

# 100

QANTAS NOTICE OF MEETING 2020



**Registered Office**

Qantas Airways Limited  
10 Bourke Road  
Mascot NSW 2020 Australia  
Telephone: +61 2 9691 3636  
Facsimile: +61 2 9490 1888

**Qantas Share Registry**

Link Market Services Limited  
Level 12, 680 George Street,  
Sydney NSW 2000 Australia or  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: +61 1800 177 747  
(Toll free within Australia)  
Facsimile: +61 2 9287 0309  
Email: [registry@qantas.com](mailto:registry@qantas.com)

# Chairman's Cover Letter to the Notice of Meeting

18 September 2020

Dear Shareholder

On behalf of the Board of Directors, I invite you to attend the 2020 Annual General Meeting (AGM) of Qantas Airways Limited (Qantas) to be held virtually on **Friday, 23 October 2020 at 11:00am AEDT**.

In light of these unprecedented times and the impacts of the COVID-19 pandemic, including the restrictions on physical gatherings, we will be managing our AGM very differently this year. The health and safety of our Shareholders, our Employees and their families, and the broader community, is always our first priority.

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.

The details of how we will be managing our AGM are stated below. We consider these measures essential for safety, whilst enabling us to maximise shareholder participation:

- Our AGM will be held virtually this year, in line with temporary modifications to the Corporations Act and current regulatory guidance. This is an important health measure, given the significant size of our share register;
- We encourage all Shareholders and proxyholders to participate in the AGM virtually via the online platform at <https://agmlive.link/QAN20>. To do this you will need a desktop or mobile / tablet device with internet access. When you log onto the AGM platform on the morning of the AGM, you will need to provide your details (including SRN) to be verified as a shareholder or proxyholder. Following this you will be given details as to how to vote and ask questions during the AGM;
- Once the AGM commences at 11:00am, you will see a split screen which shows both the live webcast of the Board of Directors, and the presentation slides, each of which will be live and in real-time;
- Shareholders and proxyholders will have the ability to ask questions during the AGM via the online platform, and to hear the discussion, subject to the connectivity of your device;
- In addition to the above, Shareholder / proxyholder participation (as relevant) is possible by:
  - appointment of a proxy; and
  - submission of questions to Qantas' share registry in advance of the AGM,

and these forms have been made available to each Shareholder. We strongly encourage the use of the question form in advance of the AGM.

## Chairman's Cover Letter to the Notice of Meeting continued

A detailed guide on how to participate virtually is set out in the Virtual Annual General Meeting Online Guide enclosed. This Guide explains how you ensure your browser is compatible with the online platform, as well as a step-by-step guide to successfully log in and navigate the site. This Guide will be lodged with the ASX and is also available on the Qantas Investor website at <https://investor.qantas.com/AGM>.

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

Yours faithfully



**Richard Goyder**  
Chairman

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting (**AGM or Meeting**) of Qantas Airways Limited ABN 16 009 661 901 (**Qantas**) will be held virtually on **Friday, 23 October 2020 at 11:00am AEDT**.

As noted in the accompanying letter from the Chairman, Shareholders are requested to participate in the AGM virtually via our online AGM platform at <https://agmlive.link/QAN20>, or via the appointment of a proxy. Further information on how to participate virtually is set out in this Notice and the Virtual Meeting Online Guide (**Guide**).

### AGM AGENDA

**10:00am** — Registration Opens *(please log onto your electronic device in advance of the AGM commencement time and register your attendance, you will need your SRN/HIN Number (or Proxyholder login provided to you by Link Market Services) in order to login to the online AGM platform)*

### 11:00am

- Commencement of AGM
- Chairman's Address
- Group CEO's Address
- Items of Business

### VIRTUAL AGM & WEBCAST

The AGM will be webcast live for participation by Shareholders and proxyholders via the online AGM platform at <https://agmlive.link/QAN20>. To participate, you will need a desktop or mobile/tablet device with internet access.

When you log onto the AGM platform on the morning of the AGM, you will need to provide your details (including SRN or HIN) to be verified as a Shareholder or proxyholder. Proxyholders will need their login details which will be provided by Link Market Services no later than 24 hours before the Meeting. Following this you will be given details as to how to vote and ask questions during the AGM.

