

8 September 2003

Dear Shareholder

2003 ANNUAL GENERAL MEETING

The 2003 Annual General Meeting (AGM) of Qantas Airways Limited is to be held at 2:00pm on Thursday 16 October 2003 in Hall G of the Adelaide Convention Centre. The formal Notice of Meeting is attached.

Qantas has many shareholders around Australia. To provide an opportunity for the maximum number of shareholders to attend an AGM, Qantas holds its Meeting in a different State each year. The AGM was last held in Adelaide in 1999. The 2002 AGM was held in Perth.

BUSINESS

1. Consideration of Reports

The Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 30 June 2003 will be presented for consideration.

Unless the Qantas Share Registry has been notified otherwise, each shareholder will have received an Annual Report which includes a Concise Financial Report for the year ended 30 June 2003. Any shareholder wishing to receive a copy of the full Financial Report, which will be presented at the Meeting, should contact the Qantas Share Registry. The Qantas Share Registry will mail you a copy at no charge.

2. Questions and Comments

Following the Consideration of Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management and audit of Qantas.

3. Election of Directors

3.1 Trevor Eastwood

Trevor Eastwood retires by rotation and, being eligible, offers himself for re-election as a Non-Executive Director.

Trevor Eastwood was appointed to the Board in October 1995. Mr Eastwood is a member of the Chairman's Committee and Audit Committee.

Mr Eastwood holds a Bachelor of Engineering degree from the University of Western Australia and is a graduate of the Advanced Management Program at the Harvard Graduate School of Business Management (USA). He joined the Wesfarmers Group in 1963 and, after holding a number of management positions in the Group, was appointed Managing Director of Wesfarmers Limited and Chief Executive of Westralian Farmers Co-operative Limited in 1984. Mr Eastwood retired as an executive of Wesfarmers and its associated companies in June 1992.

Mr Eastwood is the chairman of Wesfarmers Limited. Mr Eastwood has been a director and chairman of a number of listed companies including director of BankWest and chairman of West Australian Newspapers Holdings Ltd.

Mr Eastwood has held various seats on State and Federal Government councils. He is a Fellow of Curtin University, Australian Institute of Management and the Australian Institute of Company Directors. In August 1989, he was named Australian Entrepreneur of the Year and in June 1990, WA Citizen of the Year for Commerce and Industry.

Mr Eastwood received a Medal of the Order of Australia in the General Division on Australia Day in 1994. In April 2003, Mr Eastwood was awarded the Centenary Medal for service to the community through commerce and industry in Western Australia.

The Directors (with Trevor Eastwood absent and not voting) recommend that you vote in favour of this Ordinary Resolution.

3.2 Jim Kennedy

Jim Kennedy retires by rotation and, being eligible, offers himself for re-election as a Non-Executive Director.

Jim Kennedy was appointed to the Board in October 1995. Mr Kennedy is the Chairman of the Audit Committee and a member of the Chairman's Committee.

Mr Kennedy, a chartered accountant and public company director, is well known for his contribution to the tourism industry as well as to business. He was awarded the Degree of Doctor of the University (Queensland University of Technology) in May 1995.

Mr Kennedy is currently Deputy Chairman of GWA International Limited. He is a Director of the Australian Stock Exchange Limited, Macquarie Goodman Funds Management Limited and Suncorp-Metway Limited. He is a member of the Advisory Board of Blake Dawson Waldron.

Mr Kennedy is a former Chairman of Queensland Investment Corporation, the Australian Postal Commission, the Australian Government Inquiry into Tourism, the Queensland Corrective Services Commission and the Queensland Tourist and Travel Corporation and the former Deputy Chairman of the Australian Tourist Commission. He was a Member of the Royal Commission of Inquiry into the Australian Post Office and the Commissioner of Review into Corrective Services in Queensland. He was also previously a Director of Commonwealth Bank of Australia, MIM Holdings Limited, Pacific Dunlop Limited, Santos Limited and QCT Resources Limited.

Mr Kennedy was awarded as a Commander of the British Empire in 1982 and received the Order of Australia in 1995.

The Directors (with Jim Kennedy absent and not voting) recommend that you vote in favour of this Ordinary Resolution.

3.3 Peter Gregg

Peter Gregg retires by rotation and, being eligible, offers himself for re-election as an Executive Director.

Peter Gregg was appointed to the Board in September 2000 as the Chief Financial Officer.

Mr Gregg is a Director of a number of the controlled entities of Qantas and a Director of Air Pacific Limited.

Mr Gregg was actively involved in the privatisation of Qantas and retains responsibility for Group Finance and Investor Relations. He is also responsible for Information Technology, Purchasing, Property and Facilities, Special Projects, Internal Audit, Security and Investigation Services, Corporate Safety and Group Risk Management.

Prior to being appointed Chief Financial Officer, Mr Gregg was Deputy Chief Financial Officer and Group Treasurer at Qantas. He was also Treasurer of Australian Airlines and has worked for the Queensland Government in various Risk Management roles.

Mr Gregg is a Fellow of the Finance & Treasury Association, a Member of the Australian Institute of Company Directors, was educated at Queensland University and holds a Bachelor of Economics degree.

The Directors (with Peter Gregg absent and not voting) recommend that you vote in favour of this Ordinary Resolution.

4. Qantas Deferred Share Plan – Executive Director Participation

Approval Sought

Qantas seeks shareholder approval for the Executive Directors (Geoff Dixon and Peter Gregg) to participate in the Qantas Deferred Share Plan (Plan). The Plan was approved by Shareholders at the 2002 AGM.

