New Horizons

NOTICE OF MEETING

2016 QANTAS ANNUAL GENERAL MEETING
Chairman’s Letter to Shareholders

2 September 2016

Dear Shareholder

On behalf of the Board of Directors, I invite you to the 2016 Annual General Meeting (AGM and Meeting) of Qantas Airways Limited (Qantas) to be held on Friday, 21 October 2016 at 11am AEDT in the ASX Auditorium, Lower Ground Floor, Exchange Square, 18 Bridge Street, Sydney.

The AGM is an important event for Qantas and provides shareholders with an opportunity to receive an update on Qantas’ performance during the year, to ask questions of the Board and Management as well as Qantas’ Auditor, and to vote on items of business before the AGM.

Enclosed is the 2016 Notice of Meeting, an AGM Question Form and your personalised Proxy Form. A map of the AGM venue detailing parking and public transport information is also enclosed for your convenience.

If you are attending the AGM please bring your personalised Proxy Form with you. This will allow Qantas’ Share Registry to promptly register your attendance.

For those of you unable to attend the AGM, you can:

- lodge a proxy vote or appoint a proxy to attend and vote on your behalf at the AGM by completing the enclosed Proxy Form and returning it to Qantas’ Share Registry in the enclosed reply paid envelope or by lodging your vote online at: http://investor.qantas.com;
- submit questions to me or to Qantas’ Auditor by completing the enclosed AGM Question Form and returning it to Qantas’ Share Registry; and
- follow a live webcast of the AGM proceedings at: http://investor.qantas.com

Following conclusion of the AGM, you are welcome to join the Board and Management for light refreshments.

The Board and I look forward to seeing you at the AGM and we thank you for your continued support.

Yours faithfully

Leigh Clifford
Chairman
Notice of Annual General Meeting

Notice is given that the Annual General Meeting (AGM and Meeting) of Qantas Airways Limited ABN 16 009 661 901 (Qantas) will be held:

Date: Friday, 21 October 2016
Time: 11:00am AEDT
Venue: ASX Auditorium
   Lower Ground Floor, Exchange Square
   18 Bridge Street
   Sydney, New South Wales, 2000

Please refer to the enclosed map on pages 28 and 29

Shareholders who are unable to attend the AGM and who have access to the Internet will be able to access a live webcast of the AGM on the Qantas website at http://investor.qantas.com.

ITEMS OF BUSINESS

1. CONSIDERATION OF REPORTS


2. ELECTION OF DIRECTORS

2.1 Maxine Brenner
To consider and, if considered appropriate, pass the following Ordinary Resolution:

“That Maxine Brenner, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited.”

2.2 Richard Goodmanson
To consider and, if considered appropriate, pass the following Ordinary Resolution:

“That Richard Goodmanson, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited.”

2.3 Jacqueline Hey
To consider and, if considered appropriate, pass the following Ordinary Resolution:

“That Jacqueline Hey, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited.”

2.4 Barbara Ward
To consider and, if considered appropriate, pass the following Ordinary Resolution:

“That Barbara Ward, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited.”

2.5 Michael L'Estrange
To consider and, if considered appropriate, pass the following Ordinary Resolution:

“That Michael L'Estrange, a Non-Executive Director appointed by the Directors on 7 April 2016 pursuant to clause 6.5(a) of the Constitution, retiring in accordance with the Constitution, being eligible, is elected as a Non-Executive Director of Qantas Airways Limited.”

3. PARTICIPATION OF THE CHIEF EXECUTIVE OFFICER, ALAN JOYCE, IN THE LONG TERM INCENTIVE PLAN

To consider and, if considered appropriate, pass the following Ordinary Resolution for the purposes of ASX Listing Rule 10.14:

“That Alan Joyce, the Chief Executive Officer of Qantas Airways Limited, is permitted to participate in the Qantas Long Term Incentive Plan as contemplated by the Explanatory Notes accompanying the 2016 Notice of Meeting.”

4. REMUNERATION REPORT

To consider and, if considered appropriate, pass the following Advisory Resolution:

“That the Remuneration Report for the year ended 30 June 2016 (set out in the Directors' Report) is adopted.”

