



20 February 2020

ASX Market Announcements Office  
Australian Securities Exchange Limited

**Lodged electronically via ASX Online**

**Qantas announces off-market buy-back**

Qantas Airways Limited attaches a copy of the Off-market Buy-Back Booklet and Information Flyer in respect of the off-market share buy-back announced to the ASX today.

Yours faithfully,

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

Authorised for release by Qantas' Board of Directors.



**Qantas**  
Off-market  
buy-back  
tender booklet  
**February 2020**



**IMPORTANT NOTICE**

The Buy Back is not available to persons located or resident in, and this document is not to be distributed in or into, the United States or Canada. This is an important document. It does not constitute investment or financial product advice and has been prepared without taking into account your particular investment objectives, financial situation or needs. If you have any questions about the action you should take, please consult your financial, taxation or other professional advisor immediately.

## About Qantas

Founded in the Queensland outback in 1920, Qantas has grown to be Australia's largest domestic and international airline.

Registered originally as the Queensland and Northern Territory Aerial Services Limited (QANTAS), Qantas is widely regarded as the world's leading long-distance airline and one of the strongest brands in Australia. We've built a reputation for excellence in safety, operational reliability, engineering and customer service.

The Qantas Group's main business is the transportation of customers using two complementary airline brands - Qantas and Jetstar. Our airline brands operate regional, domestic and international services. The Qantas Group's broad portfolio of businesses includes Qantas Loyalty and Qantas Freight Enterprises, generating diverse revenue streams that add value for customers and investors.

## Our financials First Half 2019/20<sup>1</sup>

**\$771 million**

UNDERLYING PROFIT  
BEFORE TAX

**\$648 million**

STATUTORY PROFIT  
BEFORE TAX

**28.8 cents**

STATUTORY EARNINGS  
PER SHARE

**19.6%**

RETURN ON  
INVESTED CAPITAL

**\$1,475 million**

OPERATING CASH  
FLOW

**\$647 million**

RETURNED TO SHAREHOLDERS  
through dividends and  
off-market share buybacks

Qantas Domestic

**\$465m**

Underlying EBIT

Qantas  
International

**\$122m**

Underlying EBIT

Jetstar Group

**\$220m**

Underlying EBIT

Qantas Loyalty

**\$196m**

Underlying EBIT

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<sup>1</sup> Refer to the Interim Financial Report, 31 December 2019 for definitions and explanations of non-statutory measures. Unless otherwise stated, amounts are reported on an underlying basis.

## Important dates\*

<b>Thursday 20 February 2020</b>	Announcement Date for the Buy-Back.
<b>Monday 2 March 2020</b>	Ex-Entitlement Date. Shares quoted ex-entitlement on the ASX to participate in the Buy-Back. Shares acquired on the ASX on or after this date will not have an entitlement to participate in the Buy-Back.
<b>Tuesday 3 March 2020</b>	Record Date. The date for determination of shareholders who are entitled to participate in the Buy-Back (Eligible Shareholders).
<b>Wednesday 11 March 2020</b>	The date by which dispatch of Buy-Back Documents inviting Eligible Shareholders to participate in the Buy-Back is expected to be completed.
<b>Monday 23 March 2020</b>	Opening Date. The Tender Period opens at 9am Sydney time (AEDT).
<b>Monday 4 May 2020 to Friday 8 May 2020</b>	The five trading days over which the VWAP is calculated (for the purposes of determining the Market Price).
<b>Friday 8 May 2020</b>	Closing Date. The date the Tender Period closes. Tenders must be received by the Qantas Share Registry no later than 7pm Sydney time (AEST)*.
<b>Monday 11 May 2020</b>	Buy-Back Date. Announcement of the Buy-Back Price and scale back (if any). Date of disposal of Shares acquired under the Buy-Back. Buy-Back Contracts are formed on this date.
<b>Monday 18 May 2020</b>	The date on which the Buy-Back Price per Share is to be paid to successful participants.

\*While Qantas does not anticipate any changes to these dates and times, it reserves the right to vary them without notifying you. Any change in date or time will take effect from the time it is authorised by Qantas and will be publicly announced on the ASX as soon as practicable following that authorisation. Any such change will be taken to amend this Booklet (and the other Buy-Back Documents) accordingly. Qantas may, in its absolute discretion, also decide not to proceed with the Buy-Back and may vary the size of the Buy-Back (either increasing or decreasing it) depending on a number of factors including shareholder demand, market conditions and Qantas' forecast earnings and capital requirements.

^If you have a CHESS Holding you are encouraged to submit your Tender Form by 5pm (Sydney time) on Thursday 7 May 2020. If you are mailing your Tender Form, please note that the postal acceptance rule does not apply.

This Booklet is dated 20 February 2020 and is current as at that date (except where otherwise indicated).

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### ABOUT THIS BOOKLET

This Booklet contains important information about the Buy-Back and is provided to assist you in making an informed decision about whether to participate. This Booklet does not provide financial product advice and has been prepared without taking into account your particular circumstances. You should carefully consider the appropriateness of the Buy-Back for you, having regard to your own objectives, financial situation and needs. If you have any questions about the action you should take, please consult your financial, taxation or other professional advisor immediately.

Section 5 of this Booklet defines the capitalised words used in this Booklet and sets out rules for interpretation.

### NOTICE TO FOREIGN SHAREHOLDERS

If you are an Excluded Foreign Person, you will not be able to participate in the Buy-Back. In particular, any person located in the United States, any US Person and any resident of Canada is not entitled to participate, directly or indirectly, in the Buy-Back.

The distribution of this Booklet in some jurisdictions might be restricted by law and does not constitute an invitation to participate in any place where, or to any person to whom, it would be unlawful to do so. Persons who come into possession of this Booklet should seek advice on, and observe any restrictions on, distributing it. Copies of the Buy-Back Documents are not being mailed or otherwise distributed or sent outside Australia or New Zealand, including into the United States or Canada. Any person receiving any of the Buy-Back Documents must not distribute or send them into the United States or Canada, or make them available to any Excluded Foreign Person, including any person located in the United States, any US Person or any resident of Canada. ADRs may not be offered for sale through the Buy-Back.

## Chairman's letter

Dear Shareholder

The Qantas Group adopts a Financial Framework that demonstrates continued discipline towards maintaining an optimal capital structure, which allows us to keep rewarding shareholders.

Given the Qantas Group's strong operating cash flows and disciplined approach to capital allocation, the Board has decided to buy back a proportion of its shares through an off-market share buy-back. The Buy-Back will be conducted through a tender process in which Eligible Shareholders who choose to participate can offer to sell some or all of their Shares to Qantas.

You do not need to take any action if you do not wish to participate in the Buy-Back.

Details on how to participate and Tender your Shares for sale to Qantas as part of the Buy-Back are set out in this Booklet. In particular, the process is summarised in Section 1 and the important dates are listed on page 2, including the Tender Period which closes on 8 May 2020.

Eligible Shareholders may Tender Shares (which is an election to receive the Buy-Back Price being a 14 per cent discount to the Market Price) with the option of setting a Minimum Price (being the price Shareholders may choose to select from the Minimum Price options shown on the Tender Form). The number of shares that Qantas will buy back will be determined by Qantas' view of surplus capital, franking credits available, the Buy-Back Price, the number of shares tendered and the requirements of its Constitution and applicable laws.

The Buy-Back Price will comprise a capital component and a deemed dividend component for Australian tax purposes.

The Buy-Back will have different tax implications for each shareholder. Eligible Shareholders with any questions should obtain independent taxation or other professional advice specific to their circumstances before deciding to participate in the Buy-Back.

If, after reading this Booklet, you have any questions about how to participate or how the Buy-Back operates, please visit the Buy-Back section of our investor site via <https://investor.qantas.com> or call the Qantas Share Registry information line on 1800 177 747 or +61 2 8767 1195.

Yours sincerely



Richard Goyder  
Chairman

## Eligibility to participate

Shareholders whose Shares are registered in their name on the Buy-Back Record Date and who are not Ineligible Shareholders are eligible to participate in the Buy-Back.

If you are an Ineligible Shareholder, you will not be able to participate in the Buy-Back.

Ineligible Shareholders means Excluded Foreign Persons and persons who hold only ADRs or Restricted Employee Shares. Shares held in an ADR and Restricted Employee Shares cannot be included in any Tender. Additional requirements relating to Shares issued under an employee share plan are provided in Sections 4.1 and 4.2 of this Booklet.

The distribution of this Booklet in some jurisdictions might be restricted by law and does not constitute an invitation to participate in any place where, or to any person to whom, it would be unlawful to do so. Persons who come into possession of this Booklet should seek advice on, and observe any restrictions on, distributing it.

Any person who is located in the United States, who is a US Person or a resident in Canada is not entitled to participate, directly or indirectly, in the Buy-Back. Copies of the Buy-Back Documents are not being mailed or otherwise distributed or sent to addresses in the United States or Canada.

Any person receiving any of the Buy-Back Documents must not distribute or send them into the United States or Canada, or make them available to any Excluded Foreign Person, any US Person (including to any legal or beneficial owner of Shares that is a US Person) or any person who is located in the United States or Canada.

Qantas will not accept Tenders:

- from any Ineligible Shareholder;
- from any person who does not represent that they are not (and they are not acting on behalf of or for the account of a person who is) located in the United States or Canada or a US Person;
- that have been postmarked in the United States or Canada or that otherwise appear to Qantas or its agents to have been sent from the United States or Canada or by an Excluded Foreign Person; or
- tendering ADRs or Restricted Employee Shares into the Buy-Back.

