



Spirit of Australia

Qantas Notice Of Meeting 2005





8 September 2005

Dear Shareholder

2005 ANNUAL GENERAL MEETING

The 2005 Annual General Meeting of Qantas Airways Limited is to be held at 2:00pm on Thursday, 13 October 2005 in the Ballroom of the Hyatt Hotel, Canberra. The formal Notice of Meeting is attached.

Qantas has many shareholders around Australia. To provide an opportunity for the maximum number of shareholders to attend an AGM, Qantas holds it in a different State or Territory each year. This is the first time the Qantas AGM has been held in Canberra. The 2004 AGM was held in Brisbane and the 2006 AGM is planned to be held in Sydney.

Shareholders who are unable to attend the AGM and have access to the Internet will be able to hear a live webcast of the AGM on the Qantas website, <http://www.qantas.com.au/info/about/investors/agms>.

BUSINESS

1. CONSIDERATION OF REPORTS

The Financial Report, the Directors' Report and the Independent Audit Report for the year ended 30 June 2005 will be presented for consideration.

Unless the Qantas Share Registry has been notified otherwise, each shareholder will have received an Annual Report which contains the Financial Report for the year ended 30 June 2005.

2. QUESTIONS AND COMMENTS

Following the Consideration of Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or make comments on the management of Qantas.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Audit Report;
- c. the accounting policies adopted by Qantas in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer any written questions submitted by shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

3. ELECTION OF DIRECTORS

3.1 PAUL ANDERSON

Paul Anderson retires by rotation and, being eligible, offers himself for re-election as an Independent Non-Executive Director.

Paul Anderson was appointed to the Qantas Board in September 2002. He is a Member of the Qantas Remuneration Committee.

Mr Anderson is the Chief Executive and Chairman of Duke Energy Corporation and is a Global Counsellor for The Conference Board.

Mr Anderson most recently served as Director of US-based Temple Inland Inc and Fluor Corporation. He was the Chief Executive of BHP Billiton Limited and its predecessor, The Broken Hill Proprietary Company Limited from 1998 to July 2002.

Mr Anderson was previously President and Chief Operating Officer of Duke Energy Corporation; President, Chairman and Chief Executive Officer of PanEnergy Corporation; Chief Financial Officer of Inland Steel Industries; and a Director of Kerr-McGee Corporation, Baker Hughes Incorporated, TEPPCO Partners, LP and Petrolane Partners.

Mr Anderson holds a Bachelor of Science in Mechanical Engineering from the University of Washington and a MBA from Stanford Graduate School of Business.

The Board believes that Mr Anderson's significant Australian and international experience brings a unique perspective to all Board deliberations. He also adds considerable value as a Member of the Remuneration Committee.

Mr Anderson says, "I have served on boards of major corporations in Australia, the US and the UK. I believe this experience provides a good insight into current and emerging issues of corporate governance. It is also useful in assessing strategy and the effectiveness by which it is implemented."

The Directors (with Paul Anderson abstaining) recommend that you vote in favour of this Ordinary Resolution.

3.2 JOHN SCHUBERT

John Schubert retires by rotation and, being eligible, offers himself for re-election as an Independent Non-Executive Director.

Dr John Schubert, BE, PhD, FIEAust, CPEng, FTS, FIChemE was appointed to the Qantas Board in October 2000.

He is a Member of the Qantas Safety, Environment & Security Committee and the Qantas Nominations Committee.

Dr Schubert is Chairman of the Commonwealth Bank of Australia and Director of BHP Billiton Limited and BHP Billiton Plc. He is also Chairman of G2 Therapies Limited and the Great Barrier Reef Research Foundation. Dr Schubert is a Member of the Australian Graduate School of Management Advisory Board and the Business Council of Australia.

Dr Schubert commenced his career with Esso Australia Ltd in 1969. He worked as a professional engineer on the various oil and gas production facilities for the Bass Strait Field. From 1972 to 1982 he held various positions with Esso in Australia and overseas. During 1982/83 he was Executive Assistant to the President of Exxon Corporation, New York. In September 1983 he was appointed to the Board of Esso Australia. On 1 October 1985, Dr Schubert became Esso's Deputy Managing Director and on 1 January 1988 he became Esso's Chairman and Managing Director.

Dr Schubert was Managing Director and Chief Executive Officer of Pioneer International Limited from July 1993 to May 2000. He was President of the Business Council of Australia from January 2001 to October 2003. He was also previously a Director of the Worley Group Limited.