5. NON-EXECUTIVE DIRECTORS' FEE POOL INCREASE

To consider and, if considered appropriate, pass the following Ordinary Resolution for the purposes of ASX Listing Rule 10.17:

“That the maximum aggregate amount payable to Non-Executive Directors of Qantas Airways Limited by way of Directors' fees be increased from $2,750,000 to $3,000,000 per annum.”
Notice of Annual General Meeting (Continued)

6. ON MARKET SHARE BUY-BACK
To consider and, if considered appropriate, pass the following Ordinary Resolution:

“That for the purposes of section 257C of the Corporations Act 2001 (Cth) and for all other purposes, the Company is authorised to conduct an on-market buy-back of up to 191,880,000 fully paid ordinary shares in the Company in the 12 month period following the approval of this resolution, on the basis described in the Explanatory Notes issued for this meeting.”

By Order of the Board

Andrew Finch
Company Secretary
2 September 2016

Explanatory Notes

1. CONSIDERATION OF REPORTS
The Financial Report, the Directors’ Report and the Independent Auditor’s Report for the year ended 30 June 2016 (which are contained in the 2016 Annual Report) will be presented for consideration.

A printed copy of the 2016 Annual Report, or an email advising that the 2016 Annual Report is available on the Qantas investor website at http://investor.qantas.com, has been sent to each shareholder who has requested a copy.

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

The Chairman will also provide shareholders a reasonable opportunity to ask the Auditor questions relating to:

– the conduct of the audit;
– the preparation and content of the Independent Auditor’s Report;
– the accounting policies adopted by Qantas in relation to the preparation of the financial statements; and
– the independence of the Auditor.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders relating to the content of the Independent Auditor’s Report or the conduct of the audit. A list of written questions to the Auditor submitted by shareholders, if any, will be made available to shareholders at the start of the AGM and any written answers tabled by the Auditor at the AGM will be made available as soon as practicable.
2. ELECTION OF DIRECTORS

2.1 Maxine Brenner

Maxine Brenner retires by rotation and, being eligible, offers herself for re-election as an Independent Non-Executive Director.

Maxine Brenner was appointed to the Qantas Board in August 2013.

She is a Member of the Remuneration Committee and the Audit Committee.

Ms Brenner is a Director of Origin Energy Limited, Orica Limited and Growthpoint Properties Australia Limited. She is a Member of the Council of the University of New South Wales.

Ms Brenner was formerly a Managing Director of Investment Banking at Investec Bank (Australia) Limited. She has extensive experience in corporate advisory work, particularly in relation to mergers and acquisitions, corporate restructurings and general corporate activity. She also practised as a lawyer with Freehill Hollingdale & Page (now Herbert Smith Freehills) where she specialised in corporate work, and spent several years as a lecturer in the Faculty of Law at both the University of NSW and the University of Sydney.

Previously, Ms Brenner was the Deputy Chairman of Federal Airports Corporation and a Director of Neverfail Springwater Limited, Bulmer Australia Limited and Treasury Corporation of NSW. She also served as a Member of the Australian Government’s Takeovers Panel.

The Board believes that Ms Brenner provides, through her extensive strategic, financial and legal experience, considerable strength and leadership to the Board and its deliberations generally. Additionally, these skills add to the strength of the Audit Committee on which she serves. While Ms Brenner is a member of other Audit Committees, due to the different financial year ends of the companies, she is able to devote adequate time and attention to her Audit Committee work.

Ms Brenner says, “It is a privilege to serve as a Director of Qantas. I look forward to contributing to Qantas’ ongoing success.”

The Directors (with Ms Brenner abstaining) recommend that you vote in favour of this Ordinary Resolution.

2.2 Richard Goodmanson

Richard Goodmanson retires by rotation and, being eligible, offers himself for re-election as an Independent Non-Executive Director.

Richard Goodmanson was appointed to the Qantas Board in June 2008.

He is Chair of the Safety, Health, Environment and Security Committee and a Member of the Nominations Committee.

Mr Goodmanson was a Director of Rio Tinto plc and Rio Tinto Limited from 2004 to 2016.

From 1999 to 2009 he was Executive Vice President and Chief Operating Officer of E.I. du Pont de Nemours and Company. Mr Goodmanson was also Chief Operations Officer for Frito-Lay Inc, a subsidiary of PepsiCo, and a Principal at McKinsey & Company Inc. He spent 10 years in heavy civil engineering project management, principally in South East Asia. Additionally, Mr Goodmanson was an Economic Adviser to the Governor of Guangdong Province, China from 2003 until 2009.

Mr Goodmanson was born in Australia and is a citizen of both Australia and the United States.