More information about how to use the AGM online platform (including how to vote and ask questions online during the AGM) is available in the Guide, which has been lodged with the ASX along with this Notice, and is available at:

<https://investor.qantas.com/AGM>.

If you intend to use the online AGM platform, we recommend that you test that it works on your device before the AGM commencement at 11:00am. Further instructions on device configurations are provided in the Guide.

## Notice of Annual General Meeting continued

### DISCUSSION AND SHAREHOLDER QUESTIONS

Discussion will take place on all items of business to be considered at the Meeting, and Shareholders will be provided a reasonable opportunity to ask questions during the AGM via the online AGM platform.

To ensure that as many Shareholders as possible have an opportunity to participate, Shareholders are requested to follow the below guidelines:

- all Shareholder questions should be concise, and should be relevant to the business of the Meeting, including matters arising from the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report, and general questions about the performance, business or management of the Company;
- if a Shareholder has more than one question on an item of business, all questions should be asked at the one time; and
- Shareholders should not ask questions at the Meeting relating to any matters that are personal to the Shareholder or commercial in confidence.

Shareholders are encouraged to submit questions in advance of the AGM. A Shareholder Question Form has been provided to all shareholders, written questions must be received by the Company or Link Market Services Limited by 5:00pm (AEDT) on Friday, 16 October 2020 and can also be submitted online by logging into your holding at via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### ITEMS OF 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 2020.

#### 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 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."

## Notice of Annual General Meeting continued

### 2.3 Michael L'Estrange

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

"That Michael L'Estrange, 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. 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:

"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 2020 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 2020 (set out in the Directors' Report) is adopted."

### 5. Placement Capacity Refresh

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

"That the issue of 372,698,270 fully paid ordinary shares pursuant to the institutional placement announced by Qantas to ASX on 26 June 2020 is approved for the purposes of ASX Listing Rule 7.4 and for all other purposes."

By Order of the Board



**Andrew Finch**  
Group General Counsel and Company Secretary

18 September 2020

## Explanatory Notes

### 1. Consideration of Reports

The Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 30 June 2020 (which are contained in the 2020 Annual Report) will be presented for consideration.

A printed copy of the 2020 Annual Report, or an email advising that the 2020 Annual Report is available on the Qantas Investor website at <https://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 relevant 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 at the AGM by the Auditor 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 restructures and general corporate activity.



## Explanatory Notes continued

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.

Ms Brenner was also formerly the Deputy Chairman of the 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 considerable strategic, financial and legal experience, great strength and leadership to the Board and its deliberations generally. Additionally, these skills add to the strength of the Audit and Remuneration Committees on which she serves. While Ms Brenner is a member of other companies' 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, "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 future benefit of Qantas, its shareholders and stakeholders."

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

### 2.2 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 Chair of Bendigo and Adelaide Bank Limited, a Director of AGL Energy Limited and Chairman of its Safety, Customer & Corporate Responsibility Committee. She is also a Director of Cricket Australia.

Ms Hey was also formerly a Director of the Australian Foundation Investment Company Limited from 2013 to 2019, Melbourne Business School from 2013 to 2018, the Special Broadcasting Service from 2011 to 2016 and a Member of the ASIC Directory Advisory Panel from 2013 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.

## Explanatory Notes continued

The Board believes that Ms Hey's extensive financial, operational and international experience, enables her to make a significant 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 and stakeholders."

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

### 2.3 Michael L'Estrange

Michael L'Estrange retires by rotation and, being eligible, offers himself for re-election as an Independent Non-Executive Director.

Michael L'Estrange was appointed to the Qantas Board in April 2016.

He is a member of the Remuneration Committee and Safety, Health, Environment and Security Committee.

Mr L'Estrange was Head of the National Security College at the Australian National University from 2009 to 2015. Prior to this, he was the Secretary of the Department of Foreign Affairs and Trade for almost five years and the Australian High Commissioner to the UK between 2000 and 2005. He served as Secretary to Cabinet and Head of the Cabinet Policy Unit from 1996 for more than four years and, prior to that, as Executive Director of the Menzies Research Centre.