Background on Qantas Remuneration Policy – Executives Generally

Qantas' policy is to ensure that executive remuneration properly reflects the duties and responsibilities of the relevant executive and that remuneration is competitive in attracting, motivating and retaining managers of the highest calibre.

This is achieved via a mixture of:

- i. fixed annual remuneration (salary, superannuation and fringe benefits);
- ii. performance related remuneration, comprising:
 - (a) a short term cash incentive; and
 - (b) the Plan - made up of a medium term incentive (the offer of deferred shares) and a long term incentive (the grant of performance rights); and
- iii. concessionary travel benefits, service payments, other retention tools and additional discretionary benefits considered appropriate from time to time.

The guiding principles in managing remuneration for executives are that:

- i. all elements of remuneration should be set at an appropriate level having regard to market practice for roles of similar scope and skill;
- ii. performance related remuneration should be used to differentiate reward for high performers and to encourage continuously higher levels of performance;

- iii. performance related remuneration should be clearly linked to appropriate goals through a robust performance management system; and
- iv. the Plan, comprising the offer of deferred shares and grant of performance rights should be used to align the interests of executives with shareholders, support a culture of employee share ownership and act as a retention initiative.

The Board believes that the above remuneration strategy is consistent with current market practice.

The Plan - Deferred Shares – Award for 2003/04 to Executives

The medium-term incentive component of executive remuneration is delivered via the offer of deferred shares under the Plan.

The Board proposes that selected Qantas executives will, subject to the Board resolving that Qantas has achieved a reasonable rate of return to shareholders (which will be decided by the Board taking into account all relevant circumstances, including the relevant market conditions), be offered deferred shares under the Plan. There are approximately 800 executives at Qantas who may be eligible to participate in any award.

The Board will determine how many deferred shares are to be offered to each participating executive. No consideration is payable by participating executives.

The appropriate number of Qantas shares will be purchased on-market at the prevailing market price and will be held on behalf of each participant by the Qantas Deferred Share Plan Trustee (Trustee) until the expiry of a specified holding lock period. One-half of the deferred shares will have a holding lock of one year. The other half will have a holding lock of two years. Upon the expiry of the relevant holding lock, shares will be transferred from the Trustee and registered in the relevant executive's name.

Generally, any deferred shares which remain subject to the relevant holding lock will be forfeited if the relevant executive ceases employment with the Qantas Group. Any dividends paid on the deferred shares will be distributed to the relevant executive.

The Plan – Performance Rights – Award for 2003/04 to Executives

The award of performance rights, to targeted senior managers and other executives who are identified with developing high potential, is a key element of the Qantas executive retention strategy.

Performance rights form the long-term incentive component of the Plan. Subject to achievement of a performance hurdle to be set by the Board, performance rights may be converted (on a one-for-one basis) to ordinary Qantas shares three years after award for no additional consideration. Performance rights which do not vest three years after award will lapse.

The performance hurdle to be set by the Board for the 2003/04 grant of performance rights is to be based on a Return on Total Gross Assets (ROTGA) target over the three-year vesting period. The ROTGA target will be set to ensure a reasonable rate of return to shareholders.

Generally, any performance rights which have not vested will lapse if the relevant executive ceases employment with the Qantas Group.

Once performance rights vest, it is expected that Qantas will satisfy its conversion obligations by arranging for the purchase of Qantas shares on-market, which will be registered in the name of the relevant executive.

The detailed conditions of the offers of deferred shares and performance rights under the Plan will be contained in specific Plan Rules which will be approved by the Board.

Director Participation in the Plan

Under the Terms & Conditions of the Plan, Non-Executive Directors are not eligible to participate in the Plan.

The Executive Directors, Geoff Dixon and Peter Gregg, are eligible to participate in the Plan and shareholder approval is sought to permit their participation in the award of deferred shares and performance rights.

4.1 Participation in the Plan by Geoff Dixon

Under Listing Rule 10.14, no director may acquire securities under an employee incentive scheme (such as the Plan), without shareholder approval.

The Board has received independent advice on the appropriate level of remuneration to be made available to the current Executive Directors. Based on this advice, the Board (with Geoff Dixon and Peter Gregg absent and not voting) believes it is appropriate and has resolved, subject to shareholder approval, that the Chief Executive Officer, Geoff Dixon, participates in the Plan as set out below.

In accordance with the Listing Rules, the following information is provided for shareholders:

- i. shareholders are requested to approve the acquisition for the Chief Executive Officer, Geoff Dixon, under the Plan, of up to 125,000 deferred shares and the award of up to 125,000 performance rights (Rights) (which Rights, subject to satisfaction of relevant performance hurdles, convert one-for-one into Qantas shares);
- ii. under the Terms & Conditions and Rules of the Plan, the deferred shares will be purchased on-market at the prevailing market price;
- iii. subject to the Terms & Conditions and Rules of the Plan, deferred shares will not generally be able to be sold or otherwise dealt with until after:
 - (a) 1 July 2004 in respect of up to 62,500 shares; and
 - (b) 1 July 2005 in respect of up to 62,500 shares;
- iv. upon satisfaction of the performance hurdles set by the Board, Rights will vest and, provided the Chief Executive Officer is still an employee of Qantas, he will be entitled to convert each vested Right for one Qantas share;
- v. no loan will be made by Qantas in connection with the acquisition of deferred shares or Rights by the Chief Executive Officer;
- vi. prior to this award, the following deferred shares and Rights have been issued to the Executive Directors under the Plan:
 - (a) Chief Executive Officer, Geoff Dixon:
 - (i) 27,514 deferred shares allocated on 18 October 2002 with a Holding Lock Period until 22 October 2004;
 - (ii) 3,057 Rights granted on 23 October 2002 which may vest on 22 October 2004;

