

## **BOARD CHARTER**

### **Overview**

1. The Board is primarily responsible for ensuring that Qantas has an appropriate corporate governance structure aimed at creating and protecting shareholder value.
2. The Board is also responsible for ensuring that Qantas Management recognises Qantas' legal and other obligations to all legitimate stakeholders. "Stakeholders" are groups that are likely to sustain a social, environmental, economic or financial impact from Qantas' actions. They include shareholders, customers, suppliers, employees, governments, regulators and members of the communities where Qantas operates and may be affected by Qantas' activities.
3. Qantas' obligations to its Stakeholders require that appropriate accountability and control systems are in place.
4. This Charter explains Qantas' commitment to corporate governance. It is not an "all inclusive" document and should be read as a broad expression of principles. The Board will review this Charter on an annual basis.
5. Qantas endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4<sup>th</sup> Edition (ASX Principles).

### **The Qantas Constitution**

6. The Qantas Constitution is Qantas' key governance document. The Board ensures that it and Qantas comply with the provisions of the Constitution.
7. The Qantas Sale Act (QSA) requires the Constitution to contain specific provisions designed to protect Qantas' position as an Australian designated airline.

### **Compliance with Laws**

8. As a public company listed on the Australian Securities Exchange (ASX), Qantas must comply with the Corporations Act, the ASX Listing Rules as well as all other applicable laws. Examples of applicable areas of regulation include:
  - a. air safety legislation and regulations;
  - b. occupational health and safety legislation;
  - c. employment related laws;
  - d. environmental protection legislation;
  - e. anti-discrimination legislation;
  - f. taxation legislation;
  - g. data protection and privacy regulations; and
  - h. the Competition and Consumer Act.
9. As a company operating in numerous jurisdictions, Qantas must ensure that it is aware of and complies with all applicable laws in those jurisdictions.

## **Composition of the Qantas Board**

10. The Board is to consist of:
  - a. a majority of Independent Non-Executive Directors; and
  - b. the Chief Executive Officer.
11. The Chair:
  - a. is to be an Independent Non-Executive Director who is an Australian citizen appointed by the Board;
  - b. is not to exercise the role of Chief Executive Officer of Qantas; and
  - c. is not to have previously held the position of Chief Executive Officer of Qantas.

## **Responsibilities and Duties**

12. The Qantas Board is responsible for agreeing the strategic direction and objectives of Qantas and monitoring the implementation of that strategy by Qantas Management, including:
  - a. approving the Qantas Group's purpose and statement of values that promotes a culture of ethical and responsible decision-making, compliance with legal responsibilities, and transparency through effective and timely reporting;
  - b. oversight of the Qantas Group, including its culture and its control and accountability systems;
  - c. appointing and removing the Chief Executive Officer;
  - d. appointing and removing the Company Secretary;
  - e. Board and Executive Management development and succession planning;
  - f. input into and final approval of corporate strategy;
  - g. input into and final approval of the annual operating budget (including the capital management budget);
  - h. approving and monitoring the progress of major capital expenditure, capital management and acquisition, establishment or divestiture of any significant businesses of the Qantas Group;
  - i. satisfying itself that an appropriate risk management framework exists in relation to financial and non-financial risks to review, monitor and manage risk, including through internal compliance controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
  - j. setting the risk appetite within which Management is expected to operate and, at least annually, reviewing the effectiveness of Qantas' implementation of its risk management system and internal control framework;
  - k. monitoring Executive Management's performance and implementation of strategy and policies, including assessing whether appropriate resources are available;
  - l. approving and monitoring financial and other reporting to the market, shareholders, employees and other stakeholders;
  - m. approving the Group's remuneration framework;
  - n. oversight of the integrity of the accounting and corporate financial reporting systems, including appointment, reappointment or replacement of the external auditor; and
  - o. oversight of the adequacy and efficacy of the Qantas Group's environmental, social and governance strategies and frameworks, including exposure and response to climate change risks and opportunities.
13. In discharging his/her duties, each Director must:
  - a. exercise care and diligence;
  - b. act in good faith in the best interests of Qantas, and for a proper purpose;
  - c. not improperly use his/her position or misuse information of Qantas; and
  - d. commit the time necessary to discharge effectively his/her role as a Director.