He has been a Non-Executive Director of Rio Tinto plc and Rio Tinto Limited and a Director of the University of Notre Dame, Australia since 2014. He was appointed Deputy Chancellor of the University of Notre Dame, Australia in 2017.

Mr L'Estrange studied at the University of Sydney and later as a Rhodes Scholar at Oxford University, where he graduated with a Master of Arts with First Class Honours.

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.

Mr L'Estrange says, "I am honoured to serve as an Independent Non-Executive Director of the Qantas Board. I look forward to continuing to apply my extensive international affairs and trade experience for the benefit of Qantas, its shareholders and stakeholders."

The Directors (with Mr L'Estrange abstaining) recommend that you vote **in favour** of this Ordinary Resolution.

## Explanatory Notes continued

### 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 2021–2023 Long Term Incentive Plan (**2021–2023 LTIP**) for FY2021 (**2020 Grant**).

Under ASX Listing Rule 10.16B, shareholder approval is not required where the CEO acquires securities under an employee equity incentive plan and those securities are purchased on-market.

While it is the Board's intention that any shares that may be awarded to the CEO will be purchased on-market, the Board considers it appropriate that shareholder approval of Mr Joyce's participation in the 2020 Grant is sought.

As part of a review of the Executive Remuneration Framework, the Board has changed the remuneration mix for the CEO that will apply for 2020/21 to better align incentive arrangements with the immediate priorities of the post COVID-19 recovery plan. This involves changing the weightings of incentive plan 'at target' opportunities with a decrease in the weighting toward annual incentive and an increase in the weighting toward long term incentive. This is a change in remuneration mix only and there is no increase in the total 'at target' pay for the CEO.

The 2021–2023 LTIP reward opportunity for the CEO for FY2021 has been set at 235% of Fixed Annual Remuneration (**FAR**) on a face value basis. In setting this target, the Board makes reference to external benchmark market data (also on a face value basis), including comparable roles in other listed Australian companies. Remuneration is benchmarked against ASX50 companies and a revenue-based peer group of other listed Australian companies. The Board believes these are the appropriate benchmarks, as it is these comparator groups whose roles best mirror the size, complexity and challenges in managing Qantas' businesses and are also the peer groups with whom Qantas competes for executive talent.

An overview of the 2020 Grant to Mr Joyce is set out below.

#### Maximum Entitlement under 2020 Grant

Subject to shareholder approval, Mr Joyce will be granted 1,349,000 Performance Rights (**Rights**) under the 2020 Grant.

At the end of the three-year performance period for the 2020 Grant (**Performance Period**), performance conditions (**Performance Conditions**) and service conditions (**Service Conditions**) for the 2020 Grant are tested.

If the Performance Conditions and Service Conditions are fully achieved, the Rights vest and convert to Qantas fully paid ordinary shares on a one-for-one basis and those shares are subject to a one year holding lock period. If the Performance Conditions are not achieved, the Rights lapse.

## Explanatory Notes continued

The Performance Conditions and Service Conditions are detailed below.

The face value calculation is as follows:

$$1,349,000 \text{ Rights} = \frac{\$2,170,000 \times 235\%}{\$3.78 \text{ per Right}}$$

Where:

- \$2,170,000 is Mr Joyce's FAR for FY2021;
- 235% is the 'at target' percentage of FAR on a face value basis for the award of Rights for Mr Joyce's 2020 Grant; and
- \$3.78 is the face value (share price) of each Right as at 30 June 2020.

### 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 2020 and ends on 30 June 2023.

### 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:

Qantas TSR performance compared to the ASX100	Satisfaction of performance hurdle
Below 50th percentile	Nil
50th to 75th percentile	Linear scale: 50% to 100% satisfied
Above 75th percentile	100% satisfied

#### 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:

Qantas TSR performance compared to the Global Listed Airlines	Satisfaction of performance hurdle
Below 50th percentile	Nil
50th to 75th percentile	Linear scale: 50% to 100% satisfied

## Explanatory Notes continued

---

Above 75th percentile

100% satisfied

---

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 2021–2023 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

### Service Conditions

If the Performance Conditions are satisfied, the portion of the Rights that vest will be based on Mr Joyce's service during the Performance Period. Unless the Board determines otherwise, there will be a pro-rated reduction in the number of Rights that will vest if Mr Joyce: works less than full time hours during the Performance Period; works less than the full three year Performance Period; and/or takes a period of leave without pay of 30 days or more during the Performance Period.

