

ASX/Media Release

QANTAS REACHES AGREEMENT WITH ACCC AND COMMENCES CUSTOMER REMEDIATION PROGRAM

Sydney, 6 May 2024: The Qantas Group has today announced an agreement with the Australian Competition and Consumer Commission (ACCC) to resolve court proceedings in relation to flight cancellation processes.

Under the settlement agreed with the ACCC, Qantas will commence a projected \$20 million remediation program for impacted passengers, with payments to customers ranging from \$225 to \$450, and subject to the approval of the Federal Court of Australia, will pay a \$100 million civil penalty.

The ACCC and Qantas will shortly seek approval of the proposed penalty by the Federal Court. However, Qantas intends to commence the remediation program in advance of the Court approval process.

Qantas Group CEO Vanessa Hudson said: "Today represents another important step forward as we work towards restoring confidence in the national carrier.

"When flying resumed after the COVID shutdown, we recognise Qantas let down customers and fell short of our own standards. We know many of our customers were affected by our failure to provide cancellation notifications in a timely manner and we are sincerely sorry. The return to travelling was already stressful for many and we did not deliver enough support for customers and did not have the technology and systems in place to support our people.

"We have since updated our processes and are investing in new technology across the Qantas Group to ensure this doesn't happen again.

"We thank the ACCC for their cooperation in reaching this outcome, which means we can compensate affected customers much sooner than if the case had continued in the Federal Court. We are focused on making the remediation process as quick and seamless as possible for customers."

The ACCC's case related to flight cancellation practices following the restart of operations post-COVID, which has been extended through to the end of August 2023, when steps were taken to ensure that processing of cancellation decisions occurred promptly.

The ACCC is no longer proceeding with its claims against Qantas about wrongful acceptance of payment, including any allegation that Qantas received payment for a service it did not, and had no intention of, providing.

All affected customers were given the option of a refund or an alternate flight.

Customer remediation program

More than 86,000 customers who made a booking on a flight two or more days after the cancellation decision had been made will be compensated as part of this program. Those impacted customers will receive \$225 for domestic/trans-Tasman flights and \$450 for international flights. This is on top of any refund or alternative flight already offered to these customers.

Payments will be available through a dedicated online portal facilitated by professional services firm, Deloitte, and will be independently audited. Qantas will be notifying impacted customers via email from next month with details about how they can lodge a claim. Further information can be found at

www.qantasremediation.deloitte.com.au



Of customers affected, 94 per cent were flying on domestic or trans-Tasman routes, with the remainder flying on the international network. More than 80 per cent of passengers on domestic services were offered an alternative flight departing prior to or within three hours of the scheduled departure time. More than 60 per cent of passengers on international services were offered an alternative flight departing prior to or within 12 hours of the scheduled departure time.

Financial

The impact of the remediation program and penalty will be recognised as an expense in the Group's Statutory Income Statement for the year ended 30 June 2024. The expense will be recognised as an item outside of Underlying PBT.

The timing of the cash outflow in relation to the remediation program and penalty is expected to occur after 30 June 2024 and therefore will not materially impact Net Debt or Free Cash Flow for the FY24 financial year and will occur instead in the FY25 financial year.¹

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Authorised for release by the Qantas Group General Counsel and Company Secretary.



¹ On the assumption that the remediation and penalty will be paid in FY25.