## Key features of the Buy-Back

<b>Target size</b>	The number of shares that Qantas will buy back will be determined by Qantas' view of surplus capital, franking credits available and the Buy-Back Price. Based on these factors, Qantas currently anticipates the Buy-Back will be up to \$150 million. For illustrative purposes, assuming a Buy-Back Price of \$5.59 (being a 14 per cent discount to an assumed Market Price of \$6.50) and a target amount of capital (with regards to the value of available franking credits) of \$150 million, Qantas would buy back 26.8 million shares. Qantas, at its discretion, can vary the size of the Buy-Back or not buy back any Shares.
<b>Buy-Back Price</b>	The Buy-Back Price is calculated as follows:  Buy-Back Price = Market Price x (1 - 14%).  The Buy-Back Price will be announced by Qantas on the Buy-Back Date, Monday, 11 May 2020.  You may also choose to make your offer conditional on the Buy-Back Price being higher than a Minimum Price at which you are prepared to sell your shares.
<b>Market Price</b>	The Market Price is equal to the VWAP of Qantas Shares sold over the five trading days up to and including the Closing Date, calculated to four decimal places, as determined by Qantas. The Market Price will be announced to the ASX as soon as practicable after the Closing Date.
<b>Buy-Back Discount</b>	The buy-back discount is 14 per cent, which is the maximum discount allowed by the ATO.
<b>Tender Minimum</b>	If you hold more than 100 Shares, you must Tender a minimum of 100 Shares in aggregate. If you hold 100 Shares or less you must Tender all of your Shares to participate in the Buy-Back.
<b>Capital Component of Buy-Back Price</b>	The ATO has indicated that the Capital Component will be \$1.19. For Australian tax purposes, the sale proceeds of the Shares for entities other than companies will generally be taken to be the \$1.19 Capital Component plus the amount (if any) by which the CGT Value exceeds the Buy-Back Price. Qantas expects this to be confirmed in the Class Ruling.
<b>Dividend Component of Buy-Back Price</b>	The Dividend Component is equal to the Buy-Back Price less the Capital Component, for Australian tax purposes only.

## How do I participate?

It is important that you read this Booklet in full before deciding to participate. If you have any questions about whether participation is in your interest, you should seek financial, taxation or other professional advice immediately. If you have any queries on how the Buy-Back operates or how to participate, please see the Qantas Buy-Back site via <https://investor.qantas.com> or contact the Qantas Share Registry information line on 1800 177 747 or +61 2 8767 1195 (Monday to Friday 8am to 7pm Sydney time).

### If you are an Eligible Shareholder and you choose to participate you can do so by:

- (1) Completing the online Tender Form on the Qantas Buy-Back site via <https://investor.qantas.com> no later than 7pm Sydney time (AEST) on Friday 8 May 2020; or
- (2) Completing a personalised paper Tender Form and returning it to the Qantas Share Registry, allowing sufficient time for the Tender Form to be delivered by mail to the Qantas Share Registry so it reaches us no later than 7pm Sydney time (AEST) on Friday 8 May 2020; or
- (3) Contacting your controlling CHES participant. If you need to instruct your controlling CHES participant, please ensure you do so in sufficient time for them to process your instructions no later than 7pm Sydney time (AEST) on Friday 8 May 2020.

For detailed instructions on how to participate, see Section 1.7 of this Booklet. If your Shares were issued under an employee share plan, see Sections 4.1 and 4.2.

### If you DO NOT choose to participate

If you do not wish to participate in the Buy-Back, you do not need to take any action.

## 1 Buy-Back and Tender process

This Booklet sets out the terms of the Buy-Back and other information to assist you in deciding whether to participate in the Buy-Back.

This Booklet does not constitute or give rise to a legally binding offer capable of your acceptance. If you submit a Tender, you make a formal offer to sell those Shares to Qantas on the terms and conditions set out in the Buy-Back Documents. If Qantas accepts your Tender, a Buy-Back Contract is formed and your tendered Shares will, subject to scale back, be sold to Qantas on those terms and conditions.

### 1.1 WHY IS QANTAS CONDUCTING THE OFF-MARKET BUY-BACK?

Qantas' Financial Framework guides capital management decisions with an objective of delivering top quartile Total Shareholder Returns against the ASX100 and airline peers. In the Board's opinion, given the performance of Qantas Group in the six months ending 31 December 2019, the value of available franking credits and its strong financial position, the Group is well placed to return surplus capital to shareholders and still maintain a strong balance sheet and have sufficient capital available to reinvest.

An off-market buy-back is an efficient way for a company to distribute surplus capital and franking credits to its shareholders. All Shares bought back by Qantas will be subsequently cancelled, reducing the total number of Shares on issue. The Board has considered alternatives and determined that, in addition to recent dividends, undertaking the Buy-Back is an efficient way to distribute surplus capital to shareholders and is consistent with its Financial Framework.

### 1.2 WHAT IS THE BUY-BACK?

Qantas is proposing to undertake the Buy-Back by inviting Eligible Shareholders to Tender some or all of their Shares to Qantas. Eligible Shareholders who wish to participate may Tender their Shares (noting Tender Minimum) at the Buy-Back Price, with the option of making their Tender conditional on a Minimum Price.

The number of Shares purchased by Qantas will be determined after the Closing Date, based on:

- the total amount of capital Qantas decides to spend to buy back Shares; and
- the number of Shares tendered by Eligible Shareholders.

### 1.3 DO I HAVE TO TENDER MY SHARES?

No. Participation in the Buy-Back is voluntary. If you choose not to participate, you do not need to do anything. If you do not participate, or if you submit a Tender but none of your Shares are bought back, the number of Shares you hold will not change as a result of the Buy-Back. However, after the Buy-Back is completed, you will own a larger percentage of Qantas as there will be fewer Shares on issue. You will also benefit from any improvement in earnings per share, cash flow per share and return on equity. You will continue to be subject to the normal investment risks associated with share ownership. If you have any questions about the action you should take, please consult your financial, taxation or other professional advisor immediately.

If you hold more than 100 Shares, you must Tender a minimum of 100 Shares in aggregate. If you hold 100 Shares or less you must Tender all of your Shares to participate in the Buy-Back.

### 1.4 DETERMINING THE BUY-BACK PRICE

Each Share bought back will be bought back for the same amount, being the Buy-Back Price, determined by the following formula:

$$\text{Buy-Back Price} = \text{Market Price} \times (1 - 14\%)$$

Where the Market Price is the VWAP of Qantas' ordinary shares sold on the ASX over the five trading days up to and including the Closing Date (calculated to four decimal places, as determined by Qantas).

For illustration, if the Market Price is \$6.50, the Buy-Back Price would be \$5.59 (i.e.  $\$6.50 \times (1 - 14\%)$ ).

To provide an indication of the potential Market Price, Qantas will calculate, and make available daily to shareholders the VWAP of the Shares sold during the five trading days up to and including the Closing Date. The running VWAP will be published on the Buy-Back Site via <https://investor.qantas.com> and will be updated cumulatively each day. The VWAP will also be available to shareholders via the Qantas shareholder information line 1800 177 747 or +61 2 8767 1195.

Qantas will announce the Market Price and Buy-Back Price to the ASX after the Closing Date. Qantas expects this announcement to be on Monday 11 May 2020 (the Buy-Back Date). The announcement will also be posted on the Buy-Back site via <https://investor.qantas.com>.

Qantas does not intend to buy back any Shares under the Buy-Back if the Buy-Back Price exceeds the CGT Value. The CGT Value is the

price used by the ATO for Australian tax purposes to determine the deemed market value of the relevant Shares when the Buy-Back occurs. The method for calculating the CGT Value is explained in Section 2.1.2.

### 1.5 CAN I SET A MINIMUM PRICE TO OFFER SHARES?

Yes. For example, if you are concerned that movements in the Market Price after you submit your Tender may result in your Tender corresponding to a price at which you are not willing to sell your Shares, you may wish to make your Tender conditional on the Buy-Back Price being greater than or equal to a specified Minimum Price. You have the option of making your Tender conditional on the Buy-Back Price being no less than one of the specified Minimum Prices set out on your Tender Form. This is an option available to you, but it may impact on the success of your Tender. If the Buy-Back Price is below your Minimum Price selection, then your Tender will be rejected and your Shares will not be bought back by Qantas.

If you select more than one Minimum Price, your Tender will be deemed conditional on the highest Minimum Price you have specified.

### 1.6 HOW WILL QANTAS DETERMINE WHICH SHARES TO BUY BACK?

The number of Shares purchased by Qantas will be determined after the Closing Date, based on:

- the total amount of capital Qantas decides to spend to buy back Shares; and
- the number of Shares tendered by Eligible Shareholders.

The success of your Tender will depend on the quantity of Shares tendered by other shareholders and the total number of Shares offered for sale that Qantas wishes to accept. There is no guarantee that all, or some, of your Tender will be accepted.

Qantas is currently seeking to buy back up to \$150 million of its Shares under the Buy-Back. However, Qantas may at its sole discretion decrease the size of the Buy-Back or not buy back any Shares at all. To the extent necessary, Qantas will not accept any Tender and will operate or adjust (in its discretion) the scale back mechanism as required to avoid any contravention of Part 2.2(b) of the Qantas Constitution. As required by section 7(1)(a) of the Qantas Sale Act 1992, Part 2.2(b) of the Qantas Constitution prohibits 'Foreign Persons' from possessing shares in Qantas which, in aggregate, exceed 49 per cent of the issued share capital of Qantas.

Tenders accepted must therefore meet the following criteria:

- You are an Eligible Shareholder;
- Your Tender meets the Minimum Tender requirements; and
- Your Tender is not conditional on a Minimum Price or you have nominated a Minimum Price that is lower than the Buy-Back Price.

If Qantas receives Tenders for more Shares than it decides to buy-back, Qantas will scale back each Tender on a pro-rata basis (with the same scale back percentage applied to all Tenders equally, rounding to the nearest whole Share) to achieve a total number of Shares multiplied by the Buy-Back Price that equals the amount of capital Qantas chooses to spend to buy back. Any scale back will be announced to the ASX as soon as practicable after the Closing Date. You can access the announcement from the Qantas website or from the ASX website at [www.asx.com.au](http://www.asx.com.au).

If you tender Shares and you would be left with a holding of 100 Shares or fewer as a result of scale back (based on your holding on the Record Date), your Tender will not be scaled back (that is, your Tender will be accepted in full).

If Qantas accepts your Tender, then a Buy-Back Contract is formed.