The Board believes that Mr Goodmanson’s international experience adds significant benefit to the deliberations of the Board and the Safety, Health, Environment and Security Committee.

Mr Goodmanson says, “I am honoured to serve as an Independent Non-Executive Director of Qantas. I look forward to continuing to apply my skills and experience for the benefit of Qantas, its shareholders and stakeholders.”

The Directors (with Mr Goodmanson abstaining) recommend that you vote in favour of this Ordinary Resolution.
2.3 Jacqueline Hey

Jacqueline Hey retires by rotation and, being eligible, offers herself for re-election as an Independent Non-Executive Director.

Jacqueline Hey was appointed to the Qantas Board in August 2013.

She is a Member of the Audit Committee.

Ms Hey is a Director of Bendigo and Adelaide Bank Limited and is Chair of its Change & Technology Committee and a Member of both its Credit and Governance and HR Committees. She is also a Director of AGL Energy Limited, the Australian Foundation Investment Company Limited, Melbourne Business School and Cricket Australia, and a Member of the ASIC Director Advisory Panel.

Ms Hey was also formerly a Director of the Special Broadcasting Service from 2011 to 2016.

Between 2004 and 2010, Ms Hey was Managing Director of various Ericsson entities in Australia and New Zealand, the United Kingdom and Ireland, and the Middle East. Her executive career with Ericsson spanned more than 20 years in which she held finance, marketing, sales and leadership roles.

The Board believes that Ms Hey’s significant financial, operational and international experience, enables her to make a considerable contribution to the Board and the Audit Committee.

Ms Hey says, “It is a privilege to serve as a Director of Qantas. I believe my skills in consumer marketing and finance, together with my extensive international business experience, enable me to bring a balanced perspective to the Board’s deliberations for the benefit of all shareholders.”

The Directors (with Ms Hey abstaining) recommend that you vote in favour of this Ordinary Resolution.

2.4 Barbara Ward AM

Barbara Ward retires by rotation and, being eligible, offers herself for re-election as an Independent Non-Executive Director.

Barbara Ward was appointed to the Qantas Board in June 2008.

She is Chair of the Audit Committee, a Member of the Safety, Health, Environment and Security Committee and a Member of the Nominations Committee.

Ms Ward is a Director of Caltex Australia Limited, a number of Brookfield Multiplex Group companies and the Sydney Children’s Hospital Foundation.

She was formerly a Director of the Commonwealth Bank of Australia, Lion Nathan Limited, Brookfield Multiplex Limited, Data Advantage Limited, O’Connell Street Associates Pty Ltd, Allco Finance Group Limited, Rail Infrastructure Corporation, Delta Electricity, Ausgrid, Endeavour Energy and Essential Energy. She was also Chairman of Country Energy, NorthPower and HWW Limited, a Board Member of Allens Arthur Robinson and the Sydney Opera House Trust and on the Advisory Board of LEK Consulting.

Ms Ward was Chief Executive Officer of Ansett Worldwide Aviation Services from 1993 to 1998. Before that, Ms Ward held various positions at TNT Limited, including General Manager Finance, and also served as a Senior Ministerial Advisor to the Hon PJ Keating.

The Board believes that Ms Ward’s significant financial, operational and international experience, together with her experience as a professional director, enables her to make a considerable contribution to the Board, the Safety, Health, Environment and Security Committee, the Nominations Committee and as Chair of the Audit Committee.

Ms Ward says, “It is a privilege to serve as a Director of Qantas. I believe my skills in finance, together with my extensive corporate business experience, enable me to bring broad and valuable experience to the Board’s deliberations for the benefit of all shareholders.”

The Directors (with Ms Ward abstaining) recommend that you vote in favour of this Ordinary Resolution.
3. PARTICIPATION OF THE CHIEF EXECUTIVE OFFICER, ALAN JOYCE, IN THE LONG TERM INCENTIVE PLAN

The approval of shareholders is sought to permit the Chief Executive Officer (CEO) to participate in the 2017-2019 Long Term Incentive Plan (2017-2019 LTIP) for FY2017 (2016 Grant) for the purposes of ASX Listing Rule 10.14.

Under ASX Listing Rule 10.15B, shareholder approval is not required where the CEO acquires securities under an employee equity incentive plan and those securities are acquired on-market.

While it is the Board's current intention that any shares that may be awarded to the CEO will be purchased on-market, shareholder approval of Mr Joyce's participation in the 2016 Grant is being sought regardless.