14. All Directors (including Executive Directors) are entitled to be heard at all Meetings and must bring an independent judgement to bear in decision-making.
15. Non-Executive Directors should confer at least annually without Management present.
16. At least once each year, the Directors will:
  - a. review this Charter and approve any required amendments including those required to comply with the ASX Principles;
  - b. review recommended changes to Committee Charters, and approve those changes as appropriate; and
  - c. review the Board's performance during the previous 12 months.

## **Committees**

17. To assist the Board in fulfilling its duties and responsibilities, it has established four Committees:
  - a. Nominations Committee;
  - b. Remuneration Committee;
  - c. Audit Committee; and
  - d. Safety, Health, Environment & Security Committee.
18. Each Committee has a formal Charter and has been granted certain delegations.
19. Each Committee has an obligation to report on its Meetings to the Board and Minutes of all Committee Meetings are made available to all Directors.

### Nominations Committee

20. The Nominations Committee assists the Board in regard to:
  - a. Board appointments, re-elections and performance;
  - b. Inclusion and diversity obligations;
  - c. Directors' induction programs and continuing development;
  - d. Committee Membership; and
  - e. succession of the Chief Executive Officer.

### Remuneration Committee

21. The Remuneration Committee assists the Board in regard to:
  - a. the remuneration framework for Non-Executive Directors;
  - b. the remuneration and incentive framework, including any proposed equity incentive awards for the Chief Executive Officer, any other Executive Directors, Executive Management and Senior Executives;
  - c. recommendations and decisions (as relevant) on remuneration and incentive awards for the Chief Executive Officer, any other Executive Directors and Executive Management; and
  - d. reviewing the overarching Qantas Group remuneration framework, including its reflection of Qantas' values, compliance with relevant obligations, and ability to attract, motivate and retain employees.

### Audit Committee

22. The Audit Committee assists the Board in regard to financial reporting, audit and risk management, including:
  - a. the integrity of the Qantas Group's financial reporting;

- b. compliance with legal and regulatory obligations;
- c. the effectiveness of the Qantas Group's enterprise-wide risk management and internal control framework; and
- d. oversight of the independence of the external and internal auditors.

### Safety, Health, Environment & Security Committee

23. The Safety, Health, Environment & Security Committee (also known as CHESS) assists the Board in fulfilling its strategy, policy, systems oversight, monitoring and corporate governance responsibilities in regard to operational risk of the Qantas Group comprising safety, health (including mental health), environment, security and business resilience matters including:
- a. compliance with related legal and regulatory obligations; and
  - b. enterprise-wide management of operational risk.

### **The Chair**

24. The Chair is responsible for:
- a. leadership and effective performance of the Board;
  - b. overseeing the Board in the effective discharge of its supervisory role;
  - c. the efficient organisation and conduct of the Board's function and Meetings, including setting the Agenda (with the Company Secretary) and ensuring sufficient time is available for robust discussion;
  - d. facilitating the effective contribution of all Directors;
  - e. briefing of all Directors in relation to issues arising at Meetings;
  - f. the promotion of constructive and respectful relations between Board Members and between the Board and Management;
  - g. committing the time necessary to discharge effectively his/her role as Chair; and
  - h. scheduling regular and effective evaluations of the Board's performance.

### Independence of Directors

25. Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationship, bringing an independent judgement to bear on issues before the board. They are willing to express their opinions at the board table and will act in the best interests of the Qantas Group, free of concern about their position or the position of any third party. The Qantas Board does not believe it is possible to draft a list of criteria which are appropriate to characterise, in all circumstances, whether a Non-Executive Director is independent. It is the approach and attitude of each Non-Executive Director which is critical, and this must be considered in relation to each Director while taking into account the materiality of all other relevant factors, which may include whether the Non-Executive Director:
- a. is a substantial shareholder (within the definition of section 9 of the Corporations Act) of Qantas, or an officer of, or otherwise associated directly with, a substantial shareholder of Qantas;
  - b. has, within the last three years, been employed in an executive capacity by the Qantas Group;
  - c. has, within the last three years, been a principal of a material professional adviser or a material consultant to the Qantas Group or an employee materially associated with the service provided;
  - d. is a material supplier or customer of the Qantas Group, or an officer of or otherwise associated directly or indirectly with, a material supplier or customer;
  - e. has any material contractual relationship with the Qantas Group other than as a Director;
  - f. has served on the Board for a period which could materially interfere with the Director's ability to act in the best interests of the Qantas Group (and it is neither