The Board believes that Dr Schubert makes significant contributions to the Board due to his extensive management and board experience. In particular, Dr Schubert as a Member of the Safety, Environment & Security Committee has driven Qantas' material improvements in employee safety. The Board believes that he is also a significant contributor to the Nominations Committee.

Dr Schubert says, "My experience at CEO and board level in companies based and with operations in Australia, Europe, Asia and the Americas provides a background from which to make input to the Qantas Board across the range of its deliberations. I believe that long-term shareholder value requires excellent governance, open communications, impeccable business values, superior strategy and implementation and, most importantly, outstanding people. Safety must come first."

The Directors (with John Schubert abstaining) recommend that you vote in favour of this Ordinary Resolution.

3.3 GARRY HOUNSELL

Garry Hounsell was appointed by the Directors as an Independent Non-Executive Director on 1 January 2005 pursuant to clause 6.5(a) of the Qantas Constitution, which allows the Board to appoint a Director to fill a casual vacancy.

Mr Hounsell retires as required by clause 6.5(b) of the Constitution and, being eligible, offers himself for election as an Independent Non-Executive Director. He is a Member of the Qantas Audit Committee.

Mr Hounsell is a Director of Orica Limited and Nufarm Limited. He is also a Non-Executive Director of The Macfarlane Burnet Institute for Medical Research and Public Health Ltd and the Methodist Ladies College Ltd. He is a Fellow of The Institute of Chartered Accountants in Australia, a Certified Practising Accountant and a Fellow of the Australian Institute of Company Directors. Mr Hounsell is also a Consultant to Investec Bank (Australia) Ltd.

Mr Hounsell is a former Senior Partner of Ernst & Young and Chief Executive Officer and Country Managing Partner of Arthur Andersen.

He holds a Bachelor of Business (Accounting) degree from Swinburne Institute of Technology.

The Board believes that Mr Hounsell's significant accounting and audit experience, including executive management positions in two of the large international accounting firms, will be a major benefit to shareholders, particularly as Jim Kennedy, current Audit Committee Chairman, has stated he will not be seeking re-election in 2006.

Mr Hounsell says, "For nearly 30 years, I have audited and advised some of the largest Australian and international companies, including regular attendance at their board and audit committee meetings. I believe I can provide a valuable contribution to the Qantas Board and Audit Committee, including the appropriate application of the Australian Accounting Standards, corporate governance expertise and input to global strategy."

The Directors (with Garry Hounsell abstaining) recommend that you vote in favour of this Ordinary Resolution.

3.4 PETER COSGROVE

Peter Cosgrove was appointed by the Directors as an Independent Non-Executive Director on 6 July 2005 pursuant to clause 6.5(a) of the Qantas Constitution, which allows the Board to appoint a Director to fill a casual vacancy.

General Cosgrove retires as required by clause 6.5(b) of the Constitution and, being eligible, offers himself for election as an Independent Non-Executive Director. He is a Member of the Qantas Safety, Environment & Security Committee.

General Cosgrove is a Consultant to Deloitte Touch Tohmatsu and is a Member of the Australian Institute of Company Directors.

General Cosgrove served in the Australian Army from 1965 and was the Chief of the Australian Defence Force from 3 July 2002 until his retirement in July 2005.

One of his greatest achievements was his command of the international forces in East Timor from 1999 until the force was withdrawn in February 2000, for which General Cosgrove was appointed a Companion of the Military Division of the Order of Australia.

He was awarded the Military Cross for his service in Vietnam early in his career and has received several foreign awards including the Companion of the New Zealand Order of Merit (CNZM) and Commander of the United States Legion of Merit.

General Cosgrove was Australian of the Year in 2001.

The Board believes that Qantas is extremely fortunate that General Cosgrove accepted its invitation to join the Board and the Safety, Environment & Security Committee. His extensive strategic, operational and management experience (including the ultimate command of the Australian Air Force) will be a major asset to Qantas and its shareholders.

General Cosgrove says, "I am delighted to be associated with one of Australia's most important and iconic companies. With my extensive experience in planning and conduct of safe, secure and successful operations, I hope to bring energy and further expertise to the Board."

The Directors (with Peter Cosgrove abstaining) recommend that you vote in favour of this Ordinary Resolution.

4. REMUNERATION REPORT

The Remuneration Report is contained in the Directors' Report of the 2005 Qantas Annual Report. The Report:

- ▶ explains Qantas' Executive Remuneration Philosophy & Objectives and the link between the remuneration of employees and Qantas' performance;
- ▶ sets out remuneration details for each Director and for each named Executive; and
- ▶ makes clear that the basis for remunerating Non-Executive Directors is distinct from the basis for remunerating executives, including Executive Directors.