- (iii) 250,000 deferred shares allocated on 31 December 2002 with a Holding Lock Period until 31 December 2005 (registered in the name of the Trustee); and
 - (iv) 27,777 Rights granted on 6 January 2003 which may vest on 31 December 2005;
- (b) Chief Financial Officer, Peter Gregg:
 - (i) 18,489 deferred shares allocated on 18 October 2002 with a Holding Lock Period until 22 October 2004;
 - (ii) 2,054 Rights granted on 23 October 2002 which may vest on 22 October 2004;
 - (iii) 150,000 deferred shares allocated on 10 December 2002 with a Holding Lock Period until 20 August 2006 (registered in the name of the Trustee); and
 - (iv) 16,666 Rights granted on 13 December 2002 which may vest on 20 August 2006;
- vii. details of any deferred shares or Rights purchased, issued or granted under the Plan will be published in each Qantas Annual Report relating to a period in which the securities have been purchased, issued or granted and that approval for the purchase, issue or grant of securities was obtained under Listing Rule 10.14;
- viii. shares for the Chief Executive Officer will be acquired under this approval by 30 September 2004 except for shares purchased or issued upon the conversion of any Rights. No shares will be purchased or issued under this approval later than three years after the date of the Meeting; and
- ix. any additional persons (for whom shareholder approval is required) who become entitled to participate in the Plan after the Resolution is approved and who are not named in the Notice of Meeting, will not participate in the Plan until approval is obtained under Listing Rule 10.14.

4.2 Participation in the Plan by Peter Gregg

Under Listing Rule 10.14, no director may acquire securities under an employee incentive scheme (such as the Plan), without shareholder approval.

The Board has received independent advice on the appropriate level of remuneration to be made available to the current Executive Directors. Based on this advice, the Board (with Geoff Dixon and Peter Gregg absent and not voting) believes it is appropriate and has resolved, subject to shareholder approval, that the Chief Financial Officer, Peter Gregg, participates in the Plan as set out below.

In accordance with the Listing Rules, the following information is provided for shareholders:

- i. shareholders are requested to approve the acquisition for the Chief Financial Officer, Peter Gregg, under the Plan, of up to 80,000 deferred shares and the award of up to 80,000 Rights (which Rights, subject to satisfaction of relevant performance hurdles, convert one-for-one into Qantas shares);
- ii. under the Terms & Conditions and Rules of the Plan, the deferred shares will be purchased on-market at the prevailing market price,
- iii. subject to the Terms & Conditions and Rules of the Plan, deferred shares will not generally be able to be sold or otherwise dealt with until after:
 - (a) 1 July 2004 in respect of up to 40,000 shares; and

- (b) 1 July 2005 in respect of up to 40,000 shares;
- iv. upon satisfaction of the performance hurdles to be set by the Board, Rights will vest and, provided the Chief Financial Officer is still an employee of Qantas, he will be entitled to convert each vested Right for one Qantas share;
 - v. no loan will be made by Qantas in connection with the acquisition of deferred shares or Rights by the Chief Financial Officer;
 - vi. prior to this award, the following deferred shares and Rights have been issued to the Executive Directors under the Plan:
 - (a) Chief Executive Officer, Geoff Dixon:
 - (i) 27,514 deferred shares allocated on 18 October 2002 with a Holding Lock Period until 22 October 2004;
 - (ii) 3,057 Rights granted on 23 October 2002 which may vest on 22 October 2004;
 - (iii) 250,000 deferred shares allocated on 31 December 2002 with a Holding Lock Period until 31 December 2005 (registered in the name of the Trustee); and
 - (iv) 27,777 Rights granted on 6 January 2003 which may vest on 31 December 2005;
 - (b) Chief Financial Officer, Peter Gregg:
 - (i) 18,489 deferred shares allocated on 18 October 2002 with a Holding Lock Period until 22 October 2004;
 - (ii) 2,054 Rights granted on 23 October 2002 which may vest on 22 October 2004;
 - (iii) 150,000 deferred shares allocated on 10 December 2002 with a Holding Lock Period until 20 August 2006 (registered in the name of the Trustee); and
 - (iv) 16,666 Rights granted on 13 December 2002 which may vest on 20 August 2006;
 - vii. details of any deferred shares or Rights purchased, issued or granted under the Plan will be published in each Qantas Annual Report relating to a period in which the securities have been purchased, issued or granted and that approval for the purchase, issue or grant of securities was obtained under Listing Rule 10.14;
 - viii. shares for the Chief Financial Officer will be acquired under this approval by 30 September 2004 except for shares purchased or issued upon the conversion of any Rights. No shares will be issued under this approval later than three years after the date of the Meeting; and
 - ix. any additional persons (for whom shareholder approval is required) who become entitled to participate in the Plan after the Resolution is approved and who are not named in the Notice of Meeting, will not participate in the Plan until approval is obtained under Listing Rule 10.14.

Voting on the Ordinary Resolutions

Ordinary Resolutions 4.1 and 4.2

In accordance with the Listing Rules, Qantas will disregard any votes cast on Ordinary Resolutions 4.1 and 4.2 by the Directors (except those who are ineligible to participate in any Qantas employee incentive scheme) and their associates.

However, Qantas need not disregard a vote if it is cast by:

- i. a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- ii. the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Directors (with Geoff Dixon and Peter Gregg absent and not voting) recommend that you vote in favour of these Ordinary Resolutions.