The 2017-2019 LTIP reward opportunity for the CEO for FY2017 has been set at 80% of Fixed Annual Remuneration (FAR) on a fair value basis. In setting this target, the Board makes reference to external benchmark market data (also on a fair market basis), including comparable roles in other listed Australian companies and international airlines. The primary benchmark is a revenue based peer group of other S&P/ASX companies and the Board believes that this is an appropriate benchmark as it is the comparator group that best mirrors the size, complexity and challenges of managing Qantas' business. It is also the peer group with which Qantas competes for executive talent.

An overview of the 2016 Grant to Mr Joyce is set out below. Further details of Mr Joyce's remuneration package are set out in the Remuneration Report contained in the Directors' Report set out on pages 30 to 48 of the 2016 Annual Report which is available on the Qantas website at http://investor.qantas.com.

Maximum Entitlement under 2016 Grant

Subject to shareholder approval, Mr Joyce will be granted 1,172,000 Performance Rights (Rights) under the 2016 Grant.

At the end of the three year performance period for the 2016 Grant (Performance Period), performance conditions (Performance Conditions) and service conditions (Service Conditions) for the 2016 Grant are tested.

If:
- the Performance Conditions and Service Conditions are fully achieved, the Rights vest and convert to Qantas shares on a ‘one-for-one basis’; and
- the Performance Conditions are not achieved, the Rights lapse.

The Board believes Mr L'Estrange’s significant international affairs and trade experience enables him to make a valuable contribution to the Board and as a Member of the Safety, Health, Environment and Security Committee.

The Directors (with Mr L'Estrange abstaining) recommend that you vote in favour of this Ordinary Resolution.
The Performance Conditions and Service Conditions are detailed below. The fair value calculation is as follows:

\[
1,172,000 \text{ Rights} = \frac{\$2,125,000 \times 80\%}{\$1.45 \text{ per Right}}
\]

The grant of Rights to Mr Joyce can also be calculated on a face value basis (using the share price as at 30 June 2016). The face value is as follows:

\[
1,172,000 \text{ Rights} = \frac{\$2,125,000 \times 156\%}{\$2.82 \text{ per Right}}
\]

Where:
- $2,125,000 is Mr Joyce’s FAR for FY2017;
- 80% is the ‘at target’ percentage of FAR on a fair value basis for the award of Rights for Mr Joyce’s 2016 Grant;
- 156% is the ‘at target’ percentage of FAR on a face value basis for the award of Rights for Mr Joyce’s 2016 Grant;
- $1.45 is the fair value of each Right as at 30 June 2016. The fair value reflects the possibility that the performance hurdles may not be met and is discounted for the estimated value of dividends forgone during the vesting period. The fair value was determined by PricewaterhouseCoopers in accordance with AASB 2: Share-based Payment as at 30 June 2016 (being the last day before the commencement of the Performance Period); and
- $2.82 is the face value (share price) as at 30 June 2016.

Grant Date of Rights

If shareholder approval is obtained, the Rights will be granted to Mr Joyce no later than 30 days after the date of the AGM.

Performance Period

The Performance Period commences on 1 July 2016 and ends on 30 June 2019.

Performance Conditions

The Performance Conditions comprise two performance hurdles:

a) Companies with ordinary shares included in the S&P/ASX 100 Index (ASX100).

Up to one-half of the total number of Rights granted to the CEO may vest based on the relative growth in the Total Shareholder Return (TSR) of Qantas in comparison to the ASX 100 as follows:

<table>
<thead>
<tr>
<th>Performance Period compared to the ASX 100</th>
<th>Satisfaction of performance hurdle</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 49th percentile</td>
<td>Nil</td>
</tr>
<tr>
<td>50th to 74th percentile</td>
<td>Linear scale: 50% to 99% satisfied</td>
</tr>
<tr>
<td>75th to 100th percentile</td>
<td>100% satisfied</td>
</tr>
</tbody>
</table>

b) Basket of Global Listed Airlines

Up to one-half of the total number of Rights granted to the CEO may vest based on the relative growth in the TSR of Qantas in comparison to the basket of global listed airlines selected by the Board (Global Listed Airlines) as follows:

<table>
<thead>
<tr>
<th>Performance Period compared to the Global Listed Airlines</th>
<th>Satisfaction of performance hurdle</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 49th percentile</td>
<td>Nil</td>
</tr>
<tr>
<td>50th to 74th percentile</td>
<td>Linear scale: 50% to 99% satisfied</td>
</tr>
<tr>
<td>75th to 100th percentile</td>
<td>100% satisfied</td>
</tr>
</tbody>
</table>

The basket of Global Listed Airlines was selected with regard to its representation of international and domestic airlines, both full service and value based, operating in Qantas’ key markets and taking into consideration the level of government involvement. The basket of Global Listed Airlines for 2017-2019 LTIP comprises:

- Air Asia
- Air France / KLM
- Air New Zealand
- All Nippon Airways
- American Airlines
- Cathay Pacific
- Delta Airlines
- Deutsche Lufthansa
- easyJet
- International Consolidated Airlines Group
- Japan Airlines
- LATAM Airlines Group
- Ryanair
- Singapore Airlines
- Southwest Airlines
- United Continental
- Virgin Australia
Other Information

Mr Joyce is the only Qantas Director who is eligible to participate in Qantas’ equity incentive plans. Mr Joyce was granted 947,000 Rights under the 2016-2018 LTIP, following shareholder approval at the 2015 AGM. These Rights are subject to performance hurdles which will be tested as at 30 June 2018. These Rights were provided at no cost to Mr Joyce.

Voting on Ordinary Resolution 3

Qantas will disregard any votes cast on Ordinary Resolution 3 by or on behalf of Mr Joyce and his associates, except if the votes are cast as a proxy for a shareholder entitled to cast a vote, in accordance with the directions on the Proxy Form.

The Directors (with Mr Joyce abstaining) recommend that you vote in favour of this Ordinary Resolution.

4. REMUNERATION REPORT

Section 250R (2) of the Corporations Act requires that the Company put to a shareholder vote, a resolution that the Remuneration Report be adopted. The vote is advisory only and does not bind the Directors or the Company, although the Company takes the outcome of the vote into consideration in determining remuneration policy going forward.


The Remuneration Report:
- explains Qantas’ executive remuneration philosophy and objectives and the link between the remuneration of employees and Qantas’ performance;
- sets out remuneration details for each Director and for each named Executive; and
- makes clear that the basis for remunerating Non-Executive Directors is distinct from the basis for remunerating Executives, including Executive Directors.

The Chairman will give shareholders a reasonable opportunity to ask questions about, or comment upon, the Remuneration Report.

An Advisory Resolution that the Remuneration Report for the year ended 30 June 2016 is adopted will then be put to a shareholder vote.
5. NON-EXECUTIVE DIRECTORS’ FEE POOL INCREASE

In accordance with ASX Listing Rule 10.17, the Qantas Board seeks shareholder approval to increase the annual aggregate amount of remuneration that may be paid to Qantas Non-Executive Directors under clause 6.7(a) of the Constitution from $2,750,000 to $3,000,000 – an increase of $250,000. Details of Qantas’ Non-Executive Directors’ Board and Committee fees are on pages 47 and 48 of the 2016 Annual Report.

The current fee pool limit of $2,750,000 was approved by Qantas shareholders at the 2013 Annual General Meeting. The fee pool includes all Board and Board Committee fees paid to Qantas Non-Executive Directors, as well as superannuation contributions made on behalf of Qantas Non-Executive Directors. It is exclusive of industry-standard travel entitlements.

Qantas’ current Board and Committee fees and fee pool have been benchmarked against comparable listed companies. Having regard to the benchmarking data and the actual annual aggregate fees paid to Qantas Non-Executive Directors, the Board believes that the proposed increase to the fee pool limit will enable it to:

- maintain an appropriate buffer to undertake orderly succession of Non-Executive Director retirements and appointments, including during transitional periods;
- continue to attract and retain Non-Executive Directors of appropriate skill, expertise and competency and ensure that Board Committees have an appropriate level of membership, recognising the workload and responsibilities of an airline Non-Executive Director; and
- maintain market competitiveness, by allowing future adjustments to Board and Committee fees over the next few years, noting there has been one 3% increase in Board and Committee fees during the past five financial years.

Any increase in the aggregate fee pool limit is independent from, and will not affect, any decision to increase the fees actually paid to Non-Executive Directors.

No securities have been issued to a Qantas Non-Executive Director under ASX Listing Rule 10.11 or 10.14 with the approval of shareholders at any time in the preceding three years.