The Chairman will give shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report. An Advisory Resolution that the Remuneration Report is adopted will then be put to the vote.

While there is no legal requirement to abstain from voting, Qantas believes it appropriate that neither the Directors, the named Executives nor their associates should vote on this Advisory Resolution, except as directed by any proxies.

The Directors recommend that you vote in favour of this Advisory Resolution.

5. AMENDMENTS TO THE CONSTITUTION

The Directors are proposing that the Qantas Constitution be amended in the manner set out in Annexure A to the formal Notice of Meeting. In particular:

- ▶ changes are proposed to delete the special provisions inserted in the Qantas Constitution in 1993 at the time British Airways acquired a 25% shareholding in Qantas. These provisions were not usual for a listed company. On 9 September 2004, British Airways sold its remaining 18.25% shareholding. Accordingly, the special provisions relating to British Airways in the Qantas Constitution are no longer necessary;
- ▶ one of the British Airways provisions imposed a restriction that the number of Directors must not be more than 12. As with the other British Airways provisions, the Board believes that this restriction should be deleted to permit the Board to set the maximum number of Directors as necessary from time to time. Accordingly, it is proposed that clause 6.1(a) be amended to remove the requirement that the number of Directors must not be more than 12; and
- ▶ there are other minor changes to update terminology, remove obsolete provisions and clarify the operation of existing provisions that the Board believes are desirable.

Except as discussed above, the Board considers the proposed changes will not materially alter the effect of the existing Qantas Constitution.

If you would like a copy of the proposed amended Qantas Constitution (which will be made available at no charge), please contact the Qantas Share Registry.

If you have any questions relating to any issue to be considered at the AGM, please call Janine Smith, Assistant Company Secretary, on (02) 9691 4262 prior to the AGM.

Yours sincerely



Brett Johnson
General Counsel & Company Secretary

ENCLOSURES

Enclosed with this letter are:

- i. Notice of Meeting;
- ii. Proxy Form to be completed if you would like to be represented at the AGM by proxy. An electronic proxy facility is also available to Shareholders via the Qantas website, <http://www.qantas.com.au/info/about/investors/agms>;
- iii. AGM Question Form to be completed if you would like a specific question to be addressed by the Chairman or Auditor at the AGM; and
- iv. a reply paid envelope for you to return either or both the Proxy Form and AGM Question Form.



NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Qantas Airways Limited will be held:

Date: Thursday 13 October 2005

Time: 2:00pm

Venue: The Ballroom of the Hyatt Hotel, Canberra

BUSINESS

1. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of Qantas Airways Limited for the financial year ended 30 June 2005.

2. QUESTIONS AND COMMENTS

Shareholders will be given a reasonable opportunity to ask questions about or make comments on the management and audit of Qantas.

3. ELECTION OF DIRECTORS

3.1 PAUL ANDERSON

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Paul Anderson, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited."

3.2 JOHN SCHUBERT

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, John Schubert, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited."

3.3 GARRY HOUNSELL

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Garry Hounsell, a Non-Executive Director appointed by the Directors on 1 January 2005 pursuant to clause 6.5(a) of the Constitution and retiring in accordance with the Constitution, being eligible, is elected as a Non-Executive Director of Qantas Airways Limited."

3.4 PETER COSGROVE

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Peter Cosgrove, a Non-Executive Director appointed by the Directors on 6 July 2005 pursuant to clause 6.5(a) of the Constitution and retiring in accordance with the Constitution, being eligible, is elected as a Non-Executive Director of Qantas Airways Limited."

4. REMUNERATION REPORT

To consider and, if thought appropriate, pass the following Advisory Resolution:

"That, the Remuneration Report for the year ended 30 June 2005 (set out in the Directors' Report) is adopted."

5. AMENDMENTS TO THE CONSTITUTION

To consider and, if thought appropriate, pass the following Special Resolution:

“That, the Constitution of Qantas Airways Limited is amended in the manner set out in Annexure A to the 2005 Notice of Meeting.”