## 1.7 IF I DECIDE TO PARTICIPATE, HOW DO I TENDER MY SHARES?

You can participate in the Buy-Back by either:

Going online	Using a personalised paper Tender Form or other submission
<ul style="list-style-type: none"> <li>— Complete the online Tender Form via <a href="https://investor.qantas.com">https://investor.qantas.com</a>.</li> <li>— You will require your Security-holder Reference Number (SRN) or Holder Identification Number (HIN). You can find these numbers in the top right-hand corner of any shareholder forms or statements previously sent to you.</li> <li>— If you are a sponsored CHESSE Holder, you are encouraged to lodge your form by 5pm (Sydney time) on Thursday 7 May 2020. The Qantas Share Registry will need to confirm the validity of your Tender Form online submission with your controlling CHESSE participant before it can be taken as validly submitted and there may not be sufficient time to do so for any online Tender Forms submitted by CHESSE Holders after 5pm (Sydney time) on Thursday 7 May 2020.</li> </ul>	<ul style="list-style-type: none"> <li>— If you received a paper copy of this Booklet, you will have also received a personalised paper Tender Form accompanying the Booklet.</li> <li>— If you use the personalised paper Tender Form, you need to submit it in accordance with the instructions in Step 4 below.</li> <li>— If you don't already have it and would like a personalised paper Tender Form, please contact the Qantas Share Registry information line on 1800 177 747 within Australia or +61 2 8767 1195 from outside Australia (Monday to Friday 8am-7pm, Sydney time).</li> <li>— If you are a sponsored CHESSE Holder, you are encouraged to lodge your form by 5pm (Sydney time) on Thursday 7 May 2020. The Qantas Share Registry will need to confirm with your controlling CHESSE participant any submission of your Tender Form before it can be taken as validly submitted and there may not be sufficient time to do so for any Tender Forms submitted by CHESSE Holders after 5pm (Sydney time) on Thursday 7 May 2020.</li> <li>— If you are a sponsored CHESSE Holder, you can also contact your controlling CHESSE Participant directly and instruct your controlling CHESSE participant in sufficient time for them to process your instructions no later than 7pm (Sydney time) on the Closing Date, Friday 8 May 2020. You should not return your Tender Form to the Qantas Share Registry. However, your controlling CHESSE participant may request that you complete and send your personalised paper Tender Form to them.</li> </ul>

### Step 1: Decide how many Shares you wish to sell

Please ensure that you use the correct Tender Form in accordance with the instructions at the top of the form.

To participate in the Buy-Back, you first need to decide how many Shares you wish to sell, if any. If you hold 100 Shares or fewer and wish to participate, you must Tender all your Shares. To assist you, Box A on the Tender Form outlines the maximum number of Shares you are entitled to offer for sale through the Buy-Back. Specify in Box B the number of Shares you wish to Tender. The total Shares you offer cannot exceed the maximum number of Shares you are entitled to offer for sale through the Buy-Back.

### Step 2: Optional — Choose your Minimum Price

You may also decide to place a Minimum Price condition on your offer (see Section 1.5). This is optional. If you wish to nominate a Minimum Price place a "TICK" next to your chosen Minimum Price from the options provided in Box C. If you select more than one Minimum Price, your Tender will be deemed conditional on the highest Minimum Price you have specified.

### Step 3: Sign your Tender Form and complete your bank account details

Sign your Tender Form in Box D and provide your relevant contact details.

If Qantas holds bank account details for you, this will be on your personalised Tender Form and you do not need to provide new details unless you wish to change them. If Qantas does not hold bank account details for you, you need to complete this section and these details will be used for the payment of the Buy-Back Price and future dividend payments. You cannot use a United States or Canada bank account for payments in respect of the Buy-Back.

### Step 4: Submit your Tender Form

Submitting your Tender Form online via <https://investor.qantas.com> is the best way to ensure your Tender Form is received in time by the Closing Date. Please follow the instructions. You will receive confirmation by email when your Tender Form has been received online.

If submitting a paper form, mail it to the Buy-Back mailing address:

Qantas Airways Limited Share Registry  
C/-Link Market Services Limited  
PO Box 1518  
Sydney South NSW 1234

You may submit your Tender Form via your controlling CHESSE participant by complying with their instructions and ensuring the correct Tender Form is submitted in time (you will need to allow extra time for this).

If you have a CHESSE Holding, you will be sent written confirmation from CHESSE of the Tenders made on your holding by your controlling CHESSE participant on your behalf. This confirmation is not an acceptance of your offer by Qantas.

## 1.8 THE EFFECT OF SUBMITTING A TENDER FORM

When you submit a Tender Form, it constitutes an offer to sell the Shares specified on the Tender Form to Qantas on the terms and conditions set out in the Buy-Back Documents.

A Tender Form does not, of itself, constitute a binding contract for the sale of the Shares specified on the Tender Form and cannot be enforced against Qantas. Qantas retains the discretion to accept or reject any offer to sell Shares (in whole or part) and may choose to reject all offers. If Qantas accepts your offer to sell Shares (in whole or part), a binding Buy-Back Contract is then formed between you and Qantas for the relevant Shares and you must sell those Shares to Qantas on the terms and conditions set out in the Buy-Back Documents including the terms and conditions set out below.

By submitting a Tender Form, you:

- agree to the terms and conditions set out in the Buy-Back Documents;
- make an offer to sell to Qantas on the Buy-Back Date the number of Shares specified for sale on your Tender Form at the Buy-Back Price and subject to any Minimum Price you have nominated (adjusted if applicable in accordance with the terms and conditions set out in the Buy-Back Documents);
- agree to any scale back determined by Qantas;
- agree that Qantas' announcement to the ASX on the Buy-Back Date in relation to the Buy-Back Price and other details is:
  - effective notice or communication of Qantas' acceptance of your offer in respect of all or some of the Shares offered for sale (in accordance with the terms and conditions set out in the Buy-Back Documents); and/or
  - effective notice of Qantas' rejection of your offer in respect of all or some of the Shares offered for sale (in accordance with the terms and conditions set out in the Buy-Back Documents);
- agree that a Buy-Back Contract is formed for the buy-back of the relevant Shares upon Qantas accepting your offer in accordance with the terms and conditions set out in the Buy-Back Documents and posting an announcement on the ASX website, and that the buy-back of the relevant Shares is taken to occur at that time;
- waive any requirement to receive further notice or communication from Qantas of its acceptance or rejection of any offer submitted by you;
- warrant to Qantas that:
  - at all times after you offer your Shares for sale through the Buy-Back, and on the Buy-Back Date, you are the registered holder of the Shares that you have offered for sale and that they are fully paid, free from any mortgage, charge, lien, or other encumbrances (whether legal or equitable) and from any third party rights and otherwise able to be sold freely by you;
  - you are a person to whom the invitation to participate in the Buy-Back may lawfully be made, who can receive the proceeds of the sale of your Shares, and whose participation in the Buy-Back is permitted under the laws of the jurisdiction in which you are a resident, and that you are an Eligible Shareholder;
  - you are not (and you are not acting on behalf of or for the account of), a person located in the United States, a US Person, a resident of Canada, or a person who is otherwise an Ineligible Shareholder;
  - you have not distributed or sent any Buy-Back Documents or other document referring to the Buy-Back into the United States or Canada or to any US Person, resident of Canada or a person who is otherwise an Ineligible Shareholder;
  - you have not utilised in connection with the Buy-Back, directly or indirectly, mail or any means or instrumentality (including without limitation, facsimile transmission, telephone and internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States; and
- you are not offering Restricted Employee Shares or Shares represented by ADRs;



- authorise Qantas (and its officers, agents or contractors) to correct any error in or omission from your Tender Form and/or Withdrawal/Amendment Form, and to insert any missing details but you acknowledge that Qantas has no obligation to do so and that incorrect or incomplete forms may be rejected;
- undertake not to sell or offer to sell Shares to any other person if, as a result, you will at any time after you submit your Tender Form until the Buy-Back Date hold fewer Shares than the number of Shares you have offered and agree that if you do sell those Shares in breach of your undertaking, you authorise Qantas or its nominated agent to purchase equivalent Shares in your name and at your expense to satisfy your obligations under the Buy-Back Contract but you acknowledge that they are not obliged to do so;
- acknowledge that neither Qantas nor any other party involved in the Buy-Back has provided you with financial product advice, or any securities recommendation, or has any obligation to provide this advice or recommendation, concerning your decision to participate in the Buy-Back or the manner of any such participation;
- authorise Qantas to make payment by direct credit to the bank account recorded on your shareholding, or the bank account details that you have provided on your completed Tender Form, and recorded on the Qantas share register at the Closing Date and acknowledge that payments to this account will satisfy Qantas' obligations to pay you for any Shares bought back;
- undertake that, if you breach any of these covenants, undertakings, agreements or warranties you will indemnify Qantas for all of its costs arising from the breach; and
- agree that damages are not an adequate remedy for breach of these covenants, undertakings, agreements, representations or warranties.

You will be taken to have submitted a Tender Form when the Qantas Share Registry receives a validly submitted Tender Form either online or by mail or, if you have a CHES Holding, from your controlling CHES participant through CHES.

### 1.9 CAN I TRADE MY SHARES AFTER SUBMITTING A TENDER?

Once you have tendered any Shares into the Buy-Back, you should not:

- sell or offer to sell those Shares;
- convert those Shares from an Issuer Sponsored Holding to a CHES Holding or vice versa; or
- move those Shares between Issuer Sponsored Holdings or CHES Holdings (for instance, if you change your controlling participant).

Any Shares which you have not tendered into the Buy-Back may be sold or otherwise dealt with in the ordinary manner.

Once you have submitted a Tender, the number of Shares you have tendered will be locked and placed in a 'sub-position' in the Qantas Share Registry. You will not be able to deal with those Shares until they are released from the sub-position. For the Shares to be released from that sub-position before the end of the Tender Period, you must withdraw or amend your Tender in accordance with the procedures set out in Section 1.10 of this Booklet.

Withdrawals or amendments made in accordance with these procedures may not take immediate effect. You should take this into consideration if you wish to sell or offer to sell any of the Shares which you have tendered. If, at the Buy-Back Date, you do not hold at least the number of Shares you successfully tendered, Qantas may, at its discretion, reject your Tender(s) or treat your Tender(s) as if you had tendered the number of Shares held by you at the Closing Date (refer to Section 1.8).

