

Qantas Notice of Meeting 2021



Registered Office

Qantas Airways Limited
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Mascot NSW 2020 Australia
Telephone: +61 2 9691 3636
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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
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Chairman's Letter to Shareholders

17 September 2021

Dear Shareholder

On behalf of the Board of Directors, I invite you to the 2021 Annual General Meeting (AGM) of Qantas Airways Limited (Qantas) to be held virtually on **Friday 5 November 2021 at 11:00am AEDT**.

In light of these continuing unprecedented times, and the impacts of the COVID-19 pandemic, including restrictions on physical gatherings, we will again 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, while enabling us to maximise shareholder participation:

- our AGM will again be entirely virtual this year for all Shareholders, except for a limited number of Directors who are able to attend in person in a safe manner. This is an important health measure, given the significant size of our share register, and is in line with temporary modifications to the *Corporations Act 2001* and current regulatory guidance;
- we encourage all Shareholders and proxyholders to participate in the AGM virtually via the online platform at <https://agmlive.link/QAN21>. To do this, you will need a desktop or mobile/tablet device with internet access. When you log on to 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, if you are attending virtually 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; and
- shareholders and proxyholders attending virtually will have the ability to ask questions during the AGM via the online platform and telephone, and to hear the discussion, subject to the connectivity of your device.

If you are unable to attend the AGM, you also have the option to:

- lodge a proxy vote, or appoint a proxy to attend online and vote on your behalf at the AGM; and/or
- submit questions online in advance of the AGM via Qantas' Share Registry at www.linkmarketservices.com.au.

A detailed guide on how to participate virtually is set out in the accompanying Virtual Annual General Meeting Online Guide. This Guide explains how to 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/investors/?page=annual-general-meeting>.

The Board and I look forward to your 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) of Qantas Airways Limited ABN 16 009 661 901 (Qantas) will be held virtually on **Friday 5 November 2021 at 11:00am AEDT**.

As noted in the accompanying letter from the Chairman, Shareholders are encouraged to participate in the AGM virtually via our online AGM platform at <https://agmlive.link/QAN21>, 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 on to 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 log in to the online AGM platform)*

11:00am – Commencement of AGM

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

ONLINE AGM PARTICIPATION AND WEBCAST

The AGM will be webcast live for participation by Shareholders and proxyholders via the online AGM platform at <https://agmlive.link/QAN21>. To participate, you will need a desktop or mobile/tablet device with internet access.

When you log on to 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 and via telephone during the AGM) is available in the Guide, which has been lodged with the ASX along with this Notice, and is available via the Qantas Investor website at <https://investor.qantas.com/investors/?page=annual-general-meeting>.

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

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 and via telephone.

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 by logging into your holding at www.linkmarketservices.com.au.

The Explanatory Notes accompanying this Notice of Meeting provide additional information on matters to be considered at the AGM. The Explanatory Notes and Entitlement to Attend and Vote section are part of this Notice of Meeting.

Notice of Annual General Meeting continued

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 2021.

2. Election of Directors

2.1 Belinda Hutchinson

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

"That Belinda Hutchinson, a Non-Executive Director retiring in accordance with the Constitution and ASX Listing Rule 14.5, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited."

2.2 Antony Tyler

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

"That Antony Tyler, a Non-Executive Director retiring in accordance with the Constitution and ASX Listing Rule 14.5, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited."

2.3 Todd Sampson

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

"That Todd Sampson, a Non-Executive Director retiring in accordance with the Constitution and ASX Listing Rule 14.5, 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 this 2021 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 2021 (set out in the Directors' Report) is adopted."

5. Amendments to the Qantas Constitution

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

"That, in accordance with section 136(2) of the Corporations Act, the amendments to the Company's Constitution as described in the Explanatory Notes accompanying this Notice of Meeting, be approved with effect from the end of the Meeting."

A marked up version of the amended Constitution is available via the Qantas Investor website at <https://investor.qantas.com/investors/?page=annual-general-meeting> (and will be mailed out on request by shareholders.)

By Order of the Board,



Andrew Finch
Group General Counsel and Company Secretary

17 September 2021

Explanatory Notes

1. Consideration of Reports

The Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 30 June 2021 (which are contained in the 2021 Annual Report) will be presented for consideration.

A printed copy of the 2021 Annual Report, or an email advising that the 2021 Annual Report is available on the Qantas Investor website at <http://investor.qantas.com/investors/?page=annual-reports>, 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 Belinda Hutchinson

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

Belinda Hutchinson was appointed to the Qantas Board in April 2018.

