that the related function or process will not have a material bearing on the audit procedures;
  - iii. KPMG partners and staff involved in the provision of non-audit services have not participated in associated approval or authorisation processes;
  - iv. a description of all non-audit services undertaken by KPMG and the related fees have been reported to the Board to ensure complete transparency in relation to the services provided; and
  - v. the declaration required by section 307C of the *Corporations Act 2001* confirming independence has been received from KPMG.'

Qantas rotates the lead external audit partner every five years and imposes restrictions on the employment of personnel previously employed by the external auditor. Qantas last rotated its lead external auditor partner during the 2016/17 year.

Policies and procedures are in place to restrict the type of non-audit services which can be provided by the external auditor and a detailed review of non-audit fees paid to the external auditor is undertaken on a quarterly basis.

At each meeting, the Audit Committee meets privately with Executive Management without the external auditor, and with the internal and external auditors without Executive Management. The external auditor attends each AGM.

### Verification of Corporate Reporting

Qantas' half year and annual financial reports are each respectively audited by Qantas' independent external auditor KPMG. Prior to Board approval of both financial reports, the Board receives the following from the KPMG:

- an independence declaration confirming that there were no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001*, and that there were no contraventions of any applicable code of professional conduct in relation to the review; and
- the independent external auditor's review report to the shareholders of Qantas.



# Corporate Governance Statement continued

FOR THE YEAR ENDED 30 JUNE 2021

## CEO and CFO Declaration

Prior to Board approval of Qantas' half year and annual financial reports, the CEO and CFO provide the Board with the declarations required under section 295A of the *Corporations Act 2001* and Recommendation 4.2 of the ASX Principles.

For the financial year ended 30 June 2021, the CEO and CFO made a declaration in accordance with section 295A of the *Corporations Act 2001*. The declaration was formed on the basis of a sound system of risk management and internal control which is operating effectively. An equivalent declaration was made for the half year ended 31 December 2020.

## Other Periodic Corporate Reports

Qantas is committed to providing transparent, concise and effective disclosure in all its corporate reporting, which includes verifying the integrity of all periodic corporate reports released to the market that are not audited or reviewed by its external auditor.

The verification process undertaken involves internal review and approval by Senior Management and the Board prior to release to the ASX. Reports are prepared by, or under the supervision of, subject matter experts, and material disclosures are allocated to designated areas of the business to substantiate the disclosures by reference to company source documents or, if no source documents are available, by persons with the knowledge and expertise to confirm the accuracy and completeness of the disclosures. Once the reports have gone through an appropriate layered Management review and sign-off process, they are subject to final review and approval by Senior Management, the relevant Board Committee, or the Board as a whole, as appropriate.

## **MAKE TIMELY AND BALANCED DISCLOSURES**

Qantas is committed to ensuring that trading in its shares takes place in an orderly and informed market, with transparent and consistent communication with all shareholders. Qantas has an established process to ensure that it complies with its continuous disclosure obligations at all times, including a biannual confirmation by all Executive Management that the areas for which they are responsible have complied with the Qantas Group Continuous Disclosure Policy. Qantas proactively communicates with its shareholders via the ASX and its web-based Newsroom. The Qantas Board receives copies of all material market announcements for review and approval of release to the market, as well as a final copy promptly after they have been made. Additionally, Qantas actively conveys its publicly-disclosed information and seeks the views of its shareholders, large and small, in a number of forums, including at the Annual General Meeting, Qantas Investor Days and, as is common practice among its major listed peers, through periodic meetings with current and potential institutional shareholders.

The Qantas Group Continuous Disclosure Policy is contained in the Qantas Group Code of Conduct and Ethics, which is available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-code-of-conduct.pdf>.

## **RESPECT THE RIGHTS OF SECURITY HOLDERS**

Qantas has a Shareholder Communications Policy which promotes effective two-way communication with shareholders and the wider investment community, and encourages participation at general meetings. The Qantas Shareholder Communications Policy is summarised in the Qantas Group Business Practices Document, which is available on the Our Governance page of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-business-practices-document.pdf>.

Information about the Qantas Group, our governance and all company announcements lodged by Qantas with the ASX are available on the Qantas Investor website at <https://investor.qantas.com/Home/>. These include the Annual Report, notices of meeting and payment statements. In addition, materials presented at significant investor and analyst briefings are made available on the Qantas Investor website and are lodged with the ASX ahead of the presentation where required.