Given each Non-Executive Director of Qantas has an interest in this matter, the Directors make no recommendation on this Ordinary Resolution.
Voting on Ordinary Resolution 5
Qantas will disregard any votes cast on Ordinary Resolution 5 by or on behalf of:
- the Directors and their associates; and
- KMP and their closely related parties, except if the votes are cast as a proxy for a shareholder entitled to cast a vote, in accordance with the voting directions on the Proxy Form.

However, the Chairman of the Meeting may vote an undirected proxy as he decides on this Ordinary Resolution 5, if the proxy appointment expressly authorises the Chairman to vote as he decides even though this Resolution is connected directly with the remuneration of a KMP.

The Chairman intends to vote all available proxies in favour of this item of business.

6. ON MARKET SHARE BUY-BACK

In accordance with section 257C of the Corporations Act 2001 (Cth), the Qantas Board seeks shareholder approval to allow the Company the flexibility to buy-back up to 191,880,000 fully paid ordinary shares in the Company (Shares) in the 12 month period following the approval of this resolution.

Background
In February 2016, the Company announced an on-market share buy-back of up to $500 million, in line with the Company’s financial framework and commitment to enhance long-term shareholder value. At that time, the Board stated its intention to continue to assess the Company’s capital structure leading up to the release of the full year results.

Commencing on 9 March 2016 and concluding on 10 June 2016, the Company purchased 143,599,336 Shares on-market for a total consideration of $500 million.

Consistent with the stated intention of the Board, and having regard to the financial performance of the Company, the Board announced on 24 August 2016 that it would undertake the following capital management actions:
- distribution of $134 million by way of a fully franked ordinary dividend for the six months ended 30 June 2016 of 7 cents per Share to be paid on 12 October 2016; and
- $366 million by way of further on-market buy-backs of Shares.

Under the Corporations Act, the Company is limited to buying back up to 10% of the smallest number of Shares on issue at any time in any 12 month period (10/12 Limit). Based on the number of Shares on issue as at 9 March 2016 (2,062,400,350) the Company is therefore restricted under the 10/12 Limit to buying a maximum of a further 62,640,699 Shares up to 8 March 2017.

<table>
<thead>
<tr>
<th>Shares on issue as at 9 March 2016</th>
<th>10/12 Limit</th>
<th>Maximum number of Shares to be bought back within 12 months</th>
<th>Number of Shares already bought back within the relevant period</th>
<th>Remaining number of shares able to be bought back within the 10/12 Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,062,400,350</td>
<td>206,240,035</td>
<td>143,599,336</td>
<td>62,640,699</td>
<td></td>
</tr>
</tbody>
</table>

This resolution is proposed to give the Company the ability to:
(a) buy-back such further Shares as may be required beyond the 10/12 Limit to fully implement the Board’s determination made on 24 August 2016 in respect of appropriate capital management strategies; and
(b) undertake further buy-backs of Shares as may be determined by the Board in respect of future financial reporting periods, subject to meeting the Company’s requirements in respect of its financial framework.

Terms of the Buy-Back
As the buy-back is conducted on-market, offers will be made on behalf of the Company, by its broker(s). The terms on which the buy-back will be implemented are:
- the price to be paid by the Company for Shares purchased under the buy-back will be the then prevailing market price on the ASX. In accordance with ASX Listing Rule 7.33, the purchase price will not be more than 5% above the volume weighted average market price of the Company’s Shares over the last five days on which sales in the securities were recorded before the day on which the purchase under the buy-back was made;
- the usual rules for settlement of transactions which occur on market on the ASX will apply in respect of Shares acquired under the buy-back; and
- all Shares which are bought back will be cancelled immediately upon settlement of the trade.
Explanatory Notes (Continued)

Financial Effect of the Buy-Back

Shareholder approval is being sought to allow the Company to buy-back up to 191,880,000 Shares on-market over the 12 months following the AGM. The effect on the Company’s issued capital is set out below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Shares bought back or proposed to be bought back</th>
<th>Issued Capital after Buy-Back</th>
<th>Total % Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 March 2016</td>
<td>–</td>
<td>2,062,400,350</td>
<td>–</td>
</tr>
<tr>
<td>10 June 2016</td>
<td>143,599,336</td>
<td>1,918,801,014</td>
<td>7.0% of shares on issue at 9 March 2016</td>
</tr>
<tr>
<td>Post 24 August 2016</td>
<td>62,640,699</td>
<td>1,856,160,315</td>
<td>10% of shares on issue at 9 March 2016</td>
</tr>
<tr>
<td>(release of full year results)</td>
<td>191,880,000*</td>
<td>1,664,280,315*</td>
<td>10% of shares on issue at 2 September 2016</td>
</tr>
<tr>
<td>Post 21 October 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(AGM)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*If the proposed shareholder approved buy-back is fully implemented.