- possible nor appropriate to assign a fixed term to this criteria); or
- g. is free from any interest, position, association or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Qantas.
26. The materiality thresholds taken into account when considering the independence of Non-Executive Directors are:
- a. for Directors:
- i. a relationship that accounts for more than 10% of the Director's gross income (other than Director's Fees paid by Qantas); and
  - ii. when the relationship is with a firm, company or entity, in respect of which the Director (or any associate) has more than a 20% shareholding if a private company or 2% shareholding if a listed company; and
- b. for Qantas:
- i. in respect of advisers or consultants – where fees paid exceed \$2 million per annum;
  - ii. in respect of suppliers – where goods or services purchased by the Qantas Group exceeds 2% of Qantas' annual consolidated gross revenue (other than banks, where materiality must be determined on a case by case basis); and
  - iii. in respect of customers – where goods or services supplied by the Qantas Group exceeds 2% of Qantas' annual consolidated gross revenue.
27. Family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence and should be disclosed by Directors to the Board.
28. Qantas, as the principal Australian airline, has commercial relationships with most, if not all, major entities in Australia. As such, in determining whether a Non-Executive Director is independent, simply being a non-executive director on the board of another entity is not, in itself, sufficient to affect independence. Nevertheless, any Director on the board of another entity is expected to excuse him or herself from any meeting where that entity's commercial relationship with Qantas is directly or indirectly discussed.
29. The above guidelines must be applied with common sense. Directors are best able to determine if they have an interest or relationship which is likely to impact on their independence. As such, each Director is expected to advise the Chair immediately if he/she believes they may no longer be independent. Should the Chair or any other Director have any concern about the independence of another Director, he/she must immediately raise the issue with that Director and, if the issue is not resolved, with the Board.
30. Should the Chair have any concern about his/her own independence, he/she must immediately raise the issue with the Board.
31. Each Director must disclose to the Chair (with a copy to the Company Secretary) all information relevant for determining whether the Director is independent, including details of entities in which the Director has a material direct or indirect shareholding (or other interest), is an executive officer or is a director. This information must be provided when the Director is proposed to be appointed to the Board, and on an immediate and ongoing basis following a potential change in independence. For the Chair, this information must be disclosed to the Company Secretary.
32. In the preparation of the Agenda for each Board Meeting, the Chair and Company Secretary need to be sensitive to disclosed interests and consider whether it is appropriate to withhold part or all of an agenda item (including any relevant Papers) from any Director because of a potential or actual conflict. If the Chair decides to withhold part

or all of an agenda item from a Director, he/she must advise the Director at the time of dispatch of the relevant Board Paper.

33. Directors are to inform the Chair prior to accepting any new appointment to any entity's board or any other position with a significant time commitment attached.
34. Where the independent status of a Director is lost, this is to be disclosed to the market via the ASX in a timely manner.

### **Access to Information, Independent Advice and Continuing Development**

35. Management must provide the Board and Committees with accurate, timely and clear information to enable them to effectively discharge their responsibilities and duties. All Directors are to receive copies of Committee Papers (except to the extent that there is a conflict of interest).
36. The Agenda and Papers will be circulated to the Committee members within a reasonable period in advance of each Meeting.
37. Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any employee of the Qantas Group and all employees must comply with such requests. Any significant issues raised by a Director are to be communicated to the Chair, Chief Executive Officer or Company Secretary.
38. Any Director may take such independent legal, financial or other advice as they consider necessary, at Qantas' cost. Any Director seeking independent advice must first discuss the request with the Chair who will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors.
39. The Board should understand the Qantas Group structure, operations, risk profile and industry, together with key developments affecting the Qantas Group, and may receive periodic presentations to assist in achieving such an understanding.
40. Directors are expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them, whether to address identified gaps in the Board's skills, knowledge or experience, or to more broadly provide Directors with briefings on material developments relevant to Qantas.