### Price on Grant or Vesting

No amount will be payable by Mr Joyce in respect of the Grant or upon vesting of the Rights.

### Further Trading Restrictions

Any shares allocated on vesting of the Rights will be subject to a one year holding lock period. At the conclusion of the one year holding lock period, these shares may be traded, subject to the Qantas Employee Share Trading Policy.

## Explanatory Notes continued

### Cessation of Employment

#### Cessation of Employment — during performance period

In general, if Mr Joyce resigns, is terminated for cause or is terminated in other circumstances involving unacceptable performance or conduct, any Rights which have not vested will be forfeited. In limited circumstances (for example, retirement, employer-initiated termination (with no record of poor performance), death or total and permanent disablement) Rights will remain on foot on a pro-rata basis and may vest at the end of the Performance Period, subject to the satisfaction of the Performance and Service Conditions of the LTIP. Any shares allocated following vesting of the 2021–2023 LTIP would be subject to a one year holding lock period<sup>1</sup>. These vested shares would remain subject to the Board's clawback policy.

#### Cessation of Employment — during one year holding lock period

Mr Joyce would continue to hold vested shares<sup>2</sup> that are subject to the one year holding lock period. These vested shares remain subject to the Board's clawback policy.

The Board retains discretion to make other determinations in appropriate circumstances.

### Additional Information

Mr Joyce's current total remuneration package is:

- total FAR of \$2,170,000 (inclusive of superannuation);
- short term incentive opportunity (at target) of 50 per cent of FAR; and
- long term incentive opportunity of up to 235 per cent of FAR.

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 54 of the 2020 Annual Report which is available on the Qantas Investor website at: <https://investor.qantas.com/>.

Mr Joyce is the only Qantas Director who is eligible to participate in Qantas' equity incentive plans. Mr Joyce was granted 743,000 Rights under the 2020–2022 LTIP, following shareholder approval at the 2019 AGM. These Rights are subject to performance hurdles which will be tested as at 30 June 2022. These Rights were provided at no cost to Mr Joyce.

---

<sup>1</sup> On cessation of employment, a tax liability arises on vested shares subject to the one-year holding lock, notwithstanding that the holding lock continues to apply. Accordingly, a portion of the shares may be released, to assist with funding the tax liability that arises.

<sup>2</sup> As above.

## Explanatory Notes continued

### Voting on Ordinary Resolution 3

Qantas will disregard any votes cast:

- in favour of Ordinary Resolution 3 by or on behalf of Mr Joyce, or any associate of Mr Joyce, regardless of the capacity in which the vote is cast; and
- on this resolution as a proxy by a member of the KMP at the date of the meeting, or that KMP's closely related party,

unless the vote is cast on Ordinary Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that:
  - the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

Please read the information in your personalised Proxy Form which deals with the Chairman's voting of proxies on the Resolutions set out in items 2-5.

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

## Explanatory Notes continued

### 4. Remuneration Report

Section 250R (2) of the *Corporations Act 2001* (Cth) 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 is contained in the Directors' Report set out on pages 30 to 54 of the Annual Report which is available on the Qantas Investor website at: <https://investor.qantas.com/>.

The Remuneration Report:

- explains Qantas' executive remuneration philosophy and objectives and the link between the remuneration of Executives 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 2020 is adopted will then be put to a shareholder vote.

### Voting on Advisory Resolution 4

Key Management Personnel (**KMP**) means Directors of Qantas and those persons having authority and responsibility for planning, directing and controlling the activities of Qantas, directly or indirectly.

KMP or their closely related parties cannot cast a vote as a proxy for a shareholder entitled to cast a vote if the proxy is not directed on how to vote on Advisory Resolution 4, unless:

- the KMP is the Chairman of the Meeting; and
- the appointment of the Chairman as proxy expressly authorises him to exercise the proxy in accordance with a direction to vote as he decides, even though Advisory Resolution 4 is connected directly with the remuneration of a KMP.