### 1.10 CAN I WITHDRAW OR AMEND MY TENDER FORM?

The effect of submitting a Withdrawal/Amendment Form will be to withdraw all of your previous offers and (where applicable) replace them with the offers detailed on the Withdrawal/Amendment Form (if any). Prior to the Closing Date, you may withdraw or amend your Tender Form by submitting a Withdrawal/Amendment Form through one of the following methods:

#### Online withdrawal/amendment

- If you wish to submit your Withdrawal/Amendment Form online, please visit the Qantas Buy-Back site via <https://investor.qantas.com>, select the "Withdrawal/Amendment" option, and follow the instructions. You will receive confirmation of submission of your Withdrawal/Amendment Form.
- You may submit a Withdrawal/Amendment Form online irrespective of how you lodged your original Tender Form.
- If you are a sponsored CHES Holder, you should submit your Withdrawal/Amendment Form online by no later than 5pm (Sydney time) on Thursday 7 May 2020. The Qantas Share Registry will need to confirm with your controlling CHES participant any online submission of a Withdrawal/Amendment Form before it can be taken as validly submitted and there may not be sufficient time to do so for any online Withdrawal/Amendment Forms submitted by CHES Holders after 5pm (Sydney time) on the Closing Date.

#### Withdrawal/amendment through your controlling CHES participant

- If you are a sponsored CHES Holder, you can instruct your controlling CHES participant but must do so in sufficient time for them to process your instructions. You should do so no later than 5pm (Sydney time) on the Closing Date (Friday 8 May 2020) to allow time for verification of your withdrawal or amendment.
- You will receive written confirmation from CHES of the offers made, withdrawn or amended in respect of your CHES Holding by your controlling CHES participant. You should be aware, that irrespective of its wording, this confirmation is not an acceptance of any offer, amendment or withdrawal by Qantas.

### 1.11 HOW WILL I KNOW HOW MANY OF MY SHARES HAVE BEEN BOUGHT BACK?

By Monday 18 May 2020 Qantas intends to dispatch to all Shareholders who have tendered their Shares into the Buy-Back a statement notifying them of the number of their Shares (if any) that have been bought back by Qantas and the Buy-Back Price to all shareholders who have tendered their Shares into the Buy-Back. Alternatively, shareholders can view this statement online via <https://investor.qantas.com>.

Shareholders can also access this information on or after Monday 18 May 2020 by contacting the Qantas shareholder information line. If you are a CHES Holder, CHES will provide you with written confirmation of the successful Tenders made on your holding or Tenders withdrawn by your controlling CHES participant.

### 1.12 HOW WILL I RECEIVE PAYMENT FOR SHARES BOUGHT BACK?

All proceeds due under the Buy-Back will be paid in Australian dollars.

If you have a direct credit authority to an Australian bank account recorded in the Qantas Share Registry at 7pm (Sydney time) on the Closing Date for the payment of dividends on your Shares, all proceeds due to you under the Buy-Back will be credited to your nominated Australian bank account.

Alternatively, if you wish to receive payment for your Shares to an Australian bank account that is different to your current direct credit instructions for payment of dividends on your Shares, you may change your current direct credit instructions online via <https://investor.qantas.com>. In order to be effective for the Buy-Back, you must make this change by 7pm (Sydney time) on the Closing Date. Please note that if you do alter your nominated bank account details, this will be taken to be your nominated bank account for future dividend payments.

If you do not have a direct credit authority to an Australian bank account recorded in the Qantas Share Registry as at 7pm (Sydney time) on the Closing Date, proceeds due to you under the Buy-Back will be sent to you by cheque.

Cheques and direct credit advices will be mailed, at your risk, to your address as shown in the Qantas Share Registry at 7pm (Sydney time) on the Closing Date.

Payments to bank accounts and dispatch of cheques to the addresses specified above are expected to occur on or around 18 May 2020 and will satisfy Qantas' obligation to pay you for any Shares that Qantas buys back.

### 1.13 SHARES HELD BY TRUSTEES AND NOMINEES

Trustees and nominees who hold Shares should inform the beneficial owners of the Shares (other than beneficial owners who are in the United States or Canada, US Persons or other Ineligible Shareholders) about the Buy-Back and then aggregate all offers received from those beneficial owners. It is the responsibility of the trustee or nominee to complete one aggregate Tender Form on behalf of all beneficial owners.

Trustees or nominees who hold Shares on behalf of or for the account of a person who is located in the United States, a US Person or a resident of Canada must not inform such person of the Buy-Back and must not distribute the Buy-Back Documents into the United States or Canada, or otherwise make them available to any person located in the United States, any US Person or any resident of Canada. It is the responsibility of the trustee or nominee to ensure that, when completing an aggregated Tender Form, it does not include any offers to sell Shares on behalf of such persons.

Any scale back that applies to Shares offered by trustees or nominees will be applied on a registered shareholder basis.

The trustee of the Qantas employee share plans is not eligible to participate in the Buy-Back.

### 1.14 JOINT SHAREHOLDERS

If you hold your Shares jointly with another person (for example, your spouse), you must complete and return the Tender Form in accordance with the instructions for joint holdings on the Tender Form.

Please note that you will have access to an online Tender Form or you will receive a personalised paper Tender Form, on request, for each separate registered holding of Shares you have (for example, if you hold some Shares in your name and some Shares jointly with another person, you will receive two Tender Forms). You may offer Shares for sale through the Buy-Back from any or all of your registered holdings provided that you complete and follow the instructions on each Tender Form for each holding. Any scale back that applies to Shares offered from more than one of your registered holdings will be applied to each of those holdings separately, as if they were held by different persons.

### 1.15 RESTRICTIONS UNDER MARGIN LENDING AND OTHER ARRANGEMENTS

If you hold your Shares under margin lending arrangements or if they are held as security for a loan or as ASX Clear Pty Limited collateral, you should ensure that your participation in the Buy-Back is permitted by those margin lending arrangements, the relevant loan and security documentation, or by ASX Clear Pty Limited, as relevant. Even if you are an Eligible Shareholder as defined in this Booklet, there may be external restrictions on your participation in the Buy-Back. It is your responsibility to comply with any such restrictions and Qantas makes no representations in that regard.

### 1.16 RIGHTS UNDER THIS BUY-BACK INVITATION CANNOT BE TRANSFERRED

This invitation to participate in the Buy-Back is personal to you. You cannot transfer your entitlement to offer Shares for sale through this Buy-Back to any other person.

### 1.17 WHAT IF I PURCHASE MORE SHARES?

Shareholders who tender their Shares into the Buy-Back should be able to purchase additional shares in Qantas on or after Monday 2 March 2020 (on an ex-entitlement basis) without compromising their Australian tax position on Shares sold into the Buy-Back.

This is because:

- those additional shares will not confer an entitlement to participate in the Buy-Back; and
- the ATO has provided indicative confirmation that shares acquired on an ex-entitlement basis on or after Monday 2 March 2020 (and so do not carry a Buy-Back entitlement) will be excluded from the 'last-in-first-out' rule contained in the 45-day rule and, therefore, will not affect the shareholder's ability to receive franking credits on Shares acquired before that date which are bought back in the Buy-Back (see Section 2.1).

General information on the Australian tax implications for shareholders participating in the Buy-Back is included in Section 2 of this Booklet, although Eligible Shareholders will need to consider their own particular tax circumstances. If you have any questions about the action you should take, please consult your financial, taxation or other professional advisor immediately.

### 1.18 CAN I STILL VOTE AT A GENERAL MEETING IF I TENDER ALL MY SHARES INTO THE BUY-BACK?

Shareholders who tender their Shares into the Buy-Back will be entitled to vote in respect of those Shares (in accordance with the voting rights attached to those Shares) at any general meeting of Qantas that is held before the Closing Date.

### 1.19 AM I ENTITLED TO THE DIVIDEND?

Regardless of whether you decide to participate in the Buy-Back or not, if you were the registered owner of Shares at the applicable record date for the dividend, you will receive the dividend in respect of those Shares.

### 1.20 WILL THERE BE MORE BUY-BACKS IN THE FUTURE?

No decision has been made on any future shareholder distributions that have not already been announced to the ASX. Qantas regularly evaluates its capital position in line with its Financial Framework as well as the value of available franking credits, and all resultant forms of shareholder distributions including share buy-backs, dividends and other shareholder returns.

## 2 Tax implications for Shareholders

This section of the Booklet is intended only as a general summary of the Australian income tax implications of participating in the Buy-Back. If you decide to participate in the Buy-Back, your particular tax treatment will depend on your own circumstances. It is therefore important that you obtain professional tax advice to take into account your particular circumstances.

### 2.1 AUSTRALIAN TAX IMPLICATIONS FOR SHAREHOLDERS

Unless otherwise specified, information in this section is based on Australian income tax legislation and administrative practice as at the date of this Booklet. These laws, the interpretation of them by the courts, and administrative practice may change at any time, and sometimes with retrospective effect.

As at the date of this booklet Qantas has sought a draft Class Ruling from the ATO for Eligible Shareholders who participate in the Buy-Back, which will provide preliminary confirmation of a number of the statements contained in this summary. Qantas expects to receive the draft ruling on or around 10 March 2020. The ATO will not issue the Class Ruling in a form that is binding until after completion of the Buy-Back. Although it is not anticipated to be the case, when the binding Class Ruling is issued by the ATO, it is possible that it may express a view contrary to that set out below.

This general summary of the Australian income tax implications of participating in the Buy-Back is limited to Eligible Shareholders who hold their Shares on capital account and therefore may be assessed for tax under the CGT provisions on Shares bought back by Qantas. Eligible Shareholders who:

- carry on a business of dealing in shares or who otherwise hold their Shares on revenue account;
- are subject to the taxation of financial arrangements (TOFA) regime that affects the recognition of gains and losses in respect of their Shares; or
- acquired their Shares under a Qantas employee share plan,

may be assessed on their dealings in Shares other than under the CGT provisions. The tax consequences for those Eligible Shareholders may differ significantly from those discussed below.

#### 2.1.1 INCOME TAX — TREATMENT OF DIVIDEND COMPONENT OF BUY-BACK PRICE

##### (a) Australian resident Eligible Shareholders

##### What proportion of the Buy-Back Price is a deemed dividend that I must include in my assessable income?

The Buy-Back will constitute an 'off-market' buy-back for the purposes of Division 16K of Part III of the Income Tax Assessment Act 1936 (Cth).

It is anticipated that the Capital Component of the Buy-Back Price will be \$1.19 and that all of the Buy-Back Price in excess of \$1.19 (that is, the Dividend Component) will be treated as a frankable distribution.

You will need to include the Dividend Component in your assessable income.