Dated: 8 September 2005

By Order of the Board



Brett Johnson
General Counsel & Company Secretary

NOTES:

1. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Shareholders can appoint a body corporate as well as an individual as their proxy. A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at general meetings of Qantas or in the capacity of a shareholder's proxy at general meetings of Qantas. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a general meeting or in voting on a resolution.
2. A shareholder who appoints two proxies may state on the Proxy Form what proportion or number of the shareholder's votes each proxy is being appointed to exercise. If a shareholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half the shareholder's votes.
3. If a shareholder has appointed two proxies, when a resolution is decided on a show of hands, only the first person named on the Proxy Form may vote. If two Proxy Forms have been completed, the person whose name is earlier in alphabetical sequence may vote.
4. A proxy need not be a shareholder of Qantas.
5. Either the original, facsimile or electronic transmission of the Proxy Form(s) and any Power of Attorney or authority under which they are signed **must** be received at least 48 hours prior to the AGM (ie by no later than 2:00pm on Tuesday 11 October 2005) or any adjournment. Any Proxy Form received after this deadline, including at the AGM, will be invalid.
6. A Proxy Form accompanies this Notice of Meeting.
7. Additional Proxy Forms will be supplied by the Qantas Share Registry on request.
8. An electronic proxy facility is also available to Shareholders via the Qantas website, <http://www.qantas.com.au/info/about/investors/agms>.
9. If a corporate representative is to attend the AGM on behalf of a corporation, a formal Notice of Appointment **must** be brought to the AGM.
10. In accordance with Regulation 7.11.37 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the register of shareholders as at 7:00pm (Sydney time) on Tuesday 11 October 2005. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the AGM.
11. If you wish a question to be put to the Chairman or Auditor and you are not able to attend the AGM, please complete the Question Form which is attached to this Notice of Meeting.
12. Either the original or a facsimile transmission of the Question Form **must** be received at least 5 business days prior to the AGM (ie by no later than 5.00pm on Thursday 6 October 2005) or any adjournment. This is to allow time to collate questions and to prepare answers.

Annexure A

AMENDMENTS TO THE QANTAS CONSTITUTION

It is proposed that the Constitution of Qantas Airways Limited be amended in the following manner:

- (a) Delete the definitions of "**BA**", "**BA Director**", "**BA Group**", "**BA Shares**", "**Nominations Committee**", "**Non-BA Director**", "**Relevant BA Subsidiary**" and "**SCH Business Rules**" in clause 1.5.
- (b) Insert the following definition of "**ASTC Settlement Rules**" in clause 1.5:
"**ASTC Settlement Rules**' means the Operating Rules of ASTC in force from time to time."
- (c) Replace the words "**SCH Business Rules**" in clauses 1.7(b), 3.4(d)(1) & (2), 3.7(a)(2), 4.1(b)(1), 4.1(e)(1) & (2), 4.2(a)(1) & (3) and 4.4(b) with "**ASTC Settlement Rules**".
- (d) Delete clause 2.5 "**BA Shares**".
- (e) Delete the words "*subject to clause 4.7(m)*" in clause 4.7(b)(1).
- (f) Delete the words "*(other than a BA Share)*" and "*Other than in accordance with clause 4.7(l), BA Shares cannot be treated as Affected Shares by the Directors under this clause 4.7, but any other shares may be.*" in clause 4.7(k).
- (g) Delete clause 4.7(l) – relating to BA Shares.
- (h) Delete clause 4.7(m) – relating to BA Directors.
- (i) Delete the words "*(other than a BA Share)*" and "*Other than in accordance with clause 4.8(j), BA Shares cannot be treated as Offending Shares by the Directors under this clause 4.8, but any other shares may be.*" in clause 4.8(b).
- (j) Delete clause 4.8(j) – relating to BA Shares.
- (k) Delete the words "*, until otherwise resolved by Qantas by special resolution,*" and replace the words "*and not more than 12*" with "*or more than the maximum number set by the Directors from time to time*" in clause 6.1(a).
- (l) Delete clause 6.1(d) – relating to BA Directors.
- (m) Delete clause 6.1(f) – relating to BA Directors.
- (n) Delete clause 6.2 "**BA Directors and Non-BA Directors**".
- (o) Delete the words "**Non-BA**" in the heading of clause 6.3 and in clauses 6.3(a)(2), 6.3(b)(2), 6.3(b)(3), 6.3(b)(4), 6.3(b)(5) and 6.3(b)(6).
- (p) Delete the "*s*" at the end of the word "*clauses*" in clause 6.3(b)(1) and delete the reference to "*6.2(b)*".
- (q) Delete the words "*Subject to clause 6.2*" in clause 6.3(b)(5) and capitalise the word "*the*" at the beginning of the clause.
- (r) Delete the words "*other than BA Shares*" in clause 6.3(b)(6)(D)(i).
- (s) Delete clause 6.3(c) – relating to BA Shares.
- (t) Delete clause 6.3(d) – relating to BA Shares.
- (u) Delete clause 6.4 "**Appointment and Removal of BA Directors**".
- (v) Delete the words "**Non-BA**" in clause 6.5(a).
- (w) Delete clause 6.13(b)(2) – relating to BA Directors.
- (x) Delete the words "*, including at least one BA Director,*" in clause 6.13(c).
- (y) Delete the words "**Non-BA**" in clause 6.14(b)(1).
- (z) Delete clause 6.14(b)(2) – relating to BA Directors. In clause 6.14(b)(1) delete the word "*and*" and replace the semi-colon at the end of the sentence with a full stop.
- (aa) Delete the words "*and the person is approved by the Nominations Committee*" in clause 6.15(a).
- (bb) Delete clause 6.17(c) – relating to BA Directors.
- (cc) Insert "*and*" at the end of clause 6.18(a)(1) after the semi-colon.
- (dd) Delete the words "*including at least one BA Director*", delete the word "*and*" and replace the semi-colon at the end of the clause with a comma in clause 6.18(a)(2).
- (ee) Delete clause 6.18(a)(3) – relating to BA Directors.
- (ff) Replace the words "**Nominations Committee**" with the word "**Directors**" in clause 6.19(b)(2).