In accordance with clause 6.3(b) of the Constitution, Belinda Hutchinson retires from office at the conclusion of the AGM. If shareholders do not approve the re-election of Belinda Hutchinson, then she will cease to be a Non-Executive Director at the conclusion of the meeting. ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Ms Hutchinson is currently Chancellor of the University of Sydney, and Chairman of Thales Australia.

Ms Hutchinson was also Chairman of the Future Generation Global Investment Company between May 2015 and June 2021.

She has over 30 years' experience in the financial services sector, working in senior roles at Citibank and Macquarie Group. Ms Hutchinson also has extensive board experience. She was formerly Chairman of QBE Insurance Limited, and a Director of Telstra Corporation Limited, Coles Group Limited, Crane Group Limited, Energy Australia Limited, TAB Limited, Snowy Hydro Trading Limited, Sydney Water and AGL Energy.

Ms Hutchinson was awarded a Companion of the Order of Australia (AC) in 2020 in recognition of her service to business, tertiary

education and scientific research, and for her philanthropic endeavours to address social disadvantage.

Ms Hutchinson is a Member of the Safety, Health, Environment and Security Committee and the Audit Committee. It is planned that Ms Hutchinson will become Chair of the Audit Committee and a Member of the Nominations Committee following the AGM.

The Board believes Ms Hutchinson's extensive background on numerous boards and in financial services adds to the depth of experience currently on the Qantas Board, and enables her to make a valuable contribution to the Board and as a Member of the Safety, Health, Environment and Security Committee and the Audit Committee.

Ms Hutchinson says, "I am honoured to serve as an Independent Non-Executive Director of the Qantas Board. I look forward to continuing to apply my skills and experience in the finance industry, capital intensive sectors and retail businesses for the benefit of Qantas, its shareholders and stakeholders."

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

2.2 Antony Tyler

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

Antony Tyler was appointed to the Qantas Board in October 2018.

In accordance with clause 6.3(b) of the Constitution, Antony Tyler retires from office at the conclusion of the AGM. If shareholders do not approve the re-election of Antony Tyler, then he will cease to be a Non-Executive Director at the conclusion of the meeting. ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Mr Tyler has broad aviation and management experience. He was Director General and Chief Executive Officer of the International Air Transport Association from 2011 to 2016. Prior to this, Mr Tyler spent over 30 years with Cathay Pacific Airways Limited. His career includes several management and executive roles in Hong Kong, the UK, Italy, Japan, Canada, the Philippines, and Australia before serving in the role of Chief Executive Officer from 2007 to 2011.

He is a Non-Executive Director of Bombardier Inc, BOC Aviation Limited and Trans Maldivian Airways Limited and a Fellow of the Royal Aeronautical Society.

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

The Board believes that Mr Tyler's extensive international aviation experience and strong industry relationships, together with his commercial and management experience will enable him to continue to make a significant contribution to the Board.

Mr Tyler says, "I am honoured to serve the Board of Qantas, where my extensive aviation and business experience enables me to serve shareholders as well."

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

Explanatory Notes continued

2.3 Todd Sampson

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

Todd Sampson was appointed to the Qantas Board in February 2015.

In accordance with clause 6.3(b) of the Constitution, Todd Sampson retires from office at the conclusion of the AGM. If shareholders do not approve the re-election of Todd Sampson, then he will cease to be a Non-Executive Director at the conclusion of the meeting. ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Mr Sampson was Executive Chairman of the Leo Burnett Group from September 2015 to January 2017, and National CEO from 2008 to 2015. He was also a Director of Fairfax Media Limited from 2014 to 2018.

Mr Sampson has over 20 years' experience across marketing, communication, new media and digital transformation. He has held senior leadership and strategy roles for a number of leading communication companies in Australia and overseas, including as Managing Partner for D'Arcy, Strategy Director for The Campaign Palace and Head of Strategy for DDB Needham Worldwide.

He is a Member of the Remuneration Committee. It is planned that Mr Sampson will also become a Member of the Audit Committee following the AGM.

The Board believes that Mr Sampson's significant marketing and management experience enable him to make a valuable contribution to the Board and the Remuneration Committee.

Mr Sampson says, "I have valued the opportunity to serve as a Director of Qantas. I look forward to continuing to apply my extensive marketing and management skills and experience for the benefit of Qantas and its shareholders."

The Directors (with Mr Sampson 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 2022–2024 Long Term Incentive Plan (2022–2024 LTIP) for FY22 (2021 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 2021 Grant is sought.

The 2022–2024 LTIP reward opportunity for the CEO for FY22 has been set at 185% 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 that 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 2021 Grant to Mr Joyce is set out below.

Maximum Entitlement under the 2021 Grant

Subject to shareholder approval, Mr Joyce will be granted 861,000 Performance Rights (Rights) under the 2021 Grant.

