

REMUNERATION COMMITTEE CHARTER¹

Objectives

1. The objectives of the Qantas Remuneration Committee are to assist the Board in fulfilling its corporate governance responsibilities in regard to:
 - a. remuneration policies for Non-Executive Directors¹;
 - b. remuneration policies for the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Executive Management¹;
 - c. Executive equity grants¹;
 - d. human resources policies; and
 - e. other matters referred to the Committee by the Board.
2. In particular, the Committee is to undertake the functions of the remuneration committee set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Membership

3. The Committee is appointed by the Board in accordance with Clause 6.20 of the Qantas Constitution.
4. The Committee is to consist of:
 - a. only Non-Executive Directors¹;
 - b. at least three Members¹; and
 - c. a majority of independent Non-Executive Directors².
5. The Chairman of the Committee is to be an Independent Non-Executive Director and is to be appointed by the Board.
6. The Company Secretary is to attend all Committee Meetings to ensure minutes are taken of the Meeting.
7. Directors who are not Committee Members may attend Meetings.

Meetings

8. The Committee is to meet as requested by its Chairman.
9. As required by the Qantas Constitution, a quorum for a Committee Meeting is two Members.
10. The Chief Executive Officer and the Executive General Manager People are to attend such portion of each Meeting as requested by the Committee Chairman. (The Chief Executive Officer is not to be present when the Committee discusses issues relating to the Chief Executive Officer).

¹ ASX Principles, Recommendation 8.1, Commentary

² ASX Principles, Recommendation 8.1. "Independence" is based on ASX Principles, Recommendation 2.1, Commentary, Box 2.1

11. The Committee may approve remuneration for Qantas Executive General Managers. All other recommendations of the Committee are to be referred to the Board for approval.

Access to Information and Independent Advice

12. The Committee has the authority to seek any information it requires from any employee of the Qantas Group and all employees must comply with such requests^{1,3}.
13. The Committee may take such independent legal, financial, remuneration or other advice as it considers necessary^{1,4}.
14. The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding his/her own remuneration⁴.

Duties and Responsibilities

Remuneration Policies for Non-Executive Directors⁵

15. In assisting the Board, the Committee will review and make recommendations to the Board on remuneration policies for Non-Executive Directors (including fees, travel and other benefits). In making its recommendations, the Committee should take into account the following guidelines:
 - a. Non-Executive Directors should be remunerated by way of fees – in the form of cash, non-cash benefits, superannuation contributions or equity;
 - b. Non-Executive Directors should not participate in schemes designed for remuneration of executives;
 - c. Non-Executive Directors should not receive options or bonus payments; and
 - d. Non-Executive Directors should not be provided with retirement benefits other than statutory superannuation and certain travel entitlements which are usual in the aviation industry and are disclosed in the Annual Report.

Remuneration Policies for the CEO, CFO and Executive Management⁶

16. In assisting the Board, the Committee will review and make recommendations to the Board on the remuneration of the CEO, CFO and Executive Management, including:
 - a. short and long-term remuneration (including superannuation and any performance targets);
 - b. any termination payments (which are to be agreed in advance and include provisions in case of early termination);
 - c. appropriate grants of securities under the Qantas Deferred Share Plan (or any alternate or replacement plan). Grants made to the CEO or CFO are to be placed before shareholders for approval; and
 - d. the development of any equity based plan.
17. In making its recommendations, the Committee's objectives are that the remuneration policies:
 - a. motivate the CEO, CFO and Executive Management to pursue the long-term growth and success of Qantas;
 - b. demonstrate a clear relationship between performance and remuneration; and

³ ASX Principles, Recommendation 2.5, Commentary

⁴ ASX Principles, Recommendation 2.1, Commentary

⁵ ASX Principles, Recommendation 8.2, Commentary, Box 8.2

⁶ ASX Principles, Recommendation 8.1, Commentary and Box 8.1

- c. involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives appropriate to Qantas' circumstances and goals.

Human Resources Policies

18. The Committee will review human resource policies and practices for Executive Management of the Qantas Group.

Other

19. The Committee will consider any other matters referred to the Committee by the Board.

Reporting

20. The Committee will report on its Meetings to the Board.

Committee Performance

21. To determine whether it is functioning effectively, once each year the Committee shall:
 - a. review this Charter; and
 - b. undertake an evaluation of its performance.

Charter History

18 May 2005

Remuneration Committee established. Chairman's Committee functions split and separate Remuneration Committee and Nominations Committee established.

16 April 2008

Revised Charter approved – reflects revised ASX Principles.