- (gg) Delete the words "*Subject to clause 6.17(c)*" and capitalise the word "*the*" in clause 6.20(a).
- (hh) Delete the words "*one BA Director (unless the holder of BA Shares waives that requirement) and one Non-BA Director*" and replace with the words "*two Directors*" in clause 6.20(c).
- (ii) Delete clause 6.21 "*Nominations Committee*".
- (jj) Delete the words "*Subject to clause 6.17(c)*" in clause 6.22(a) and capitalise the word "*the*" at the beginning of the clause.
- (kk) Delete the words "*who is a Non-BA Director*" in clause 7.1(a).
- (ll) Delete the words "*, subject to clause 6.17(c)*" in clause 7.6(d).
- (mm) Insert the words "*in such a way as they consider appropriate*" to the end of clause 9.1(a).
- (nn) Delete clause 9.5 "*Dividend Selection Plan*".
- (oo) Delete the word "*BA*" in clause 12.4(a)(2).



Qantas Airways Limited ABN 16 009 661 901

All correspondence to:

Qantas Share Registry
Level 8, 580 George Street, Sydney, NSW, 2000
Locked Bag A14, Sydney South, NSW, 1235
Telephone: 1800 177 747 (Toll free within Australia)
International: 61 2 8280 7390
Facsimile: 02 9287 0309
Email: registry@qantas.com
Website: www.qantas.com

QUESTIONS FROM SHAREHOLDERS

Your questions regarding any matter relating to Qantas that may be relevant to the 2005 Qantas Annual General Meeting (AGM) are important to us. We invite you to use this form to submit any questions you may have:

- on the management of Qantas;
on the conduct of the audit;
on the preparation of the Independent Audit Report;
on the accounting policies adopted by Qantas in relation to the preparation of the financial statements; and/or
on the independence of the Auditor in relation to the conduct of the audit.

Please return this form in the reply paid envelope provided or fax to 61 2 9287 0309. All questions must be received by 5.00pm on Thursday 6 October 2005.

We will attempt to respond to as many of the more frequently asked questions as possible in the Chairman's address at the AGM. The Chairman will also permit the Auditor to answer any written questions submitted to the Auditor. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM.

Form with fields for Shareholder's Name, Address, Shareholder Reference Number or Holder Identification Number (with checkboxes for I and X), a selection box for Chairman or Auditor, and a large text area for Question/s.

We advise that the Corporations Act 2001 requires information about you as a security holder (including your name, address and details of the securities you hold) to be included in the share register of Qantas. If some or all of the information is not collected, it might not be possible to administer your security holding. Information must continue to be included in the share register if you cease to be a security holder. Information in the share register is available for inspection by you and the public (upon payment of a fee) as permitted under the Corporations Act 2001. These obligations are not altered by the Privacy Act 1988. The information is collected by the Qantas Share Registry, ASX Perpetual Registrars Limited and may also be disclosed to regulatory bodies (such as the Australian Taxation Office), print service providers and mail houses. Our privacy statement is available on our website at www.qantas.com.

REGISTERED OFFICE

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