Shareholders also have the option to receive communications from, and send communications to, Qantas and its Share Registry electronically, including email notification of significant market announcements. Electronic communications have the added advantage of being more timely and cost effective, which benefits all shareholders. Shareholders should contact Link Market Services if they want to elect to receive electronic communications.

The Qantas Notice of Meeting 2021 for the AGM will be provided to all shareholders and made available on the Qantas Investor website at <https://investor.qantas.com/Home/>. The 2021 AGM proceedings will be available for viewing by live and archived webcast. For shareholders unable to attend, an AGM Proxy Voting and Question Form will accompany the Qantas Notice of Meeting 2021, giving shareholders the opportunity to proxy vote and submit questions and comments to Qantas or the external auditor prior to the AGM. All resolutions considered at the AGM are decided by a poll.

Qantas' contact details are available on the Qantas Investor website at <https://investor.qantas.com/Home/>. Shareholders can email Qantas from this page or contact its share registry, Link Market Services Limited, at [registry@qantas.com](mailto:registry@qantas.com).





# Corporate Governance Statement continued

FOR THE YEAR ENDED 30 JUNE 2021

## RECOGNISE AND MANAGE RISK

Qantas is committed to embedding risk management practices to support the achievement of business objectives and fulfil corporate governance obligations. The Board is responsible for reviewing and overseeing the risk management strategy for the Qantas Group and for ensuring the Qantas Group has an appropriate corporate governance structure. Within that overall strategy, Management has designed and implemented a risk management and internal control system to manage Qantas' material business risks.

Qantas is a complex business and is exposed to a range of strategic, financial, operational, socially responsible and sustainability-related risks that are inherent in operating in the aviation industry.

Risks that could affect results and performance include:

- COVID-19 outbreak management to prevent the introduction and spread of the virus in workplaces and aircraft;
- general economic conditions post-crisis and impacts on consumer and business demand for air travel;
- fluctuations in the price of aviation fuel and foreign exchange rates;
- a change in our credit rating or the availability of funds (including access to liquidity);
- increased competition due to the expansion of existing airlines; the consolidation of existing airlines and/or the creation of alliances between airlines; new airlines entering the market; or aggressive pricing by competitors;
- key suppliers not fulfilling their service obligations potentially impacting operations;
- performance of key business partners and alliances or termination of a significant airline alliance;
- employee relations and risks of industrial action associated with enterprise bargaining disputes;
- the effects of climate change or natural disasters that result in restrictions or limitations on aviation operations;
- cyber security incidents and data protection, including privacy; and
- government regulations including national aviation regulators.

The Qantas Group Risk Management Framework (Framework) supports the proactive management of these and other risks facing Qantas.

The Qantas Group Risk Management Policy (Policy) sets out the minimum requirements, roles and responsibilities for managing risk across the Qantas Group. This Policy is summarised in the Qantas Group Business Practices Document available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-business-practices-document.pdf>.

The Framework is aligned to the International Standard on Risk Management (ISO 31000:2018) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework for evaluating internal controls.

The Group Management System Standard (GMS), which has been implemented across the Qantas Group, provides a common standard for identifying, assessing and managing material business risks across the Qantas Group. The GMS provides guidance for

business units regarding leadership, commitment and planning, process management, risk management, assurance and training and promotion.

Material risks and Management's responses to managing these risks are escalated to Executive Management, Board Committees and the Board as appropriate and are reported as part of the risk reporting process. Risk management is also integrated into key business decision-making and activities, including strategy development, projects and change initiatives.

Management self-assessments, audits and risk management reviews are undertaken to confirm that risks are being effectively managed and reported to the Board through the Audit Committee. On a biannual basis, Executive Management certifies that there is an effective risk management process in place within their respective areas of responsibility.

An independent review of the Framework is performed periodically to assure effectiveness and drive continuous improvement.

During 2020/21, the two Board Committees responsible for oversight of risk-related matters, being the Audit Committee and the Safety, Health, Environment and Security Committee, undertook their annual review of the effectiveness of Qantas' implementation of its risk management system and internal control framework.

## Safety, Health, Environment and Security Committee

To protect Qantas' reputation as one of the world's safest and most secure airlines, and to manage the safety, health, environment and security performance of the Qantas Group, the Safety, Health, Environment and Security Committee is responsible for assisting the Board in oversight and monitoring of the GMS.