### **Appointment and Removal of Directors**

41. The Board should be of a size and composition, and possess appropriate skills, experience and commitment, to enable it to discharge its duties effectively, and in the best interest of the Qantas Group as a whole rather than of individual shareholders or other stakeholders.
42. The Nominations Committee is responsible for making recommendations to the Board relating to the appointment, re-election and retirement of Directors.
43. A new Director will receive a formal Letter of Appointment setting out the key terms and conditions relative to the appointment.

### **Director Protection Deeds**

44. The Constitution indemnifies each Director to the fullest extent permitted by law.

45. Each Director is entitled to a Director Protection Deed which includes provisions relating to:
- a. access to Board Papers;
  - b. confidentiality;
  - c. indemnity by Qantas; and
  - d. the provision of Directors' and Officers' insurance.

### **The Chief Executive Officer**

46. The Chief Executive Officer is responsible for implementing the strategic objectives and operating within the risk appetite set by the Board, and for all other aspects of the day-to-day management of the Qantas Group with all powers, discretions and delegations authorised, from time to time, by the Board.
47. The Chief Executive Officer is to have a formal Employment Agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.
48. At each Meeting where the Board approves the half-year and full-year Financial Statements, the Chief Executive Officer must provide the Board with a written declaration (together with an equivalent declaration from the Qantas Group's Chief Financial Officer) which includes a statement whether, in the Chief Executive Officer's opinion:
- a. the financial records of Qantas and the entities which are consolidated for financial reporting purposes (Reporting Entity) for the relevant reporting period have been properly maintained in accordance with section 286 of the Corporations Act;
  - b. the Reporting Entity's financial statements and the notes referred to in sections 295(3)(b) or 303(3) of the Corporations Act for the relevant reporting period comply with the accounting standards;
  - c. the financial statements and notes for the reporting period give a true and fair view of the financial position and performance of the Reporting Entity; and
  - d. declarations a. to c. are founded on a sound system of risk management and internal control which is operating effectively in all material respects in relation to financial reporting risks.

### **Company Secretary**

49. The Company Secretary of Qantas is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. All Directors shall have direct access to the Company Secretary.
50. The Company Secretary of Qantas is to attend Board and Committee Meetings, or to otherwise receive an update from the Chair or Committee Chair (as relevant), to ensure that accurate Minutes are taken of each Meeting.

### **Written Resolutions**

51. Written Resolutions:
- a. are not to be forwarded to Directors until they are approved by the Chair (and the Directors are to be informed that the Chair has approved the proposed Resolution);
  - b. are to be sent to all Directors;
  - c. are not to be implemented if any Director advises that they have any reservations about the proposed Resolution (in which case the matter is to be considered at the next Board Meeting); and
  - d. are not to be implemented until:
    - i. assented to by at least half of the Directors; or
    - ii. if the Chair considers it appropriate, assented to by all the Directors.

## **Qantas Group Policy Framework**

52. The Board oversees the Qantas Group Policy Framework, including key Qantas Group Policies which align to the Group's Non-Negotiable Business Principles. The Qantas Group Policy Framework includes the Qantas Group Code of Conduct and Ethics and other significant policies recommended by the ASX Principles. The Board has endorsed a summary of the key values and business practices of the Qantas Group in the "Working Towards Our Vision" document, which can be accessed on the Qantas website.
53. The Board is responsible for the periodic review and approval of, and monitoring compliance with, the Qantas Group Code of Conduct and Ethics (including the policies contained within).