5. Amendments to the Constitution – preference shares, electronic communication and legislative amendments

The Directors are proposing that the Qantas Constitution be amended in the manner set out in Annexure A to the formal Notice of Meeting. In particular, changes are proposed to:

- i. provide Qantas with greater flexibility to issue preference shares if the Board considers it desirable to do so in the future;
- ii. provide for communication with shareholders and Directors by electronic means (including email); and
- iii. update the Constitution to reflect and accommodate recent legislative developments, including the enactment of the Corporations Act and the changes introduced by the Financial Services Reform Act which substantially had effect from 11 March 2002.

A summary of the main amendments that are being proposed is set out below.

Except as discussed below, the Board considers the proposed changes will not materially alter the effect of the existing Qantas Constitution.

If you would like a copy of the proposed amended Qantas Constitution (which will be made available at no charge), please contact the Qantas Share Registry.

Preference Shares

Together, clauses 2.1 and 2.4 of the Qantas Constitution allow for the issue of preference shares. However, the provisions do not allow Qantas to issue some of the different types of preference share that have developed over the years (for example a hybrid security such as a reset preference share).

The Directors propose to amend the Qantas Constitution so that it is flexible enough for the Directors (subject to compliance with the ASX Listing Rules and the Corporations Act) to issue modern financial products. This is proposed to be done by deleting clause 2.4 and inserting a new Part 2A into the Constitution in the form set out in Annexure A. The new provisions are similar to provisions which have been adopted by other large listed entities.

These provisions will give the Qantas Board greater flexibility to issue different classes of shares if, at any time in the future, the Directors consider it appropriate.

Electronic Communication

The Directors propose that various clauses of the Qantas Constitution be amended to reflect the increasing use of electronic communication (such as e-mail) with shareholders and Directors. In particular, the proposed amendments will enable (among other things):

- i. shareholders to appoint a proxy or attorney using electronic messaging; and
- ii. Qantas to give notices to shareholders and to Directors using this technology.

The proposed changes are in accordance with the Corporations Act.

The potential benefits of introducing these changes include:

- providing Qantas with a more convenient means of disseminating information to shareholders and Directors;
- faster delivery of information;
- greater ease of communication with overseas shareholders; and
- potential material cost savings through reduced reliance on printed material.

Legislative Amendments

The Directors propose various amendments to the Constitution to reflect recent legislative developments, including:

- the enactment of the Corporations Act on 15 July 2001; and
- the enactment of the Financial Services Reform Act (FSRA), which substantially had effect from 11 March 2002.

The proposed amendments include changes to ensure that the current Qantas Constitution uses the terminology of the applicable law. For example, references to “the Corporations Law” will become references to “the Corporations Act” and references to Qantas’ Australian Company Number (ACN 009 661 901) will become references to Qantas’ Australian Business Number (ABN 16 009 661 901).

The FSRA and the associated regulations contain provisions that substantially replace the old provisions of the Corporations Act that dealt with the transfer of shares. The Directors consider it desirable to make corresponding amendments to the relevant provisions in the Qantas Constitution.

The FSRA also introduced provisions which potentially facilitate competition in the provision of clearing and settlement facilities for dealings in shares. At present, the only approved facility is ASX Settlement and Transfer Corporation Pty Limited (commonly known as the “Securities Clearing House” or “SCH”) which operates the electronic clearing and settlement system known as “CHESS”. However, the legislation allows for additional licensed clearing and settlement facilities to be approved in the future. The proposed amendments to the Constitution will give Qantas the flexibility to participate in any such additional share clearing and settlement facility.

The Directors recommend that you vote in favour of this Special Resolution.

If you have any questions relating to any issue to be considered at the AGM, please call Janine Smith, Manager Public Company, (on (+61 2) 9691 4262) prior to the AGM.

Yours sincerely

Brett Johnson
General Counsel & Company Secretary

ENCLOSURES

Enclosed with this letter are:

- i. Notice of Meeting;
- ii. Proxy Form to be completed if you would like to be represented at the AGM by proxy, together with a reply paid envelope;
- iii. AGM Question Form to be completed if you would like a specific question to be addressed at the AGM; and
- iv. Attendance and Poll Card which we request you bring if you are attending the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Qantas Airways Limited will be held:

Date: Thursday 16 October 2003
Time: 2:00pm
Venue: Hall G of the Adelaide Convention Centre

Please refer to the attached map.

BUSINESS

1. Consideration of Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of Qantas Airways Limited for the financial year ended 30 June 2003.

2. Questions and Comments

Shareholders will be given a reasonable opportunity to ask questions about or comment on the management and audit of Qantas.

3. Election of Directors

3.1 Trevor Eastwood

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That Trevor Eastwood, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited."

3.2 Jim Kennedy

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That Jim Kennedy, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited."

3.3 Peter Gregg

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That Peter Gregg, an Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as an Executive Director of Qantas Airways Limited."

4. Qantas Deferred Share Plan – Executive Director Participation

4.1 Participation in the Qantas Deferred Share Plan by Geoff Dixon

To consider and, if thought appropriate, pass the following Ordinary Resolution:

“That, pursuant to Listing Rule 10.14 and under the Terms & Conditions of the Qantas Deferred Share Plan, Geoff Dixon, the Chief Executive Officer, is permitted to participate in the Qantas Deferred Share Plan as is contemplated by the explanatory letter accompanying the 2003 Notice of Meeting.”

4.2 Participation in the Qantas Deferred Share Plan by Peter Gregg

To consider and, if thought appropriate, pass the following Ordinary Resolution:

“That, pursuant to Listing Rule 10.14 and under the Terms & Conditions of the Qantas Deferred Share Plan, Peter Gregg, the Chief Financial Officer, is permitted to participate in the Qantas Deferred Share Plan as is contemplated by the explanatory letter accompanying the 2003 Notice of Meeting.”