##### Will I be entitled to a tax offset?

The Dividend Component will be fully franked.

If you are entitled to the benefit of franking credits on the Dividend Component (see paragraph (c) "Franking credit entitlements"), you will also:

- need to include the franking credits on the Dividend Component in your assessable income; and
- be entitled to a tax offset equal to the franking credits.

The tax offset may reduce the total tax payable on your taxable income. If you are an individual or a complying superannuation entity and your total tax offsets exceed the total tax payable on your taxable income, you may be entitled to a cash refund of that excess.

Generally, no refunds will be available to companies if the tax offset exceeds the tax payable. However, they may be able to carry forward any excess tax offsets to reduce tax payable in future income years.

##### Will an Australian resident company be entitled to a credit in its own franking account?

If the company satisfies the holding period rules (see paragraph (c) below "Franking credit entitlements"), the company should post the franking credits in its franking account and they can then be used to frank dividends that the company pays.

**(b) Non-resident Eligible Shareholders**

If you are a non-resident Eligible Shareholder and do not carry on business through a permanent establishment in Australia, the Dividend Component is not subject to either Australian income tax or Australian withholding tax as it will be fully franked. The franking credits on the Dividend Component will generally have no further relevance for you and no part of those franking credits is refundable by the ATO to you.

Different consequences may arise if you hold Shares as part of a business conducted through a permanent establishment in Australia. In that case, you should obtain specific Australian tax advice before making a decision to participate in the Buy-Back.

The treatment of the Dividend Component as a deemed dividend is a function of Australian tax legislation and does not alter the fact that the Buy-Back Price represents the proceeds from selling Shares back to Qantas. Therefore, it cannot be assumed that the tax laws of the jurisdiction in which you reside will treat any part of the Buy-Back Price as a dividend.

**(c) Franking credit entitlements****Are there any rules which might deny me the benefit of the franking credits?**

The Australian tax legislation includes a number of rules which may prevent you from claiming the benefit of franking credits on the Dividend Component.

These rules are designed to, among other things, discourage trading in franking credits. These rules may deny the benefit of franking credits to you generally, or because of your particular situation.

If you do not qualify for the benefit of the franking credits on the Dividend Component, then the franking credits will not be included in your assessable income and you will not be entitled to a tax offset equal to the franking credits. The net effect of this is that you will generally be in a less favourable tax position.

**Will the anti-streaming rules deny me the benefit of franking credits?**

The draft Class Ruling is expected to set out the ATO's preliminary confirmation that the ATO will not make a determination to generally deny Eligible Shareholders the benefit of franking credits on the Dividend Component.

However, the particular situation of each Eligible Shareholder will also be relevant in determining whether the rules deny the benefit of the franking credits.

For example, the period during which you hold the Shares and any arrangements you have in relation to the Shares will be important.

**How long do I have to hold the Shares to be entitled to the franking credits?**

To qualify for the franking credits on the Dividend Component you must be a 'qualified person'. You will be a qualified person if:

- you satisfy one of the specific concessions in the legislation (for example, you are an individual whose total franking credit entitlement for the income year does not exceed \$5,000); or
- you satisfy the 45-day rule.

The 45-day rule is complex. In broad terms, the 45-day rule requires that you must have held your Shares 'at risk' for a period of at least 45 days, excluding the days of acquisition and disposal.

Generally, if you acquired your Shares on or before the Buy-Back Record Date, you will have held your Shares for 45 days. However, further considerations are set out below.

**Will I have held my Shares 'at risk' over this 45 day period?**

You may not satisfy the 45-day rule even if you acquired your Shares on or before the Buy-Back Record Date. This may be the case if you have entered into other arrangements regarding the Shares, which reduce the risk of loss or opportunity for gain on the Shares. For example, granting an option to another person to acquire the Shares would reduce that risk or opportunity.

In addition, if you are under an obligation to make a payment that passes the benefit of the Dividend Component to another person, you may also not qualify for the franking credits unless other 'at risk' holding requirements are satisfied.

**If I acquire Shares on or after the Buy-Back Ex-Entitlement Date, will this impact Shares offered for sale through the Buy-Back?**

The 45-day rule operates on a last-in-first-out principle so you will be deemed, for the purpose of applying the 45-day rule, to have first disposed of your most recently acquired Shares under the Buy-Back.

It has long been accepted by the ATO that the last-in-first-out principle does not apply to shares acquired on or after a buy-back ex-entitlement date. This is because shares acquired on an ex-buy-back entitlement basis are not considered to be the same type of shares as those which are entitled to participate in the buy-back.

Therefore, the acquisition of new Shares on or after the Buy-Back Ex-Entitlement Date, will not affect your entitlement to franking credits on the Dividend Component of Shares which you sell through the Buy-Back.

**2.1.2 CAPITAL GAINS TAX — DISPOSAL OF SHARES****(a) Australian resident Eligible Shareholders**

You will be deemed, for CGT purposes, to have disposed of each Share for the Capital Component of \$1.19 plus the amount (if any) by which the CGT Value exceeds the Buy-Back Price (Capital Proceeds). The date of disposal will be taken, for CGT purposes, to be the Buy-Back Date (Monday 11 May 2020).

**What is the CGT Value of the Shares?**

In 2004, the ATO released Taxation Determination TD 2004/22 (TD 2004/22) which sets out the ATO's view in relation to determining the relevant market value required to be used for income tax purposes (referred to in this Booklet as the CGT Value). TD 2004/22 provides that this value should be determined as the volume weighted average price of the shares over the last five trading days before the first announcement of the buy-back, adjusted for the movement in the S&P/ASX 200 Index from the opening of trading on the Announcement Date to the close of trading on the day the Buy-Back Closing Date.

Consistent with that ATO view, the CGT Value will be determined in accordance with the following formula:

$$A \times \frac{B}{C}$$

A = VWAP of Shares traded on ASX over the last five trading days before the announcement of the Buy-Back on Thursday 20 February 2020.

B = closing level of the S&P/ASX 200 Index on the Closing Date (Friday 8 May 2020).

C = opening level of the S&P/ASX 200 Index on Thursday 20 February 2020.

If the movement in the S&P/ASX 200 Index is significantly different from the movement in the Share price on ASX over the relevant period (applying a VWAP methodology), Qantas may approach the ATO to seek to vary the methodology used to determine the CGT Value.

If the Buy-Back Price exceeds the CGT Value, a portion of the Dividend Component equal to the difference between the Buy-Back Price and the CGT Value would be deemed to be unfrankable. To avoid this adverse impact for Eligible Shareholders, Qantas undertakes that it will not buy back any Shares for an amount in excess of the CGT Value.

**Will I make a capital gain or a capital loss on sale of Shares through the Buy-Back?**

You will make a capital gain on Shares disposed of under the Buy-Back to the extent that the Capital Proceeds exceed your CGT cost base for the Shares. You will make a capital loss if your CGT cost base for the Shares exceeds the Capital Proceeds. No allowance for indexation or non-capital costs is made in determining the CGT cost base of Shares in calculating a capital loss.

The capital loss which arises under the Buy-Back may be greater than the capital loss which may have arisen under an equivalent sale of the Shares on the ASX. This is because the Capital Proceeds are limited to \$1.19 plus the amount (if any) by which the CGT Value exceeds the Buy-Back Price, rather than the price at which you may have sold your Shares on the ASX. The lower Capital Proceeds also mean that any capital gain which may otherwise have arisen on disposal of the Shares under the Buy-Back is reduced or eliminated.

If you are a company, or normally taxed as a company, it does not necessarily follow that you will have a capital loss if the Capital Proceeds are less than your CGT cost base for the Shares (excluding indexation and non-capital costs). If a shareholder is a company, or is normally taxed as a company, the amount of any capital loss is reduced (but not below nil) by the lesser of:

- the fully franked Dividend Component; and
- the amount of the capital loss.

If a capital loss does arise from the Buy-Back, you cannot offset that capital loss or any part of it against the Dividend Component or any franking credit included in your assessable income, as it can only be used to offset capital gains. Capital losses that are not used in the income year in which they arise may usually be carried forward and used to offset capital gains made in future income years.

**Will I receive a CGT discount?**

If you have held your Shares for 12 months or more prior to the Buy-Back Date, you may be eligible for the CGT discount in respect of a capital gain made on your Shares, in which case you will need to include in your assessable income only one-half (for individuals) and two-thirds (for complying superannuation funds) of any net capital gain. If you are a company, you are not entitled to any CGT discount.

For the purposes of determining your net capital gain, you must take into account all capital gains and capital losses arising in the income year.

**What will be my CGT cost base?**

Generally, the CGT cost base for a Share will be the amount that you paid to acquire the Share, together with certain incidental costs of acquisition, for example stamp duty and brokerage, and certain incidental costs of disposal.

**Can the CGT cost base be indexed?**

If you are not a company and you acquired your Shares at or before 11:45am (ACT time) on 21 September 1999, you may choose whether to index the cost base to 30 September 1999 or to apply the CGT discount. A company is permitted to index the cost base of Shares acquired before 11:45am (ACT time) on 21 September 1999, but is not permitted to apply the CGT discount.

If you acquired your Shares after 11:45am (ACT time) on 21 September 1999, you cannot index your cost base. However, you may apply the CGT discount (unless you are a company) in calculating any capital gain on disposal if you have held your Shares for at least 12 months.

Indexation does not apply to the calculation of a capital loss.

**(b) Non-resident Eligible Shareholders**

Under Australian CGT rules, a taxable capital gain or capital loss generally will not arise for a non-resident Eligible Shareholder participating in the Buy-Back.

However, different consequences may arise if you hold Shares as part of a business conducted through a permanent establishment in Australia or if you have previously resided in Australia and held the relevant Shares at the time you left Australia. If these circumstances apply to you, you should obtain specific Australian tax advice before making any decision to participate in the Buy-Back.

The New Zealand tax implications of participating in the Buy-Back for Eligible Shareholders who are tax resident in New Zealand are discussed in Section 2.2.

**2.2 NEW ZEALAND TAX IMPLICATIONS FOR SHAREHOLDERS**

The following discussion is intended only as a general summary of the New Zealand income tax implications of participating in the Buy-Back for Eligible Shareholders who are tax resident in New Zealand.

If you decide to participate in the Buy-Back, your particular tax treatment will depend on your personal tax situation. It is therefore important that you seek professional tax advice to take into account your particular situation.