Many factors are considered by the Company prior to undertaking an on-market buy-back of Shares including the prevailing Share price, the Company’s cash reserves and market conditions. A buy-back would not be undertaken by the Company if doing so would materially prejudice its ability to pay its creditors or would materially impair the Company’s ability to develop its business.

The consideration payable for any Shares which are bought back will be paid in cash from the Company’s existing cash reserves and facilities.

No adverse tax consequences are expected to arise for the Company as a result of the buy-back, and the total amount of the Company’s franking credits will remain unchanged.

Explanatory Notes (Continued)

Approval of Lenders

Under the terms of certain of the Company’s financing facilities, the Company is required to obtain the consent of its lenders for a buy-back of its Shares where that buy-back would result in a reduction in the Company’s share capital in excess of 10% in aggregate over any calendar year.

If the proposed buy-back is implemented to the extent necessary to fulfil the Board’s determination made on 24 August 2016 in respect of appropriate capital management strategies, the Company’s issued capital would reduce by more than 10% within the calendar year 1 January to 31 December 2016. The Company will therefore seek the required consent of its lenders.

Advantages of the Buy-Back

The Company’s ability to distribute surplus capital in a cost effective manner will be enhanced by the proposed buy-back. It provides the Company the flexibility to commence or cease the buy-back at any time, in response to changes in Share price or market conditions or other demands on the Company’s cash reserves.

By reducing the number of Shares on issue, the Company expects the buy-back to be earnings per Share accretive.

Disadvantages of the Buy-Back

Implementing the buy-back will reduce the Company’s cash reserves and available facilities. However the Company can cease buying Shares at any time if it requires those reserves or facilities for other purposes.

If not approved

If the buy-back proposed by this resolution is not approved by the Company’s shareholders, the Company will be restricted to buying back a maximum of 10% of its issued share capital within any 12 month period. As set out above, the Company will be able to buy-back up to 62,640,699 Shares at any time prior to 8 March 2017 in the absence of shareholder approval.
Explanatory Notes (Continued)

Interests of Directors
Directors of the Company have the following interests in the Company's Shares (or Rights convertible to Shares) as at 24 August 2016:

<table>
<thead>
<tr>
<th>Director</th>
<th>Shares (Direct or Indirect Interests)</th>
<th>Long Term Incentive Plan Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maxine Brenner</td>
<td>26,565</td>
<td>—</td>
</tr>
<tr>
<td>Leigh Clifford</td>
<td>362,613</td>
<td>—</td>
</tr>
<tr>
<td>Richard Goodmanson</td>
<td>18,780</td>
<td>—</td>
</tr>
<tr>
<td>Jacqueline Hey</td>
<td>38,170</td>
<td>—</td>
</tr>
<tr>
<td>Alan Joyce</td>
<td>2,986,986</td>
<td>6,346,000</td>
</tr>
<tr>
<td>Michael L'Estrange</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Bill Meaney</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Paul Rayner</td>
<td>220,324</td>
<td>—</td>
</tr>
<tr>
<td>Todd Sampson</td>
<td>4,695</td>
<td>—</td>
</tr>
<tr>
<td>Barbara Ward</td>
<td>44,694</td>
<td>—</td>
</tr>
</tbody>
</table>

The Directors’ ability to trade in the Company’s Shares is limited by the Company’s Employee Share Trading Policy contained within its Code of Conduct and Ethics, a copy of which is available on the Company’s website: [www.qantas.com.au/infodetail/about/corporategovernance](http://www.qantas.com.au/infodetail/about/corporategovernance)

Directors’ initial notifiable interests in the Company’s Shares and changes to their notifiable interests are notified to the ASX.

Current Market Price
To provide an indication of the recent market price of the Company’s Shares, the closing price on 24 August 2016 was $3.45. The highest and lowest market sale prices for the Company’s Shares on the ASX during the previous 3 months were as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2016</td>
<td>$2.99</td>
<td>$3.455</td>
</tr>
<tr>
<td>June 2016</td>
<td>$2.58</td>
<td>$3.14</td>
</tr>
<tr>
<td>July 2016</td>
<td>$2.70</td>
<td>$3.17</td>
</tr>
</tbody>
</table>

Requirements met
A copy of this Notice of Meeting, including the Explanatory Notes, has been lodged with the Australian Securities and Investments Commission.