5. Amendments to the Constitution – Preference Shares, Electronic Communication and Legislative Amendments

To consider and, if thought appropriate, pass the following Special Resolution:

“That the Constitution of Qantas Airways Limited is amended in the manner set out in Annexure A to the 2003 Notice of Meeting.”

Dated: 8 September 2003

By Order of the Board

Brett Johnson
General Counsel & Company Secretary

Notes:

1. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies.
2. A shareholder who appoints two proxies may state on the Proxy Form what proportion or number of the shareholder's votes each proxy is being appointed to exercise. If a shareholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half the shareholder's votes.
3. Where a shareholder has appointed two proxies, on a show of hands, only the first person named on the Proxy Form or, if two Proxy Forms have been completed, the person whose name is earlier in alphabetical sequence, may vote.
4. A proxy need not be a shareholder of Qantas.
5. The original Proxy Form(s), and any Power of Attorney or authority under which they are signed, must be received at the Registered Office or the Qantas Share Registry at least 48 hours prior to the Meeting (ie before 2:00pm on Tuesday 14 October 2003) or any adjournment. A facsimile transmission of the Proxy Form(s), and any Power of Attorney or authority under which they are signed, must be received at the Registered Office at least 48 hours prior to the Meeting or any adjournment. Any Proxy Form received after this deadline, including at the Meeting, will be treated as invalid.
6. The Proxy Form accompanies this Notice of Meeting.
7. Additional Proxy Forms will be supplied by the Qantas Share Registry on request.
8. If a corporate representative is to attend the Meeting on behalf of a corporation, a formal Notice of Appointment must be brought to the Meeting.
9. For the purposes of the Meeting, in accordance with Regulation 7.11.37 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of shareholders as at 7:00pm, on Tuesday 14 October 2003. Accordingly,

transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Meeting.

10. If you wish a question to be put to the Chairman and you are not able to attend the AGM you must complete the Question Form which accompanies this Notice of Meeting.
11. Either the original or a facsimile transmission of the Question Form **must** be received at the Registered Office or the Qantas Share Registry at least 48 hours prior to the Meeting (ie before 2:00pm on Tuesday 14 October 2003) or any adjournment.

Registered Office

Qantas Airways Limited
Qantas Centre
Level 9 Building A
203 Coward Street
Mascot NSW 2020
Australia
Fax: 61 2 9691 3339

Qantas Share Registry

Level 8
580 George Street
Sydney NSW 2000
Australia
Locked Bag A14
Sydney South NSW 1235
Australia
Toll Free: 1800 177 747
International: 61 2 8280 7390
Fax: 61 2 8280 7646

Amendments to the Qantas Constitution

It is proposed that the Constitution of Qantas Airways Limited be amended in the following manner:

- (a) Replace each reference to the Australian Company Number ("ACN 009 661 901") of Qantas with a reference to the Australian Business Number ("ABN 16 009 661 901") of Qantas.
- (b) Insert in clause 1.5 the following new definitions:
 - " **'ASTC'** has the same meaning as in the Corporations Regulations;"
 - " **'ASTC-regulated transfer'** has the same meaning as in the Corporations Regulations;"
 - " **'Corporations Act'** means the Corporations Act 2001 (Cth);"
 - " **'Corporations Regulations'** means the Corporations Regulations 2001 (Cth);"
 - " **'Operating Rules'**, in relation to a Prescribed CS facility, means the operating rules of that Prescribed CS facility, within the meaning of Chapter 7 of the Corporations Act;"
 - " **'Prescribed CS facility'** has the same meaning as "prescribed CS facility" has in Chapter 7 of the Corporations Act;"
 - " **'SCH Business Rules'** means the Operating Rules of ASTC in force from time to time;"
- (c) Replace each reference to the "Corporations Law" with a reference to the "Corporations Act".
- (d) Delete the definitions of "**CHES**", "**CHES Approved**", "**SCH Business Rules**" and "**Securities Clearing House**" in clause 1.5.
- (e) Insert the following new paragraph (f) in clause 1.6 immediately after paragraph (e):
 - "(f) A reference to something being "written" or "in writing" includes that thing being represented or reproduced in any mode in a visible form (including electronically) or communicated in any other manner approved by the Directors from time to time."
- (f) Insert the words "and the Operating Rules of each applicable Prescribed CS facility (including the SCH Business Rules)" at the end of clause 1.7(b).
- (g) Delete clause 1.7(e).
- (h) In clause 2.1(b):
 - (i) delete the word "redeemable"; and
 - (ii) insert the words "(including preference shares that are liable to be redeemed)" after the words "preference shares".
- (i) Delete clause 2.4.
- (j) Insert the following new Part 2A immediately following Part 2:

**"Part 2A
PREFERENCE SHARES**

2A.1 Preference Shares

Subject to the Corporations Act, the Directors may issue preference shares:

- (a) including preference shares which are, or at the option of Qantas are to be, liable to be redeemed by Qantas on such terms and conditions and in such manner as the Directors determined before the issue of the preference shares; and*
- (b) whether the preference shares are redeemable or non-redeemable, with any of the rights set out in this Part 2A and with such other rights, not inconsistent with this Part 2A, as are conferred by the terms of issue of the preference shares.*

2A.2 Terms of Issue

Prior to the allotment of any preference shares the Directors shall determine with respect to such preference shares the following matters or the manner in which such matters shall be determined:

- (a) where the preference shares are redeemable:*
 - (1) the amount payable on redemption;*
 - (2) the redemption date;*
 - (3) the time, place and manner of redemption; and*
 - (4) the conditions for exercise of the rights of redemption by the holder or by Qantas;*
- (b) in any case:*
 - (1) the rate or amount of dividends (including any additional dividends) at any time or from time to time, the basis (if any) upon which the amount of a dividend will be increased to take account of tax or other fiscal impost and the basis (if any) upon which the amount of any dividend otherwise payable in respect of the shares reduces by reference to other amounts paid to the holder of the preference shares;*
 - (2) the times or circumstances for payment of dividends on the preference shares;*
 - (3) the periods in respect of which the dividends are to be payable;*
 - (4) the funds out of which the dividends or capital or both are to be paid;*
 - (5) the premium (if any) payable;*
 - (6) the currency in which dividends or capital or both are to be paid;*
 - (7) whether or not the issue of further shares ranking equally with the preference shares in any or in any stated respect is permitted;*
 - (8) whether the preference shares are convertible into shares of another class and, if so in what circumstances;*
 - (9) if required under clause 2A.7(b)(2), the market value of an ordinary share at the date of allotment of the preference share;*
 - (10) if the preference share has the rights set out in clause 2A.3(d), any right of the holder of the preference share on redemption or in a winding up to payment of an amount equal to a dividend of the type described in clause 2A.4(d);*
 - (11) if the preference shares have the rights set out in clause 2A.6(b)(3), the sum or the mechanism for determining the sum to which the holder of the preference share has the right to payment in winding up;*
 - (12) if applicable, any reference rate for the purposes of clause 2A.8; and*
 - (13) such other matters as the Directors may determine.*

2A.3 Dividend Rights

The Directors may issue preference shares with such rights to dividends as set out below:

- (a) a right to cumulative dividends with or without any further right to participate in profits available for dividends;*
- (b) a right to non-cumulative dividends with or without any further right to participate in profits available for dividends;*
- (c) a right to non-cumulative dividends and a right to additional preference shares in accordance with clause 2A.5 but with no further right to participate in profits available for dividends;*
- (d) a right to non-cumulative dividends and, to the extent (if any) specified in the terms of issue, to additional dividends in connection with the conversion of a preference share into an ordinary share and/or to additional dividends in circumstances where a dividend contemplated by the terms of issue has not been paid in full on the preference shares and:
 - (1) a dividend has been, or is sought to be, declared or paid on shares ranking pari passu with or junior to the preference share or a sum is, or is sought to be, set aside for the payment thereof;*
 - (2) shares in Qantas have been, or are sought to be, repurchased, redeemed or beneficially acquired by Qantas, or a sum is, or is sought to be, set aside or a sinking fund is, or is sought to be, established for such a purpose, but with no further right to participate in profits available for dividends; or*
 - (3) Qantas has, or has sought to, effect a reduction of capital; or**
- (e) no right to dividends.*

The terms of issue of preference shares may provide that to the extent that an amount is paid to a holder of preference shares other than by way of dividend paid by Qantas, the amount of any dividend otherwise payable to the holder in respect of the preference shares reduces in a manner specified in the terms of issue.

2A.4 Entitlement and Priority as to Payment of Dividends

The holders of preference shares will rank for payment of dividends to which they are entitled in accordance with the provisions of this clause 2A.4:

- (a) Holders of preference shares shall rank equally for payment of dividends and in priority to all holders of other classes of shares.*
- (b) Where the holder of a preference share has a right to cumulative dividends, the holder shall have the right on redemption or in a winding up to payment of an amount equal to all arrears of or accrued dividends down to the date of redemption or of commencement of the winding up (as the case may be), whether earned or declared or not, with the same priority in relation to other shares or other classes of preference shares determined pursuant to clause 2A.4(a).*
- (c) Where the holder of a preference share has a right to non-cumulative dividends under clause 2A.3(b) or (c) the holder shall have the right on redemption or in a winding up to payment of an amount equal to the dividend entitlement for any dividend date which has then most recently occurred (and which has not been paid by Qantas) prior to the date of redemption or of commencement of the winding up (as the case may be), only if a dividend has been declared by the Directors, and with the same priority in relation to other shares or other classes of preference shares as determined pursuant to clause 2A.4(a).*

- (d) *The holder of a preference share which has the right to a non-cumulative dividend set out in clause 2A.3(d) shall have, to the extent (if any) determined by the Directors prior to allotment of the preference share, the right on redemption or in a winding up to payment of an amount equal to any dividend (whether earned or declared or not) which, pursuant to the terms of issue of the preference share, Qantas was required to pay to the holder or, if there had been sufficient distributable profits, would have been required to pay to the holder, prior to the redemption or the commencement of the winding up (as the case may be), with the same priority in relation to other shares or other classes of preference shares as determined pursuant to clause 2A.4(a). Except to the extent provided pursuant to this clause 2A.4(d), the holder of such preference share shall not have a right on redemption or in a winding up to payment of an amount equal to or in respect of arrears of, or accrued but unpaid, dividends.*

2A.5 Right to Additional Preference Shares

- (a) *If:*
- (1) *a preference share is issued with the rights set out in clause 2A.3(c); and*
 - (2) *all or any part of a dividend otherwise payable to the holders of those preference shares on a particular dividend date has become not payable because, under the terms of issue applicable to those preference shares a dividend is not payable or is payable only in part, where in the opinion of the Directors the distributable profits of Qantas are insufficient to permit the payment in full of the dividend on those preference shares on that dividend date and also the payment in full of dividends stated to be payable on that dividend date on other preference shares ranking pari passu therewith; and*
 - (3) *at the relevant dividend date the amount (if any) standing to the credit of Qantas' profit or loss account and the amount of the reserves of Qantas available for the purpose are in aggregate sufficient to be applied and capable of being applied in paying up in full at such price determined by the Directors in the terms of issue additional preference shares of that class on the basis provided below,*

then on the relevant dividend date the Directors shall, subject to any applicable law and to the Listing Rules, allot and issue credited as fully paid to each holder of those preference shares such additional nominal amount of preference shares of that class (rounded to the nearest whole number of preference shares) as equals the cash amount of the dividend which would have been payable to the holder but for the operation of the terms described in clause 2A.5 (a)(2) multiplied by a factor determined by the Directors in the terms of issue of the preference shares or, if there was no such determination, by a factor of one, divided in each case by the issue price of those additional shares determined by the Directors.