At the end of the three-year performance period for the 2021 Grant (Performance Period), performance conditions (Performance Conditions) and service conditions (Service Conditions) for the 2021 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.

The Performance Conditions and Service Conditions are detailed below.

The face value calculation is as follows:

$$861,000 \text{ Rights} = \frac{\$2,170,000 \times 185\%}{\$4.66 \text{ per Right}}$$

Where:

- \$2,170,000 is Mr Joyce's FAR for FY22;
- 185% is the 'at target' percentage of FAR on a face value basis for the award of Rights for Mr Joyce's 2021 Grant; and
- \$4.66 is the face value (share price) of each Right as at 30 June 2021.

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 2021 and ends on 30 June 2024.

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

Explanatory Notes continued

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
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 the 2022–2024 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-rata 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.

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 2022–2024 LTIP would be subject to a one-year holding lock period¹. 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 shares² 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 100 per cent of FAR. For 2021/22 only, there will be no short term incentive plan; and
- long term incentive opportunity of up to 185 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 in the 2021 Annual Report, available on the Qantas Investor website at <http://investor.qantas.com/investors/?page=annual-reports>.

Mr Joyce is the only Qantas Director who is eligible to participate in Qantas' equity incentive plans. Mr Joyce was granted 1,349,000 Rights under the 2021–23 LTIP, following shareholder approval at the 2020 AGM. These Rights are subject to performance hurdles which will be tested as at 30 June 2023. These Rights were provided at no cost to Mr Joyce.

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,

¹ 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.

² As above.

Explanatory Notes continued

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.

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 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 in the Annual Report, available on the Qantas website at <http://investor.qantas.com/investors/?page=annual-reports>.

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 2021 is adopted will then be put to a shareholder vote.

Voting on Advisory Resolution 4

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

A vote on Advisory Resolution 4 must not be cast (in any capacity) by, or on behalf of:

- as member of the KMP whose remuneration details are included in the 2021 Remuneration Report; or
- a closely related party of such a KMP (including close family members and companies the KMP controls).

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.

In accordance with section 250BD of the *Corporations Act 2001* (Cth), a vote must not be cast on Resolution 3 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

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

5. Amendments to the Qantas Constitution

The Constitution of the Qantas Airways Limited was last amended on 24 October 2014 (**Constitution**).

Qantas has recently undertaken a review of the Constitution and proposes a number of modifications to reflect certain changes to corporate governance practices, the *Corporations Act 2001* and Listing Rules of the ASX (Listing Rules), and which update certain legacy provisions and outdated terminology. A number of the changes also seek to achieve efficient and flexible administration of the Company and relations with shareholders.

Under section 136 of the *Corporations Act 2001*, amendments to the Constitution may only be made by a special resolution of shareholders.

Explanatory Notes continued

Overview of the proposed amendments to the Constitution

Topic	Summary of proposed amendment(s)
Joint Holders (Clause 2.9)	<ul style="list-style-type: none"> - The Constitution will be amended to allow the limits on Joint Holders of securities to be raised to four people, in preparation for the changes to the ASX CHESS System.
General Meetings (Part 5)	<p>A number of amendments are proposed to be made to facilitate the use of virtual meetings by the Company, now that the law has changed to allow the use of virtual or hybrid meetings, including as set out below:</p> <ul style="list-style-type: none"> - Clarification that Directors may determine that a meeting be held by means of virtual meeting technology or other communication facilities that gives the members as a whole a reasonable opportunity to participate; and - Providing the Directors with additional powers to postpone, cancel or adjourn a meeting in particular circumstances, for example if the venue for the meeting is no longer available or due to public health orders.
Direct Voting (Clause 5.10)	<ul style="list-style-type: none"> - The Constitution will be amended to allow direct voting (whereby shareholders may lodge a vote directly with the Company by way of post, fax or other electronic means, without having to attend a meeting or appoint a proxy or representative). - Direct voting addresses deficiencies in existing voting procedures by facilitating greater voting participation and minimises the potential risks of a proxy vote not being cast. - To facilitate the direct voting arrangements, the Directors will be authorised to prescribe rules governing direct voting.
Electronic Signatures (Clauses 1.6 and 6.18)	<ul style="list-style-type: none"> - The Constitution will be amended to allow any written resolutions to be approved by Directors by electronic signature (as provided by law) when necessary.
Dividends (Clauses 9.1 and 9.5)	<ul style="list-style-type: none"> - The Constitution will be updated to reflect that one of the payment methods for a dividend (or other payment) can be by means of a direct credit or other method determined by the Directors. - References to declaring dividends will be removed, in favour of authorising dividends. - The Directors will be able to rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment. - The Constitution will be updated to reflect that dividends unclaimed after the period of one-year will be reinvested by the Directors as they see fit, until the dividend is claimed or is required to be dealt with in accordance with the law.
Notices (Clause 13.1)	<ul style="list-style-type: none"> - The provisions in the Constitution dealing with notices will be updated to enable Qantas to not have to continue to incur costs by sending notices to those Shareholders who have moved address and have not updated the Share Registry with the new details.
Insertion of Proportional Takeover Provisions (Clause 16.1)	<ul style="list-style-type: none"> - The Constitution will be updated to provide that Qantas must not register a transfer of shares which would give effect to a contract, resulting from the acceptance of an offer made under a proportional takeover bid unless shareholders, in a general meeting, approve the offer. <p>Further information about this amendment is set out below.</p>