The Board considers that the proposed buy-back does not materially prejudice the Company’s ability to pay its creditors.

Other than as set out in this Notice of Meeting, including the Explanatory Notes, and any other information previously disclosed to shareholders, there is no other information which the Directors consider is material to a decision on how to vote on this Ordinary Resolution 6.

Directors’ Recommendation
The Directors recommend that you vote in favour of this Ordinary Resolution.
Information for Shareholders

Entitlement to attend and vote

1. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Shareholders can appoint a body corporate or an individual as their proxy. A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at general meetings of Qantas or in the capacity of a shareholder’s proxy at general meetings of Qantas. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a general meeting or in voting on a resolution.

2. A shareholder who is entitled to cast two or more votes may appoint two proxies and 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. If a shareholder has appointed two proxies and if a resolution is to be decided on a show of hands, only the first person named on the Proxy Form may vote. 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. Either the original, facsimile or electronic transmission of the Proxy Form(s) and any Power of Attorney or authority under which the Proxy Form(s) is signed, must be received at least 48 hours prior to the AGM (that is, by no later than 11:00am AEDT on Wednesday, 19 October 2016) or any adjournment. Any Proxy Form received after this deadline, including at the AGM, will be invalid.

6. A personalised Proxy Form accompanies this Notice of Meeting.

7. Shareholders are encouraged to use the online voting facility that can be accessed on the Qantas website at http://investor.qantas.com to ensure the timely and cost effective receipt of the proxy.

8. Alternatively, you can send your completed and signed Proxy Form by mail in the enclosed reply paid envelope, or by facsimile. Details are shown on the Proxy Form.

9. Additional Proxy Forms will be supplied by Qantas’ Share Registry, Link Market Services, on request.

10. If a corporate representative is to attend the AGM on behalf of a corporation, a formal Notice of Appointment must be brought to the AGM.

11. In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that a person’s entitlement to vote at the AGM will be the entitlement of that person set out in the register of shareholders as at 7:00pm (AEDT) on Wednesday, 19 October 2016. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the AGM.

12. If you wish a question to be put to the Chairman or Auditor and you are not able to attend the AGM, please complete the enclosed AGM Question Form which accompanies this Notice of Meeting.

13. Either the original or a facsimile transmission of the AGM Question Form must be received at least five business days prior to the AGM (that is, by no later than 5:00pm (AEDT) on Friday, 14 October 2016) or any adjournment. This is to allow time to collate questions and to prepare answers.

ENCLOSURES

Enclosed are:

- a personalised Proxy Form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on the Qantas website at http://investor.qantas.com to ensure the timely and cost effective receipt of your proxy;

- an AGM Question Form to be completed if you would like a specific question to be addressed by the Chairman or Auditor at the AGM; and

- a reply paid envelope for you to return either or both the Proxy Form and AGM Question Form.
Venue Map

The 2016 Qantas Annual General Meeting will be held in the ASX Auditorium, Lower Ground Floor, Exchange Square, 18 Bridge Street, Sydney NSW 2000.

Venue Map (Continued)

- George St closed to buses and cars
- Walking route
Public Transport and Parking Information

**Train**
Wynyard and Circular Quay Train Stations are located in close proximity (approx. 400 metres / 5 minutes’ walk) to ASX Exchange Square.

**Ferry**
Circular Quay is a comfortable 5 minutes' walk to ASX Exchange Square.

**Buses**
Bus stops are located nearby in Bridge Street, Pitt Street and Alfred Street, opposite Circular Quay. Details of bus, train and ferry timetables can be found at [www.transport.nsw.gov.au](http://www.transport.nsw.gov.au)

**Walking**
Access is via the entry to ASX Exchange Square at 18 Bridge Street, Sydney.

**Parking**
A number of car parking stations are in close proximity to ASX Exchange Square including:
- Australia Square (access via Bond Street) and at 20 Bond Street
- Grosvenor Place, 7 Essex Street, The Rocks
- Underwood House, 37-49 Pitt Street, Sydney

**Accessible parking**
Each of the above parking stations have a number of dedicated access parking bays which have access to vertical lifts.