2A.6 Repayment of Capital and Priority as to Payment

- (a) *Subject to this Constitution, where any preference shares are or may be redeemable by Qantas, such preference shares shall be redeemed by Qantas in accordance with the terms of issue determined by the Directors pursuant to clause 2A.2.*
- (b) *Qantas may issue preference shares with any one or combination of the rights with respect to payment of capital in a winding up set out below:*
- (1) *a right to payment in cash of the capital paid thereon;*
 - (2) *a right to payment in the applicable currency for those preference shares (as specified in the terms of issue pursuant to clause 2A.2(b)(6)) of an amount equal to the amount in that applicable currency received by Qantas as the subscription moneys for those preference shares; and*

- (3) *a right in respect of a preference share to payment in cash of a sum fixed by the Directors prior to allotment or capable of determination pursuant to a mechanism adopted by the Directors prior to allotment but no further or other right to participate in the assets of Qantas or a return of capital. (Without limitation, the mechanism adopted by the Directors may provide for payment in Australian currency of an amount equal to a sum denominated in a currency other than Australian currency calculated by applying a reference rate (as specified by the Directors in the terms of issue) on the date of payment of the purchase of the relevant foreign currency with Australian currency plus an amount estimated by the liquidator in his discretion to be equal to the charges and expense likely to be incurred in purchasing the relevant foreign currency with Australian currency).*
- (c) *Holders of preference shares shall rank equally for the payment of the amount payable on redemption of the preference shares and in a winding up of Qantas.*
- (d) *Holders of preference shares shall have the right in a winding up of Qantas to payment, in priority to all holders of other classes of shares, of the amount payable on redemption of the preference shares and of dividends and any other amount to which the holder is entitled in accordance with the provisions of this Constitution or the terms of issue applying to those preference shares but shall not participate in any further or other distribution of profits or assets of Qantas.*

2A.7 Voting Rights

- (a) *The holder of a preference share shall have the right to vote in the following circumstances:*
- (1) *during a period during which a dividend (or part of a dividend) in respect of the preference share is unpaid;*
 - (2) *on a proposal to reduce Qantas' share capital;*
 - (3) *on a proposal that affects rights attached to the preference share;*
 - (4) *on a resolution to approve the terms of a buy-back agreement;*
 - (5) *on a proposal to wind up Qantas;*
 - (6) *on a proposal for the disposal of the whole of Qantas' property, business and undertaking; and*
 - (7) *during the winding up of Qantas.*
- (b) *Notwithstanding any other provision of this Constitution, the holder of a preference share:*
- (1) *on a show of hands shall be entitled to exercise one vote; and*
 - (2) *on a poll shall be entitled to one vote for each fully paid preference share or if the Directors so determine in the terms of issue, the number of votes per preference share which equals the sum subscribed for the preference share divided by the market value of an ordinary share (as determined by the directors or pursuant to a mechanism adopted by the Directors) on the date of allotment of the preference share (rounded to the nearest number of votes). If a preference share is not fully paid, the holder shall be entitled to a fraction of a vote for each partly paid preference share equivalent to the proportion which the amount paid is of the total amount paid and payable,*

when entitled to vote under any of the circumstances set out in paragraph (a) of this clause 2A.7

2A.8 Payments Denominated in Foreign Currency

Where any sum is payable by Qantas to the holder of a preference share in a currency other than Australian dollars, and such sum is not paid when due or a winding up of Qantas has commenced, the holder may elect by notice in writing to Qantas to require

instead payment of an amount in Australian dollars equal to that foreign currency amount calculated by applying the relevant reference rate (being such rate applicable in such market at such time as determined by the Directors prior to allotment of those preference shares) on the date of payment for the sale of the relevant currency for Australian dollars.

2A.9 Conversion

A preference share which, in accordance with its terms of issue may be converted into an ordinary share shall, at and from the time of conversion and without any further act, have (subject to the terms of issue of the preference share in relation to entitlement to ordinary dividends paid after conversion) the same rights as a fully paid ordinary share and rank pari passu with all other fully paid ordinary shares then on issue. In addition, the terms of issue may provide for the issue of additional ordinary shares on conversion as determined by the Directors.

2A.10 Variation of Rights

Where Qantas proposes to issue preference shares or to convert issued shares into preference shares if those preference shares are to rank equally or in priority to preference shares already issued, unless that is expressly permitted by the conditions of issue of the preference shares already issued, the issue or conversion shall be deemed to be a variation of the rights attached to the preference shares already issued and clause 2.6 shall apply.

If the most recent dividend entitlement as set out in the terms of issue of any preference shares has been paid or provided for in full, the consent of any holders of preference shares, or any class of preference shares shall not be required for the reduction, redemption or buy back of share capital of Qantas ranking as regards dividends and as to rights on winding up equally with or after the preference shares or class of preference shares, except where such consent is required by the Corporations Act.