For New Zealand income tax purposes, the full Buy-Back Price (both the Capital Component and the Dividend Component) will be treated as a dividend under New Zealand domestic tax rules. Eligible Shareholders who are tax resident in New Zealand will need to include the dividend in their assessable income and will be subject to income tax in New Zealand. No tax credit is available in New Zealand for franking credits attached to the Dividend Component.

For those Eligible Shareholders who are tax resident in New Zealand and hold their Shares on revenue account for New Zealand income tax purposes, the Buy-Back is prima facie also treated as consideration received for the disposal of those Shares. However, for the purposes of the disposal, the amount derived as consideration for the Shares, is reduced by the amount treated as a dividend for tax purposes. This prevents double taxation and effectively means that for tax purposes priority is given to taxing the amount as a dividend.

**3 Effect of Buy-Back on Qantas****3.1 FINANCIAL RESULT\***

Qantas' independently reviewed financial results for the six months ending 31 December 2019 were released to the ASX on 20 February 2020. In summary, Qantas announced a Statutory Profit Before Tax of \$648 million and Underlying Profit Before Tax of \$771 million — equating to a ROIC of 19.6 per cent, operating cash flow of \$1.475 billion, net capital expenditure of \$1.3 billion and a strong balance sheet with net debt of \$5.3 billion.

A copy of the full announcement can be accessed on the Qantas site via <https://investor.qantas.com>. Electronic copies of Qantas' prior year annual reports, including 2019 full year audited financial statements can be found on the same website.

\* Refer to the Interim Financial Report, 31 December 2019 for definitions and explanations of non-statutory measures. Unless otherwise stated, amounts are reported on an underlying basis.

**3.2 CAPITAL MANAGEMENT**

Qantas' Financial Framework guides capital management decisions and aims to generate maintainable Earnings Per Share (EPS) growth over the cycle, which in turn should generate Total Shareholder Return (TSR) in the top quartile of the ASX100 and a basket of global airlines. The Financial Framework has three clear priorities:

- Maintain a strong financial position that optimises Qantas' cost of capital and therefore maximises long-term shareholder value. Qantas' current view is the optimal net debt range is between 2.0-2.5 times EBITDAR, where EBITDAR delivers a 10 per cent ROIC. At the current level of invested capital (\$8.5 billion) the optimal net debt range is between \$5.1 billion and \$6.4 billion. At this level, Qantas is expected to maintain its investment grade credit rating through the cycle. Qantas' current net debt (\$5.3 billion) is at the lower end of this range and credit metrics are consistent with an investment grade credit rating;
- Deliver ROIC returns greater than 10 per cent, (which has now been achieved for the fifth consecutive year, with rolling 12 month ROIC of 19.6 per cent); and
- Disciplined approach to capital allocation with the aim to grow invested capital and return surplus capital to shareholders. Qantas has identified surplus capital and intends to return this to shareholders via the fully franked ordinary dividend of 13.5 cents declared on 20 February 2020 and the Buy-Back set out in this document.

**3.3 MATERIAL DEVELOPMENTS**

Announcements made by Qantas, including any announcements to be made on or after the date of this Booklet, regarding any material developments are released to the ASX and can also be found on the Qantas site via <https://investor.qantas.com>. From time to time, Qantas may be involved in potential corporate transactions and strategic initiatives. If a significant corporate transaction or initiative develops, Qantas may make an announcement to the ASX.

However, if Qantas is not required by law, or it is not otherwise appropriate, to make such an announcement, it may become necessary to terminate or extend the Buy-Back to ensure that the Buy-Back only proceeds in circumstances where all Qantas' shareholders are fully informed of all material information. Any decision to terminate or extend the Buy-Back would only be made after due consideration of the best interests of Qantas shareholders and would be announced to the ASX.

**3.4 HOW MANY SHARES WILL BE BOUGHT BACK?**

As at 20 February 2020, Qantas had 1,491 million shares on issue. For illustrative purposes, assuming a \$150 million Buy-Back at a Buy-Back Price of \$5.59 (being a 14 per cent discount to an assumed Market Price of \$6.50), Qantas would buy back 26.8 million shares, being 1.8 per cent of the total Shares on issue. At its discretion, Qantas may vary the size of the Buy-Back or not purchase any Shares at all.

**3.5 IMPACT ON KEY FINANCIAL INDICATORS**

The precise impact of the Buy-Back cannot be determined until the Buy-Back Price and the size of the Buy-Back are finalised. The Buy-Back is expected to improve earnings per share and return on equity on a relative basis.

The funding required for the Buy-Back will not have any adverse effect on the Qantas Group's existing operations or current investment plans. Credit rating metrics are expected to remain well below requirements for the current rating and as such the Board does not expect that the Buy-Back will affect Qantas' credit rating.

**3.6 IMPACT ON QANTAS' FRANKING ACCOUNT**

The Buy-Back will result in a reduction in Qantas' franking credits, the exact reduction depends on the size of the Buy-Back and so will not be known until the Buy-Back completes. Qantas intends to size the Buy-Back to distribute all Franking credits forecast to be available at 30 June 2020. The Board expects Qantas to continue to be able to pay fully franked ordinary dividends for the foreseeable future.

**3.7 IMPACT ON QANTAS' FINANCIAL STATEMENTS**

The financial information presented in this section has been prepared in accordance with the principles and requirements of International Financial Reporting Standards as adopted by Australia (AIFRS), existing at 31 December 2019, unless noted otherwise, and is based on the Interim Financial Report released by Qantas on 20 February 2020.

For illustrative purposes, the table below sets out the impact of the Buy-Back on Qantas' Balance Sheet position as at 31 December 2019, prepared numerically (but not in relation to format) in accordance with AIFRS, assuming Qantas buys back 26.8 million Shares at a Buy-Back Price of \$5.59.

Balance Sheet as at 31 December 2019 for illustrative purposes (unaudited)	Actual \$M	Adjustment for Buy-Back \$M	Pro-Forma \$M
Cash and cash equivalents	1,745	(150)	1,595
Other Assets	18,610	-	18,610
<b>Total Assets</b>	<b>20,355</b>	<b>(150)</b>	<b>20,205</b>
Other liabilities	17,619	-	17,619
<b>Total Liabilities</b>	<b>17,619</b>	<b>-</b>	<b>17,619</b>
<b>Net Assets</b>	<b>2,736</b>	<b>(150)</b>	<b>2,586</b>
<b>Capital and reserves</b>			
Issued capital	1,776	(32)	1,744
Treasury shares	(52)	-	(52)
Reserves	(43)	-	(43)
Retained earnings	1,052	(118)	934
<b>Equity attributable to owners of Qantas</b>	<b>2,733</b>	<b>(150)</b>	<b>2,583</b>
Attributable to non-controlling interest	3	-	3
<b>Total Equity</b>	<b>2,736</b>	<b>(150)</b>	<b>2,586</b>

### 3.8 WHAT EFFECT WILL THE BUY-BACK HAVE ON THE CONTROL OF QANTAS?

The Buy-Back is not expected to have any change of control implications for Qantas.

### 3.9 FORWARD-LOOKING STATEMENTS

Certain statements contained in this Booklet may constitute 'forward-looking statements' for the purposes of applicable securities laws. Qantas undertakes no obligation to revise the forward-looking statements included in this Booklet to reflect any future events or circumstances. Qantas' actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors that could cause or contribute to such differences include, for example, the general trading and economic conditions affecting Qantas.

No decision has been made on any future shareholder distributions that have not already been announced to the ASX.

## 4 Additional information

### 4.1 QANTAS GROUP EMPLOYEES

Restricted Employee Shares must not be offered for sale through the Buy-Back as they are subject to restrictions on disposal under the terms of the relevant employee incentive scheme.

Except as provided in Section 4.2, Employees who are Eligible Shareholders may Tender in the Buy-Back only in respect of unrestricted shares and subject to their obligations under the relevant Qantas Group employee policies and procedures, applicable laws and ASX Rules. Share rights are also excluded.

Restricted Employee Shares will not be included on your personalised paper Tender Form.

### 4.2 DIRECTORS, CERTAIN EMPLOYEES AND OTHER EXCLUSIONS

Directors and employees are otherwise entitled to Tender in the Buy-Back, but the Board has determined that all Directors, and members of Qantas management involved in determining the final pricing and size of the Buy-Back will not participate in respect of Shares held legally or beneficially by them.

The trustee of the Qantas employee share plans is also excluded from participating.

### 4.3 QANTAS' RIGHT TO ACCEPT OR REJECT OFFERS AND TENDER FORMS

Qantas may, in its absolute discretion and at any time:

- accept or reject any offer to sell Shares or Tender Form; and
- accept or reject an offer to sell Shares not made on the terms and conditions set out in the Buy-Back Documents, or a Tender Form not submitted in accordance with the procedures set out in the Buy-Back Documents.
- Qantas will not accept Tender Forms:
  - from any person who does not represent that they are not (and they are not acting on behalf of or for the account of a person who is) located in the United States, a US Person, a resident of Canada or otherwise an Ineligible Shareholder; or
  - that appear to Qantas or its agents to have been sent from the United States or by an Excluded Foreign Person.

Qantas may do each of these things in relation to all or some offers to sell Shares or Tender Forms it receives, in its absolute discretion.

Qantas will not accept any offer to sell Shares which it may not lawfully accept or which, if accepted, would give rise to an illegal or unenforceable Buy-Back Contract or a Buy-Back Contract which Qantas cannot otherwise lawfully perform or which Qantas determines it would be impractical to perform.

### 4.4 QANTAS' RIGHT TO ADJUST OFFERS AND TENDER FORMS

Qantas may, in its absolute discretion and at any time, deem any offer to sell Shares or a Tender Form it receives to be a valid offer to sell Shares or a Tender Form; disregard any offer or a Tender Form it believes should be disregarded; and may waive any or all of the requirements for making, amending, withdrawing or submitting an offer to sell Shares or a Tender Form. It may do each of these things in relation to all or some offers to sell Shares or Tender Forms it receives.

Once you have submitted a Tender Form in respect of some or all of your Shares, the Qantas Share Registry will place the relevant number of Shares in a "sub-position" in the Share register and you will not be able to trade those Shares until the next business day after the Buy-Back Date, unless Qantas receives a valid withdrawal of your offer within the Tender Period.

