

CONTINUOUS DISCLOSURE POLICY

Overview

Compliance with ASX Listing Rules	1.1	Qantas is listed on the Australian Securities Exchange (ASX) and <u>must</u> comply with the Corporations Act and the ASX Listing Rules.
Continuous Disclosure of Material Information	1.2	One of the most significant obligations imposed by the Corporations Act and the Listing Rules is the continuous disclosure to the market via the ASX of material information. This is not a discretionary obligation – it is mandatory under the Corporations Act.
Purpose	1.3	<p>The purpose of this Policy is to:</p> <ul style="list-style-type: none">i. ensure that all employees are aware of the continuous disclosure obligations of Qantas; andii. implement a procedure for:<ul style="list-style-type: none">a. the central collection of all material information;b. the assessment of whether that material information must be disclosed to the ASX pursuant to the Corporations Act and the Listing Rules; andc. the method of release of that material information to the ASX.

The Law

Compliance with the Law	2.1	<p>Section 674 of the Corporations Act requires that Qantas comply with the provisions of the ASX Listing Rules relating to the continuous disclosure to the ASX of material information relating to Qantas. The Act states that if Qantas has information that the continuous disclosure provisions of the Listing Rules require Qantas to notify the ASX and that information:</p> <ul style="list-style-type: none">(a) is not generally available; and(b) is information that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of Qantas shares. <p>Qantas must notify the ASX of that information in accordance with the Listing Rules.</p>
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Material Effect of Information on Qantas Shares	2.2	The Act states that "a reasonable person would be taken to expect information to have a material effect on the price or value of securities (Qantas shares) if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to acquire or dispose of, the securities (section 677).
Breach – Criminal Offence	2.3	A breach of section 674 of the Corporations Act is a criminal offence. The maximum penalty is a fine of \$110,000, imprisonment for five years or both.
Breach – Civil Offence	2.4	A breach of section 674 of the Corporations Act is also treated as a civil offence. The maximum penalty when treated as a civil offence is \$1,000,000.
Issue of Infringement Notices		The Act also permits the Australian Securities & Investments Commission (ASIC) to issue Infringement Notices for alleged contraventions of the section (section 1317DAC). Unless defended, the penalty payable on the issue an Infringement Notice is \$100,000 (section 1317DAE).
Breach – Personal Liability	2.5	<p>A person who is involved in any contravention by Qantas of its continuous disclosure obligations also commits a civil offence. The maximum penalty which can be imposed on an individual is \$200,000.</p> <p>However, a person will not be liable if the person can prove that they:</p> <ol style="list-style-type: none">took all steps (if any) that were reasonable in the circumstances to ensure that Qantas complied with its continuous disclosure obligations; andafter doing so, believed on reasonable grounds that Qantas was complying with its obligations.
Third Party Compensation	2.6	A third party who incurs a loss as a result of a breach of Qantas' continuous disclosure obligations may commence action against Qantas, or any Director or employee of Qantas who was involved in the breach.

The ASX Listing Rules

ASX Policy	3.1	<p>The ASX's Policy is that:</p> <p><i>"Timely disclosure must be made of information which may affect security (share) values or influence investment decisions, and information in which security (share) holders, investors and ASX have a legitimate interest."</i></p>
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Continuous Disclosure Obligation	3.2	<p>To support this Policy, ASX Listing Rule 3.1 contains the continuous disclosure obligation which applies to Qantas and all other listed entities in Australia. The Rule provides:</p> <p><i>"Once an entity (Qantas) is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's (Qantas) securities (shares), the entity (Qantas) must immediately tell ASX that information."</i></p> <p>As in the Corporations Act, the Listing Rules provide that a reasonable person would be taken to expect information to have a material effect on the price or value of securities (Qantas Shares) if the information would, or would be likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the securities.</p> <p>"Immediately" should be taken to mean within hours of becoming aware of the information.</p>
Material Information	3.3	<p>In this Policy, such information will be referred to as "Material Information".</p>
Possession of Material Information	3.4	<p>Listing Rule 19.12 also provides:</p> <p><i>"An entity becomes aware of information if a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."</i></p>
Executive Officer	3.5	<p>An "executive officer" is any manager of Qantas who is concerned, or takes part, in the management of Qantas.</p>
Restricted Exemption	3.6	<p>Listing Rule 3.1A contains a restricted exemption for confidential information. Decisions on whether this exemption may apply to Material Information will be made by the Company Secretary.</p>
False Market	3.7	<p>Listing Rule 3.1B provides that where "ASX considers that there is or is likely to be a false market in an entity's securities (Qantas Shares) and asks the entity (Qantas) to give it information to correct or prevent a false market, the entity (Qantas) must give ASX the information needed to correct or prevent the false market".</p>

There is likely to be a **false market** in Qantas Shares in a number of circumstances including:

- where Qantas has Material Information that has not been released to the market because it falls under the exemption in Listing Rule 3.1A; and
- there is reasonably specific rumour or media comment in relation to Qantas that has not been confirmed or clarified by an announcement to the market (via the ASX); and
- there is evidence that the rumour or comment is having, or ASX forms the view that the rumour or comment is likely to have, an impact on the price of Qantas Shares.