2A.11 No Limit on Number of Classes of Preference Shares

- (a) *The Directors may issue more than one class of preference shares.*
- (b) *Each class of preference shares may have the same or different terms to any other class of preference shares.*

2A.12 Additional Rights of Preference Shares

Holders of preference shares shall be entitled to the same rights as a holder of ordinary shares of Qantas in relation to receiving notices, reports and financial statements, and attending and being heard at all general meetings of Qantas.

2A.13 Listing Rules

Notwithstanding this Part 2A, Qantas may not issue preference shares which confer upon the holders rights which are inconsistent with those specified in the Listing Rules, except to the extent of any express written waiver of the Listing Rules by the Exchange.

- (k) Delete the words "SCH Business Rules" in clauses 3.4(d)(1), 3.4(d)(2), 3.7(a)(2), 4.4(b) and 14.3(a) and replace them with the words "Operating Rules of each applicable Prescribed CS facility (including the SCH Business Rules)".
- (l) Delete the words "the SCH Business Rules." in clause 4.1(b), insert a colon (":") immediately after the word "with", and insert the following new subclauses 4.1(b)(1) and (2):

- "(1) in the case of a transfer that is an ASTC-regulated transfer, the SCH Business Rules; and*
(2) in the case of a transfer that is regulated by the Operating Rules of any other Prescribed CS facility, the Operating Rules of that Prescribed CS facility."

(m) Insert the following new clause 4.1(e):

"(e) Qantas:

- (1) may do anything permitted by the Corporations Act, the Listing Rules or the Operating Rules of each applicable Prescribed CS facility (including the SCH Business Rules) that the Directors think necessary or desirable in connection with Qantas taking part in a computerised or electronic system established or recognised by the Corporations Act, the Listing Rules or the Operating Rules of a Prescribed CS facility (including the SCH Business Rules) for the purpose of facilitating dealings in shares; and*
- (2) must comply with obligations imposed on it by the Listing Rules or the Operating Rules of an applicable Prescribed CS facility (including the SCH Business Rules) in relation to dealings in shares."*

(n) Delete clause 4.2(a) and replace it with the following new clause 4.2(a):

"(a) The Directors:

- (1) may decline to register a transfer of securities only if that refusal would not contravene the Listing Rules or the Operating Rules of an applicable Prescribed CS facility (including the SCH Business Rules);*
- (2) may apply a holding lock to specified securities where permitted to do so under the Listing Rules; and*
- (3) must not register a transfer if the Corporations Act, the Listing Rules or the Operating Rules of the applicable Prescribed CS facility (including the SCH Business Rules) forbid registration.*

(o) Delete clauses 4.2(b) and (c).

(p) In clause 4.4 (a):

- (i) Delete the words "clause 4.2(c)(2) or (3)" and replace them with the words "clause 4.2(a)"; and*
- (ii) Delete the words "clause 4.2(c)(2) and/or (3) had applied" and replace them with the words "clause 4.2(a) had applied".*

(q) Insert the following words at the end of clause 5.9(h):

"For the purposes of this clause 5.9(h) and clause 5.9(i), the appointment of a proxy or attorney which is sent by electronic message to an electronic address specified for that purpose in the notice convening the meeting will be taken to have been signed (in the case of a natural person) or executed in a form acceptable to the Directors (in the case of a body corporate) if the appointment:

- (A) includes or is accompanied by a personal identification code allocated by Qantas to the member making the appointment; or*
- (B) has been authorised by the member in another manner approved by the Directors."*

(r) In clause 5.9(i), delete the words *"deposited at the registered office of Qantas (or at such other place specified for that purpose in the notice convening the meeting) or received by*

facsimile at the registered office" and replace them with the words "received at the registered office of Qantas or are sent to and received at a facsimile number at that office or are sent to and received at another facsimile number or address including an electronic address specified for that purpose in the notice convening the meeting".

- (s) In clause 5.9(k), delete the words "*deposited, tabled or produced*" and replace them with the word "*received*".
- (t) Insert the words "*, electronic message*" after the words "*facsimile transmission*" in clause 6.13(b)(4), 6.13(c) and 6.13(d)(2)(B).
- (u) Delete the words "*or by facsimile transmission*" and replace them with the words "*, facsimile transmission or by electronic message*" in clause 6.18(b)(3).
- (v) Delete the words "*in accordance with clause 4.2*" in clause 9.1(f).
- (w) Insert the words "*, or by electronic message to such electronic address*" after the words "*facsimile number*" in clause 13.1(a).
- (x) Insert the words "*(including electronic address)*" after the word "*address*" in each place that word appears in clause 13.1(c).
- (y) In clause 13.1(d):
 - (i) insert the words "*or electronic address*" after the words "*facsimile number*"; and
 - (ii) insert the words "*or electronic message*" after the word "*facsimile*".
- (z) Insert the words "*, or by electronic message to such electronic address*" after the words "*transmission to such facsimile number*" in clause 13.2.
- (aa) Insert the words " *or by electronic message to an electronic address notified by Qantas to members or Directors for this purpose*" at the end of clause 13.3.
- (bb) In clause 13.5(b):
 - (i) insert the words "*or electronic message*" after the words "*Where a notice is sent by facsimile transmission*";
 - (ii) insert the words "*or if the electronic message is properly addressed,*" after the words "*sender's facsimile machine*"; and
 - (iii) insert the words "*or electronic message*" after the words "*at the time the facsimile transmission*".
- (cc) Insert the words "*or electronic message*" after the words "*facsimile transmission*" in clause 13.7.
- (dd) In clause 14.3(a):
 - (i) delete the words " *CHES Approved*" and replace them with the words "*approved for the purposes of a Prescribed CS facility*"; and
 - (ii) delete the words "*SCH Business Rules*" and replace them with the words "*Operating Rules of that Prescribed CS facility*".