Qantas will disregard any votes cast on this Advisory Resolution by or on behalf of a KMP whose remuneration is detailed in the Remuneration Report, 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.



## Explanatory Notes continued

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

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

### 5. Placement Capacity Refresh

On 1 July 2020 (**Issue Date**), Qantas issued 372,698,270 fully paid ordinary shares pursuant to the institutional placement announced by Qantas to ASX on 26 June 2020 (**Placement**). The Placement was accompanied by a share purchase plan which gave all other shareholders an opportunity to acquire shares at \$3.18 per ordinary share.

ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the number of fully paid ordinary securities it had on issue at the start of that period subject to certain exceptions. Under temporary COVID-19 relief granted by ASX, that percentage was lifted to 25%.

The Placement used up virtually all of this limit, which effectively has reduced Qantas' capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the Issue Date.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made (other than the issue under the additional 10% placement capacity, which cannot be refreshed). If they do so, the issue is taken to have been approved under Listing Rule 7.1.

Qantas wishes to retain flexibility to issue additional equity securities up to the 15% limit in the period ahead without having to obtain shareholder approval.

If Ordinary Resolution 5 is passed, the Placement will be excluded in calculating Qantas' 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

If Ordinary Resolution 5 is not passed, the Placement will be included in calculating Qantas' 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date to principally zero.

## Explanatory Notes continued

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the proposed approval of the issue of the relevant ordinary shares under the Placement:

- Names of the persons to whom Qantas issued the shares or the basis on which those persons were identified or selected: The shares were issued pursuant to the Placement to existing and new institutional investors.
- Number and class of shares issued for which approval is sought: 372,698,270 ordinary shares.
- Date of issue: 1 July 2020.
- Issue price: \$3.65 per share.
- Terms of the shares: The shares were issued on the same terms as existing shares on issue.
- Purpose of Placement: Qantas raised equity in order to:
  - Support the Recovery Plan;
  - Strengthen the balance sheet and improve financial flexibility, in line with its Financial Framework;
  - Enable Qantas' accelerated recovery post COVID-19; and
  - Position Qantas to capitalise on opportunities that align with its strategy.

### Voting on Ordinary Resolution 5

Qantas will disregard any votes cast in favour of Ordinary Resolution 5 by or on behalf of a person who participated in the issue of shares under the Placement (or any associate of that person or those persons).

However, this does not apply to a vote cast in favour of Ordinary Resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that:
  - the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

Please read the information in your personalised Proxy Form which deals with the Chairman's voting of proxies on the Resolutions set out in items 2-5.

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

## Additional Information

### VOTING INFORMATION FOR SHAREHOLDERS

- In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), 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, 21 October 2020**. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the AGM.
- Shareholders participating in the AGM via the online AGM platform will be able to vote at any time between the start of the AGM at 11.00am (AEDT) and the closure of voting as announced by the Chairman at the end of the Meeting.
- A shareholder entitled to 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 the powers that the appointing body could exercise at a general meeting or in voting on a resolution.
- 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.
- A proxy need not be a shareholder of Qantas.
- 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, 21 October 2020**) or any adjournment. Any Proxy Form received after this deadline, including at the AGM, will be invalid.
- A personalised Proxy Form accompanies this Notice of Meeting and provides further details on the appointment of proxies.
- To ensure the timely and cost effective receipt of the proxy, Shareholders are encouraged to use the online voting facility that can be accessed via the Qantas Investor website at <https://investor.qantas.com/AGM>.
- 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. As noted above, the Proxy Form must be received by no later than **11:00am AEDT on Wednesday, 21 October 2020**.
- Additional Proxy Forms will be supplied by Qantas' Share Registry, Link Market Services, on request.

## Additional Information

- As this year's AGM is being held virtually, each resolution to be considered at the Meeting will be conducted by a poll.
- If a corporate representative is to attend the AGM on behalf of a corporation, a formal Notice of appointment must be provided to the share registry by no later than **11:00am AEDT on Wednesday, 21 October 2020**. See the Proxy Form for further details.