Policy

Implementation and Enforcement	4.1	The Company Secretary is primarily responsible for ensuring that this Policy is implemented and enforced and that all required Material Information is disclosed to the ASX as required by the Listing Rules and the Corporations Act.
Employees' Responsibilities	4.2	All employees of Qantas, its subsidiaries or associated companies must immediately disclose full details of any Material Information that comes to their attention to the relevant Executive General Manager or the Chief Financial Officer or Chief Executive Officer (CEO) (Executive Managers).
Directors' and Executive Management's Responsibilities	4.3	Directors and Executive Managers must immediately disclose full details of any Material Information that comes to their attention to the Company Secretary. If a Director or Executive Manager is unsure whether specific information would be Material Information, the Director or Executive Manager must immediately disclose full details of the information to the Company Secretary.
Company Secretary's Responsibilities	4.4	The Company Secretary is responsible for reviewing all information forwarded pursuant to this Policy and for making a recommendation to the Chairman or CEO on whether it is Material Information that must be disclosed to the ASX and/or falls within the exemption referred to in paragraph 3.6 (see section 6 below).
Risk Reports	4.5	In addition to the obligation under paragraphs 4.3 and 4.4, disclosure of any existing or potential Material Information is required in answering the bi-monthly Risk Management Questionnaires that are used to prepare the Group Risk and Audit Activity Reports.

Possession of Material Information	4.6	The Listing Rules require disclosure of Material Information that has, or ought reasonably to have come into the possession of a Director or executive officer. As such, all Directors and Executive Managers must keep up to date with all matters within their operations which may become material. Executive Managers must implement appropriate reporting processes within their operations.
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Compliance with Policy	4.7	The Board may require Qantas' internal and external auditors to audit and report on compliance with this Policy.
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Types of Information that May Require Disclosure

Qantas Profile Qantas has a significant public profile. This profile draws the attention of the media and as a result Qantas is subject to a lower threshold for disclosing Material Information than most other listed companies.

- Types of Information** 5.1 For assistance in determining if information is Material Information, the following types of information may be material and therefore may be required to be disclosed:
- material (more than 5%) changes in Qantas' financial forecasts or expectations;
 - a recommendation of declaration of a dividend;
 - a recommendation or decision that a dividend not be declared;
 - the making of a share or debt issue and the under or over subscription of that issue;
 - giving or receiving a notice of intention to make a takeover;
 - the occurrence or threat of industrial or strike action;
 - any Qantas media release;
 - the occurrence of an environmentally related incident;
 - the occurrence of a material accident involving Qantas personnel or facilities;
 - material information relating to operation or airworthiness of Qantas aircraft;
 - natural disasters that have a material effect on Qantas' business;
 - decisions of Australian or overseas regulatory authorities in relation to Qantas' business;
 - the threat, commencement or settlement of any litigation or claim;
 - an agreement between Qantas (or a related party or subsidiary) and a Director (or related party of the Director);
 - material information affecting a significant customer or supplier;
 - the purchase or sale of a significant asset;
 - the possible formation or termination of a joint venture;
 - the entry into or termination of a major contract;
 - significant events affecting or relating to the operation of any Group Company or joint venture;
 - a change in accounting policy adopted by Qantas;

- any rating applied by a rating agency to Qantas and any change to such a rating;
 - a proposal to change Qantas' auditors;
 - a change in the status of the "independence" of a Qantas Non-Executive Director;
 - change of significant investors attitudes to investment in Qantas;
 - the health or capacity of any Director, the CEO, CFO or an Executive General Manager; and
 - operational information requested by IATA, AAPA, ICAO, ABS or similar organisations.
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Other Matters 5.2 Clearly, there are many other matters which may give rise to Material Information. Directors and Executive Managers with any questions on whether particular information is material must contact the Company Secretary.

Providing Public Information 5.3 As a listed company, Qantas employees must ensure that only public information is provided when answering questions asked by third parties, including analysts. Draft analyst reports should only be commented on or corrected if doing so involves the provision of publicly available information.

Obligations of the Chairman, CEO and the Company Secretary

Obligations 6.1 As required by Section 4 of this Policy, full details of all actual or possible Material Information must be immediately sent to the Company Secretary.

Company Secretary's Responsibilities 6.2 The Company Secretary has overall administrative responsibility for reviewing all information forwarded pursuant to this Policy and for making a recommendation to the Chairman or CEO on whether it is Material Information that must be disclosed to the ASX and/or falls within the exemption referred to in paragraph 3.6.

Procedures 6.3 The Company Secretary must:

- i. review all information forwarded pursuant to this Policy and decide which information may be Material Information which must be disclosed to the ASX;
- ii. provide advice to the Chairman and CEO;
- iii. following approval of disclosure by the Chairman and/or CEO, release the information to the ASX;
- iv. maintain a record of all Material Information disclosed to the ASX; and
- v. review the Group Risk and Audit Activity Report to determine whether matters which have been noted as potentially material should be disclosed to the ASX.

**Determining
Material and Non-
Material
Information**

- 6.4 Upon notification of any Material Information, the Company Secretary will immediately review the information and form an opinion on whether the information must be disclosed to the ASX. There are three alternatives:
- i. The Company Secretary believes the information is material and must be disclosed to the ASX. The Company Secretary must immediately discuss the matter with the Chairman and/or Chief Executive. Following approval by the Chairman and/or Chief Executive, the Company Secretary must send a letter to the ASX disclosing the information. A copy of the letter is to be immediately distributed to Directors.
 - ii. The Company Secretary believes the information is either not material or does not have to be disclosed because it is covered by the exemption in Listing Rule 3.1A.

If this is possibly contentious, the Company Secretary must discuss the decision with the Chairman and/or Chief Executive and/or General Counsel, then prepare a file note containing the reasons for the decision which must be placed on the ASX File.
 - iii. The Company Secretary is not certain whether the information is material or falls within the exemption. The Company Secretary must immediately discuss the matter with the Chairman and/or Chief Executive and/or General Counsel. If no decision on disclosure can be made with certainty, the matter must be immediately referred to external counsel for advice.
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Questions

Questions

7. Any questions relating to the interpretation or enforcement of this Policy should be forwarded to the Company Secretary.
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