Explanatory Notes continued

Proportional Takeover Provisions

The proposed provisions:

- are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company; and
- Prohibit the transfer of shares under a proportional takeover bid unless a provisional takeover bid resolution was passed by the shareholders in a general meeting approving the offer.

Under the *Corporations Act 2001*, these provisions must be renewed every three years, or they cease to have effect. The *Corporations Act 2001* also requires that the following information be provided to shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

Effect of the proportional takeover provisions

A proportional takeover bid is a takeover bid where an offer is made to each shareholder to acquire a proportion of that shareholder's shares.

If the provisions are inserted in the Constitution and a bid is made to shareholders, the Directors must hold a meeting of shareholders to consider whether or not to approve the bid by the 14th day before the last day of the bid period. Each shareholder who, as at the end of the day on which the first offer under the bid was made, held bid class shares is entitled to vote. The bidder and its associates are not allowed to vote on the resolution. The resolution is decided on a simple majority.

If the resolution to approve such a bid is rejected, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the resolution is approved (or taken to have been approved), the transfers must be registered if they comply with the *Corporations Act 2001* and the Constitution.

Reasons for proposing the resolution

If the takeover approval provisions are not in the Constitution, a proportional takeover bid may enable control of the Company to pass without shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares. The proposed proportional takeover provisions lessen this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

Potential advantages and disadvantages

The insertion of the proportional takeover provisions will allow the Directors to ascertain shareholders' views on a proportional takeover bid. It does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be approved.

The potential advantages of the proposed proportional takeover provisions for shareholders of the Company are that:

- shareholders have the opportunity to consider a proportional takeover bid and vote on the resolution at a general meeting;
- the provisions assist shareholders in not being locked in as a minority interest;
- the provisions increase shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is appropriately priced; and
- knowing the view of the majority of shareholders assists each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject the offer.

The potential disadvantages of the proposed proportional takeover provisions for shareholders of the Company are that the provisions:

- may discourage proportional takeover bids in respect of the Company;
- may reduce any speculative element in the market price of the Company's shares arising from the possibility of a proportional takeover bid being made;
- may reduce the likelihood of a proportional takeover being successful; and
- may be considered to constitute an unwarranted additional restriction of the ability of shareholders to freely deal with their shares.

The Board considers that the potential advantages for shareholders of the proportional takeover provisions outweigh the potential disadvantages.

No knowledge of present acquisition proposals

At the date of this Notice of Meeting, no Director of the Company is aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

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

Explanatory Notes continued

INFORMATION FOR SHAREHOLDERS – Entitlement to attend and vote

1. 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 3 November 2021**. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the AGM.
 2. 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.
 3. 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.
 4. A shareholder who is entitled to cast two or more votes may appoint two proxies and may state 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.
 5. A proxy need not be a shareholder of Qantas.
 6. Appointment of a proxy must be received at least 48 hours prior to the AGM (that is, by no later than **11:00am AEDT on Wednesday 3 November 2021**) or any adjournment.
- IMPORTANT:** If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on Resolutions 3 and 4, you will be expressly authorising the Chairman to exercise your proxy on the relevant resolutions, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.
7. Shareholders are encouraged to submit a proxy vote online via Qantas' Share Registry at www.linkmarketservices.com.au.
 8. As this year's AGM is being held virtually, each resolution to be considered at the Meeting will be conducted by a poll.
 9. If a corporate representative is to attend the AGM on behalf of a corporation, a formal Notice of Appointment or a properly executed letter or other document confirming its authority to act as the company's representative must be submitted prior to the AGM. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.
 10. If you wish a question to be put to the Chairman or Auditor and you are not able to attend the AGM, please submit your question prior to the AGM at www.linkmarketservices.com.au. Online questions must be received at least five business days prior to the AGM (that is, by no later than **5:00pm (AEDT) on Friday 29 October 2021**).