## **Qantas Group Code of Conduct and Ethics**

54. The Qantas Group Code of Conduct and Ethics is to be observed by all Personnel (including Directors, employees, consultants and any other person) when they represent the Qantas Group.
55. The Qantas Group Code of Conduct and Ethics deals with compliance with the following laws, regulations and ethical standards:
  - a. Compliance with Laws, Regulations and Ethical Standards;
  - b. Government Engagement and Political Donations;
  - c. Anti-Bribery and Corruption Policy;
  - d. Gifts, Benefits and Hospitality Policy;
  - e. Charitable Donations;
  - f. Conflicts of Interest;
  - g. Accounting Records;
  - h. Anti-Money Laundering Sanctions and Trade Control Laws Policy;
  - i. Retention and Storage of Data Policy;
  - j. Dealing with Auditors and Investigators;
  - k. Making Public Statements about the Qantas Group;
  - l. Use of Qantas Group Confidential Information;
  - m. Continuous Disclosure Policy;
  - n. Share Trading Policy;
  - o. Competition and Consumer Law Compliance Policy;
  - p. Whistleblower Policy;
  - q. Privacy Policy;
  - r. Inclusion and Diversity;
  - s. Human Rights; and
  - t. Equal Employment Opportunity.

## **Shareholder Communications Policy**

56. Qantas also has a Shareholder Communications Policy which is designed to promote effective two-way communication with shareholders and the wider investment community, and to encourage effective participation at General Meetings.
57. As part of an effective shareholder communications strategy, Qantas will:
  - a. maintain and keep current the Corporate Governance section on its website;
  - b. make available, via its Investor website, materials presented at significant investor briefings; and
  - c. give Shareholders the option to receive communications from, and send communications to, Qantas and its Share Registry electronically.
58. Beneficial owners of Qantas shares are encouraged to contact the Qantas Share Registry to arrange the direct receipt of shareholder materials.

## **Annual Reporting**

### **Review of Operations**

59. In addition to its continuous disclosure obligations, and as required by sections 299 and 299A of the Corporations Act and ASX Listing Rule 4.10.17, Qantas will include in the Review of Operations contained in its Annual Report:
- a. information that Qantas shareholders would reasonably require to make an informed assessment of the Qantas Group's financial position, business strategies and prospects; and
  - b. a discussion of the main internal and external risk sources (including material sustainability risks) that could adversely affect the Qantas Group's prospects for future financial years,

to the extent that disclosures are not likely to result in unreasonable prejudice to the Qantas Group.

### **Corporate Governance Statement**

60. As required by ASX Listing Rule 4.7.4, Qantas will prepare annually a Corporate Governance Statement and give it to ASX together with its Annual Report. The Corporate Governance Statement and other related documents will also be made available via the Qantas website, and collectively, will contain the content required by the ASX Principles (as well an explanation of any departures from the ASX Principles).

## **Annual General Meetings**

### **Notice of Meeting**

61. Qantas generally adopts the ASX Principles for Notices of Meetings.

### **External Auditor**

62. The external auditor must attend the Annual General Meeting of Qantas and must be available to answer questions about:
- a. the conduct of the audit;
  - b. the preparation and content of the Independent Auditor's Report;
  - c. the accounting policies adopted by Qantas in relation to the preparation of the financial statements; and
  - d. the independence of the external auditor in relation to the conduct of the audit.

## Charter History

1 September 2003	Charter approved.
30 August 2004	Revised Charter approved.
8 December 2004	Revised Charter approved – references to British Airways removed.
18 May 2005	Revised Charter approved – Chairman's Committee functions split and separate Nominations Committee and Remuneration Committee established.
16 April 2008	Revised Charter approved – reflects revised ASX Principles.
11 August 2010	Revised Charter approved – reflects revisions to ASX Principles.
23 August 2011	Revised Charter approved.
22 August 2012	Revised Charter approved.
28 August 2013	Revised Charter approved.
27 August 2014	Revised Charter approved – reflects revised ASX Principles (3 <sup>rd</sup> Edition).
23 August 2016	Revised Charter approved.
22 August 2018	Revised Charter approved.
21 August 2019	Revised Charter approved – reflects revised ASX Principles (4 <sup>th</sup> Edition).
24 August 2022	Revised Charter approved.
23 August 2023	Revised Charter approved.