If, on the Buy-Back Date, you do not hold at least the number of Shares you offered for sale, Qantas may, in its absolute discretion, reject your offer(s) or treat the offer(s) as if you had offered for sale the number of Shares held by you at the Closing Date. In particular, Qantas will buy back only the number of Shares held by you on the Closing Date that are submitted as a Final Price Tender (and, if you have chosen one, where your Minimum Price condition is satisfied).

If you nominate more than one Minimum Price, your offer will be deemed conditional on the highest Minimum Price you have nominated.

### 4.5 ASIC AND ASX RELIEF

#### 4.5.1 ASIC RELIEF

ASIC has granted Qantas an exemption under subsection 257D(4) of the Corporations Act. This exemption permits Qantas:

- to conduct the Buy-Back in substantially the same manner as an equal access buy-back, in accordance with Division 2 of Part 2J.1 of the Corporations Act;
- to invite all Eligible Shareholders (other than Excluded Foreign Persons and persons who only hold Restricted Employee Shares) to offer for sale Shares in accordance with the terms and conditions set out in the Buy-Back Documents;
- if an Eligible Shareholder holds both Shares and Restricted Employee Shares, to only accept offers in respect of the Shares;
- to invite all Eligible Shareholders (other than Excluded Foreign Persons and persons who only hold Restricted Employee Shares) holding less than 100 Shares to sell Shares only if they offer all of their Shares as a Final Price Tender; and
- to use the scale back mechanism described in Section 1.6

provided certain conditions are met including that the Buy-Back Price is calculated by applying the Buy-Back Discount selected by Qantas (being 14 per cent) to the Market Price and that Eligible Shareholders are permitted to offer their Shares for sale conditional on a Minimum Price.

Under the Corporations Act, Qantas may, without shareholder approval, buy back any number of Shares under an equal access scheme, provided that the number of voting shares bought back in the Buy-Back and in any other buy-back conducted in the last 12 months, does not exceed 10 per cent of the smallest number, at any time during the 12 months preceding the Buy-Back, of votes attaching to Qantas' voting Shares. Qantas intends to conduct the Buy-Back so that it does not exceed this 10 per cent in 12 months limit.

#### 4.5.2 ASX RELIEF

ASX has granted Qantas the following:

- a waiver from ASX Listing Rule 7.40 to permit Qantas to dispatch to Eligible Shareholders either:
  - this Booklet and personalised Tender Forms; or
  - information flyers relating to the Buy-Back (which will provide instructions for Eligible Shareholders to either access the Buy-Back Documents online or request they be physically mailed out) within six business days after the Buy-Back Record Date; and
- a waiver from ASX Listing Rule 3.8A to permit Qantas to lodge an Appendix 3F at least half an hour before commencement of trading on the second business day after the Closing Date provided that Qantas announces the Buy-Back Price at least half an hour before the commencement of trading on the business day after the Closing Date.

ASX has also confirmed that it will treat the Buy-Back as an equal access buy-back and will not require daily buy-back notifications (under Appendix 3E) to ASX during the Tender Period.

#### 4.6 PRIVACY

Qantas is conducting the Buy-Back in accordance with the Corporations Act. This involves the collection of personal information contained in Tender Forms and Withdrawal/Amendment Forms to enable Qantas to process your offer to sell Shares, your Tender Forms and/or your Withdrawal/Amendment Forms. If you do not provide this information, Qantas may be hindered in, or prevented from, processing your offer to sell Shares, your Tender Forms and/or your Withdrawal/Amendment Forms.

The personal information collected by Qantas will only be disclosed to Link Market Services Limited in its capacity as the Qantas Share Registry, a print and mail service provider, Qantas' advisors in relation to the Buy-Back and to financial institutions in respect of payments to you in connection with the Buy-Back, or as required or authorised by law.

For information about how you can access and correct your personal information and raise privacy concerns, see Link Market Services' Privacy Policy at [linkmarketservices.com.au](http://linkmarketservices.com.au) and Qantas' Privacy Policy at [www.qantas.com.au](http://www.qantas.com.au).

#### 4.7 APPLICABLE LAW

The Buy-Back invitation, your offer to sell Shares to Qantas through the Buy-Back, your Tender Form, any Withdrawal/Amendment Form, and any Buy-Back Contract generally are governed by the laws of New South Wales, Australia. However, certain laws cannot be overridden and to that extent, the Buy-Back Documents do not intend to override those laws and should be read as subject to them.

## 5 Definitions and interpretation

### 5.1 DEFINITIONS

In the Buy-Back Documents, unless the context otherwise requires, the following capitalised terms have these meanings.

<b>ADRs</b>	American depository receipts, evidencing ownership in American depository shares which provide for rights to underlying Qantas securities held by the depository.
<b>Announcement Date</b>	The date Qantas announces to the ASX the Buy-Back Price, the total number of Shares to be bought back and the details of any scale back.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ABN 98 008 624 691, or the market it operates, as the context requires.
<b>ASX Rules</b>	The operating rules of the ASX.
<b>ATO</b>	Australian Taxation Office.
<b>Board</b>	Board of Directors of Qantas
<b>Booklet</b>	This buy-back booklet (whether in paper or electronic format) dated 20 February 2020.
<b>Buy-Back</b>	The buy-back of Shares by way of a tender process as set out in the Buy-Back Documents.
<b>Buy-Back Contract</b>	The contract formed on the Buy-Back Date between an Eligible Shareholder and Qantas, if Qantas accepts the Eligible Shareholder's offer to sell Shares to Qantas under the tender process.
<b>Buy-Back Date</b>	Monday 11 May 2020, the date of announcement of the Buy-Back Price and scale back (if any) and the date of disposal of Shares acquired under the Buy-Back.
<b>Buy-Back Discount</b>	14 per cent discount to the Market Price, at which Eligible Shareholders may offer to sell Shares to Qantas, based on the maximum discount allowed by the ATO of 14 per cent.
<b>Buy-Back Documents</b>	This Booklet, the Tender Form and the Withdrawal/Amendment Form.

<b>Buy-Back Price</b>	The price at which Qantas will buy back Shares from offers it accepts in the Buy-Back, rounded to the nearest cent (rounded up in the case of half-cent). This price is determined by multiplying the Market Price by (1 – Buy-Back Discount).
<b>Capital Component</b>	The capital component of the Buy-Back Price. This is the amount per Share bought back which will be debited to Qantas' share capital account.
<b>Capital Proceeds</b>	The Capital Component plus the amount (if any) by which the CGT Value exceeds the Buy-Back Price.
<b>CGT</b>	Capital gains tax.
<b>CGT Value</b>	The value of the Shares determined in accordance with the following formula: $\frac{A \times B}{C}$ where: A = VWAP of Shares traded on ASX over the last five trading days before the announcement of the Buy-Back; B = closing level of the S&P/ASX 200 Index on the Closing Date; and C = opening level of S&P/ASX 200 Index on the date the Buy-Back is announced by Qantas. If the movement in the S&P/ASX 200 Index is significantly different from the movement in the Share price on ASX over the relevant period (applying a VWAP methodology), Qantas may approach the ATO to seek to vary the methodology used to determine the CGT Value.
<b>CHESS</b>	Clearing House Electronic Sub-register System.
<b>CHESS Holder</b>	A holder of Shares on the CHESS sub-register of Qantas.
<b>CHESS Holding</b>	A holding of Shares on the CHESS sub-register of Qantas.
<b>Class Ruling</b>	The class ruling, applied for by Qantas and to be issued by the ATO, on the tax implications for shareholders who participate in the Buy-Back.
<b>Closing Date</b>	Friday 8 May 2020 19.00 (7pm) Sydney time (AEST) on, unless Qantas announces a later date (in which case it is that later date).
<b>Corporations Act</b>	Corporations Act 2001 (Cth). The Corporations Act provides for the ASIC relief referred to in Section 4.5.1 of this Booklet.
<b>Dividend Component</b>	The dividend component of the Buy-Back Price, which is the Buy-Back Price less the Capital Component.
<b>DRP</b>	Dividend Reinvestment Plan. Qantas' DRP is currently inactive.
<b>Eligible Shareholders</b>	Shareholders whose Qantas shares are registered in their name on the Buy-Back Record Date (Tuesday 3 March 2020) and who are not Ineligible Shareholders.
<b>Excluded Foreign Person</b>	Anyone who falls within any of the following exclusions: <ul style="list-style-type: none"> <li>— persons who are (or who are acting on behalf of or for the account of a person who is) located in the United States, a US Person, or a resident of Canada;</li> <li>— any other shareholders to whom Qantas would be prohibited, pursuant to any act, rule or regulation in any jurisdiction, from making payments;</li> <li>— persons who reside, or who are acting on behalf or for the account of a person who resides, in a jurisdiction other than Australia or New Zealand, unless Qantas determines that:           <ul style="list-style-type: none"> <li>• it would not be illegal for Qantas to make an invitation to that person, or for that person to participate in the Buy-Back under the laws of that jurisdiction; and</li> <li>• it would not be impractical for Qantas to permit the person to participate in the Buy-Back, having regard to the number of shareholders in the relevant jurisdiction and the requirements of the laws of that jurisdiction.</li> </ul> </li> </ul>
<b>Ex-Entitlement Date</b>	Monday 2 March 2020, being the date that Shares commence trading on the ASX on an ex-Buy-Back basis. Shares acquired on-market on or after this date will not have an entitlement to participate in the Buy-Back.
<b>Final Price Tender</b>	An offer by an Eligible Shareholder to sell some or all of their Shares to Qantas at the Buy-Back Price, which is an election to sell your Shares at the price determined by Qantas following completion of the tender process described in this Booklet.
<b>Ineligible Shareholders</b>	Excluded Foreign Persons, persons who hold only ADRs or Restricted Employee Shares or rights, and Directors and certain management employees involved in determining the final pricing and size of the Buy-Back.