The Safety, Health, Environment and Security Committee:

- has five Members — the CEO and four Independent Non-Executive Directors;
- is chaired by Antony Tyler, an Independent Non-Executive Director; has a written Charter which is available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-chess-charter.pdf>; and
- is responsible for assisting the Board in fulfilling its strategy, policy, systems oversight, monitoring and corporate governance responsibilities in regard to safety, health, environment, security and business resilience matters including:
  - compliance with related legal and regulatory obligations; and
  - the effectiveness of the Qantas Group's enterprise-wide risk management framework.

In particular, the Safety, Health, Environment and Security Committee undertakes the functions of a risk committee (other than in respect of those matters overseen by the Audit Committee) as set out in the ASX Principles.

The Committee Membership, experience and qualifications of Members of the Safety, Health, Environment and Security Committee are detailed in the Qantas Annual Report 2021 together with membership of and attendance at 2020/21 Safety, Health, Environment and Security Committee Meetings.

# Corporate Governance Statement continued

FOR THE YEAR ENDED 30 JUNE 2021

## Internal Audit

The internal audit function is carried out by Group Audit and Risk and is independent of the external auditor. Group Audit and Risk provides independent, objective assurance and consulting services on the Group's system of risk management, internal control and governance through:

- maintaining and improving the risk management framework as approved by the Audit Committee;
- biannual risk reporting to the Audit Committee; and
- performing audits and other advisory services to assure risk management throughout the Qantas Group.

Group Audit and Risk adopts a risk-based approach in formulating its audit plan to align audit activities to the key risks across the Qantas Group. The audit plan is approved by the Audit Committee biannually and submitted to the Safety, Health, Environment and Security Committee for information and approval where appropriate.

The Audit Committee approves the Group Audit and Risk Internal Audit Charter which provides Group Audit and Risk with full access to Qantas Group functions, records, property and personnel, and establishes independence requirements. The Audit Committee also approves the appointment, replacement and remuneration of the internal auditor. The internal auditor has a direct reporting line to the Audit Committee and also provides reporting to the Safety, Health, Environment and Security Committee.

In addition to Group Audit and Risk, operationally focused business units within the Qantas Group have their own internal audit functions to provide assurance to accountable managers on the effectiveness of operational risk management and compliance. The findings from these audit activities, along with the status of audit management actions, are reported through operational safety governance structures and to the Safety, Health, Environment and Security Committee.

## REMUNERATE FAIRLY AND RESPONSIBLY

The Qantas executive remuneration objectives and approach are set out in full in the Directors' Report, which is contained in the Qantas Annual Report 2021.

### Remuneration Committee

The Board has a Remuneration Committee which:

- has four Members who are Independent Non-Executive Directors;
- is chaired by Paul Rayner, an Independent Non-Executive Director;
- has a written Charter, which is available on the Our Governance section of the Qantas website at <https://www.qantas.com/content/dam/qantas/pdfs/about-us/corporate-governance/qantas-remuneration-committee-charter.pdf>;
- is responsible for assisting the Board in fulfilling its corporate governance responsibilities with regard to remuneration matters including:
  - the remuneration framework for Non-Executive Directors, within the pool of Directors' fees approved by shareholders;
  - the remuneration and incentive framework, including any proposed equity incentive awards for the CEO, Executive Management and other Senior Executives;
  - recommendations and decisions (as relevant) on remuneration and all incentive awards for the CEO and Executive Management;
  - reviewing the overarching remuneration framework to understand whether it reflects Qantas' values; and
  - strategic human resources policies.

The Committee Membership, experience and qualifications of Members of the Remuneration Committee together with attendance at 2020/21 Remuneration Committee Meetings are detailed in the Qantas Annual Report 2021.

Information about the remuneration of Executive Management is disclosed to the extent required in the Remuneration Report, which is part of the Directors' Report contained in the Qantas Annual Report 2021.

Qantas Directors are entitled to statutory superannuation and certain travel entitlements (accrued during service) which are reasonable and standard practice in the aviation industry. Non-Executive Directors do not receive any performance-based remuneration. Details of Directors' remuneration are disclosed to the extent required in the Remuneration Report, which is part of the Directors' Report contained in the Qantas Annual Report 2021.







QANTAS AIRWAYS LIMITED  
ABN 16 009 661 901