<b>Listing Rules</b>	The official Listing Rules of the ASX. The Listing Rules provide for the ASX relief referred to in Section 4.5.2 of this Booklet.
<b>Market Price</b>	The VWAP over the period from Monday 4 May 2020 to Friday 8 May 2020, being the five trading days up to and including the Closing Date, calculated to four decimal places, as determined by Qantas.
<b>Minimum Price</b>	One of the specified minimum prices on the Tender Form, which a shareholder may nominate in order for the offer of their Shares for sale to be conditional upon the Buy-Back Price being equal to or greater than that amount.
<b>Qantas</b>	Qantas Airways Limited ABN 16 009 661 901.
<b>Qantas Group</b>	Qantas and its related bodies corporate, as defined in the Corporations Act.
<b>Qantas Share Registry</b>	The share registry of Qantas maintained by Link Market Services Limited ABN 54 083 214 537.
<b>Record Date</b>	Tuesday 3 March 2020, the date for determination of Eligible Shareholders.
<b>Restricted Employee Shares</b>	issued under an employee share plan administered by Qantas that are under a holding lock as at the Record Date, meaning the shareholder is not entitled to sell those Shares into the Buy-Back.
<b>ROIC</b>	Return on invested capital.
<b>Share</b>	A fully paid ordinary share in the capital of Qantas.
<b>Tender</b>	An offer, tendered on the Tender Form by an Eligible Shareholder in accordance with the Buy-Back Documents, to sell all or some of their Shares back to Qantas under the Buy-Back.
<b>Tender Form</b>	The form (online or in paper form) which can be used by an Eligible Shareholder to tender an offer to sell nominated Shares to Qantas and includes a Tender Form amended in accordance with the procedures set out in the Buy-Back Documents.
<b>Tender Minimum</b>	If you hold more than 100 Shares, you must Tender a minimum of 100 Shares in aggregate. If you hold 100 Shares or less you must Tender all of your Shares to participate in the Buy-Back.
<b>Tender Period</b>	The period within which shareholders may lodge, withdraw or amend a Tender Form in accordance with the Buy-Back Documents.
<b>United States</b>	The United States of America, its territories and possessions, any State of the United States and the District of Columbia.
<b>US Person</b>	Has the meaning given by Regulation S under the United States Securities Act of 1933, as amended from time to time.
<b>VWAP</b>	The volume weighted average Share price among all trades on the ASX's trading platform over the specified period. This includes trades in the daily closing single price auction but excludes: <ul style="list-style-type: none"> <li>— all off-market trades such as transactions defined in the ASX Operating Rules as: <ul style="list-style-type: none"> <li>• special crossings</li> <li>• crossings prior to the commencement of the open session state</li> <li>• crossings during overnight trading</li> <li>• overseas trades</li> <li>• trades pursuant to the exercise of options over Shares; and</li> </ul> </li> <li>— any other trades that are not fairly reflective of supply and demand, as determined by Qantas.</li> </ul>
<b>Withdrawal/Amendment Form</b>	The form entitled 'Withdrawal/Amendment Form' that is used to withdraw or amend a Tender Form that has been submitted.
<b>you</b>	A holder of Shares in Qantas who is not located or resident in the United States or Canada.

## 5.2 INTERPRETATION

In the Buy-Back Documents, unless the context otherwise requires:

- the singular includes the plural, and vice versa;
- words importing one gender include other genders;
- the word "including" means including without limitation;
- other parts of speech and grammatical forms of a word or phrase defined in this document have a corresponding meaning;
- terms used in the Buy-Back Documents and defined in the Corporations Act have the meanings ascribed to them in the Corporations Act;
- a reference to currency (including \$, dollars, cents or AUD) is to Australian dollars; and
- a reference to time is to local Sydney time, which is Australian Eastern Standard Time (AEST) or Australian Eastern Daylight Time (AEDT), as applicable.

The Qantas Off-market buy-back tender booklet 2020 is printed on ecoStar+ 100% Recycled Uncoated, which is manufactured from 100% recycled post-consumer waste and is made carbon neutral. By the end of 2021, the Qantas Group will be the first airline in the world to reduce its waste to landfill by 75%.









20 February 2020

## Qantas Airways Limited Off-market buy-back

**IMPORTANT NOTICE:** This document does not constitute investment or financial product advice and has been prepared without taking into account your particular investment objectives, financial situation or needs. If you have any questions about whether to participate in the Buy-Back, please consult your financial, taxation or other professional advisor.

**The Buy-Back is not available to persons located or resident in, and this document is not to be distributed in or into, the United States or Canada.**

Qantas has announced its intention to buy-back up to \$150 million worth of its shares through an off-market share buy-back. This has been made possible due to Qantas Group's strong operating cash flows and disciplined approach to capital allocation.

The Buy-Back will be conducted through a tender process in which Eligible Shareholders who choose to participate can offer to sell some or all of their Shares to Qantas.

You do not need to take any action if you do not wish to participate in the Buy-Back.

Before deciding to participate, please read the Buy-Back Booklet available via <https://investor.qantas.com>.

Eligible Shareholders who choose to participate in the Buy-Back may Tender their Shares for sale to Qantas:

- as a Final Price Tender, which is an election to receive the Buy-Back Price being a 14 per cent discount to the Market Price (being the volume weighted average price of Shares over the five trading days up to and including 8 May 2020, the Closing Date); or
- at a Minimum Price (being the price you may choose to select from the Minimum Price options shown on the Tender Form).

The number of shares that Qantas will buy back will be determined by Qantas' view of surplus capital, franking credits available, the Buy-Back Price, the number of shares tendered and the requirements of its Constitution and applicable laws.

The purpose of this flyer is to inform you of the Buy-Back and to communicate how you can participate in the Buy-Back after reading the Buy-Back Booklet. The decision to participate in the Buy-Back is entirely voluntary and may not suit your particular situation. If you have any questions about the action you should take, please consult your financial, taxation or other professional advisor immediately.

### Eligibility for participation in the Buy-Back

<b>Eligible Shareholders</b>	Shareholders whose Qantas shares are registered in their name on the Buy-Back Record Date [Tuesday 3 March 2020] and who are not Ineligible Shareholders.
<b>Ineligible Shareholders</b>	<p>Ineligible Shareholder means Excluded Foreign Persons and persons who only hold American Depositary Receipts or Restricted Employee Shares or rights.</p> <p>Excluded Foreign Persons are usually persons who reside in a jurisdiction other than Australia or New Zealand. For the full definition, see Section 5 "Definitions and interpretation" in the Booklet.</p> <p>More information about eligibility, including for employees, is outlined in the Booklet.</p>

## Where can I get more information?

If you are interested in participating in the Buy-Back, you must read the Booklet which has more information about the Buy-Back, the off-market tender process and how to participate.

You can download a copy of the Booklet via <https://investor.qantas.com> from Thursday 20 February 2020 or you can contact the Qantas Share Registry information line on 1800 177 747 or +61 2 8767 1195 (Monday to Friday 8am to 7pm Sydney time).

## How can I participate?

<b>Obtain the booklet</b> (available from Thursday 20 February 2020)	<ol style="list-style-type: none"><li>1. Download a copy of the Booklet via <a href="https://investor.qantas.com">https://investor.qantas.com</a>; or</li><li>2. Contact the Qantas Share Registry information line to request a paper copy (along with a personalised paper Offer Form) on 1800 177 747 or +61 2 8767 1195 (Monday to Friday 8am to 7pm Sydney time).</li></ol>
<b>Read the Booklet</b>	The Booklet is an important document containing details of the Buy-Back. You must read all the information in the Booklet before deciding to participate in the Buy-Back.
<b>Decide whether to participate</b>	<ol style="list-style-type: none"><li>1. Participation in the Buy-Back is entirely voluntary;</li><li>2. If you do not wish to participate in the Buy-Back, you do not need to take any action; and</li><li>3. If you decide to participate after obtaining and reading the Booklet, please follow the instructions in the Booklet and ensure that the bank account nominated for your holding is correct.</li></ol>

## Important dates\*

<b>Thursday 20 February 2020</b>	Announcement Date for the Buy-back.
<b>Monday 2 March 2020</b>	Ex-Entitlement Date. Shares quoted ex-entitlement on the ASX to participate in the Buy-Back. Shares acquired on the ASX on or after this date will not have an entitlement to participate in the Buy-Back.
<b>Tuesday 3 March 2020</b>	Record Date. The date for determination of shareholders who are entitled to participate in the Buy-Back (Eligible Shareholders).
<b>Wednesday 11 March 2020</b>	The date by which dispatch of Buy-Back Documents inviting Eligible Shareholders to participate in the Buy-Back is expected to be completed.
<b>Monday 23 March 2020</b>	Opening Date. The Tender Period opens at 9am Sydney time (AEDT).
<b>Monday 4 May 2020 to Friday 8 May 2020</b>	The five trading days over which the VWAP is calculated (for the purposes of determining the Market Price).
<b>Friday 8 May 2020</b>	Closing Date. The date the Tender Period closes. Tenders must be received by the Qantas Share Registry no later than 7pm Sydney time (AEST) <sup>^</sup> .
<b>Monday 11 May 2020</b>	Buy-Back Date. Announcement of the Buy-Back Price and scale back (if any). Date of disposal of Shares acquired under the Buy-Back. Buy-Back Contracts are formed on this date.
<b>Monday 18 May 2020</b>	The date on which the Buy-Back Price per share is to be paid to successful participants.

\*While Qantas does not anticipate any changes to these dates and times, it reserves the right to vary them without notifying you.

<sup>^</sup>If you have a CHESS Holding you are encouraged to submit your Tender Form by 5pm (Sydney time) on Thursday 7 May 2020. If you are mailing your Tender Form, please note that the postal acceptance rule does not apply.

## Notice to foreign shareholders

If you are an Excluded Foreign Person, you will not be able to participate in the Buy-Back. In particular, any person located in the United States, any US Person and any resident of Canada is not entitled to participate, directly or indirectly, in the Buy-Back.

The distribution of this Flyer and the Booklet in some jurisdictions might be restricted by law and does not constitute an invitation to participate in any place where, or to any person to whom, it would be unlawful to do so. Persons who come into possession of this Flyer or the Booklet should seek advice on, and observe any restrictions on, distributing it. Copies of the Buy-Back Documents are not being mailed or otherwise distributed or sent outside Australia or New Zealand, including into the United States or Canada. Any person receiving any of the Buy-Back Documents must not distribute or send them into the United States or Canada, or make them available to any Excluded Foreign Person, including any person located in the United States, any US Person or any resident of Canada. ADRs must not be offered for sale through the Buy-Back.