

ASX/Media Release

UPDATE ON FY23 EXECUTIVE REMUNERATION

8 August 2024: The Board has finalised its decisions in relation to executive remuneration for FY23.

In September last year, the Board announced there would be a 20 per cent reduction in short term incentives for FY23 for members of the Group Management Committee given the challenges then facing Qantas and in recognition of the customer and brand impact of cumulative events.

The Board also withheld the delivery of the balance of the FY23 short term incentive for senior executives given the initiation of the Australian Competition and Consumer Commission (ACCC) proceedings and the High Court finding in relation to breaches of the Fair Work Act when Qantas outsourced ground handling work.

This was detailed in the Remuneration Report in the 2023 Annual Report along with noting that there were mechanisms that allowed the Board to apply remuneration consequences in relation to short term and long term incentives.

The events that damaged Qantas and its reputation and caused considerable harm to relationships with customers, employees and other stakeholders were due to a number of factors. As part of a settlement with the ACCC, Qantas has admitted to misleading customers in relation to flight cancellation processes and subject to Federal Court approval will pay a \$100 million penalty. Qantas has also agreed to a \$20 million customer remediation program. Penalties and compensation arising from breaches of the Fair Work Act are still to be determined.

The Board has also considered information that has arisen as part of the Governance Review in reaching these decisions, which has been released today.

While there were no findings of deliberate wrongdoing, the review found that mistakes were made by the Board and management which contributed to the Group's significant reputational and customer service issues.

The Board has now determined that former CEO Alan Joyce will have his FY23 remuneration reduced by \$9.26 million. This consists of:

- Under forfeiture provisions which apply to the Long Term Incentive Plan (LTIP), the Board has determined that 100 per cent of the shares held on his behalf in relation to the 2021-2023 Long Term Incentive Plan, valued at \$8.36 million¹, will be forfeited.
- A 33 per cent reduction in his short term incentive in FY23 valued at approximately \$900,000 (inclusive of the previously announced 20 per cent reduction)².

The Board has also determined that the short term incentives for affected current and former senior executives will also be reduced by 33 per cent. Inclusive of Mr Joyce's reduction, the overall reduction in the FY23 short term incentives is approximately \$4.1 million.

¹ The reduction of approximately \$8.36 million for the forfeiture of the 2021-2023 LTI shares assumes a share price of \$6.20 as at 30 June 2023, and is as disclosed in the Remuneration Report in the FY23 Annual Report. As at the close of trading on 7 August 2024, the Qantas share price was \$5.97.

² The total reduction of 33 per cent for Mr Joyce and the other affected current and former senior executives will be implemented through a reduction in the deferred share component of the 2022-2023 STIP.



In reaching these decisions, the Board has considered the individual and collective accountability of members of the Group Management Committee. The Board has also taken into account their performance in bringing Qantas through the pandemic and the challenges of standing up the airline through that period. The combination of these factors is reflected in the reduction in the short term incentives.

Mr Joyce was the Chief Executive Officer of the Qantas Group. In this role he had overall accountability and responsibility for the outcomes of the business and this is reflected in the forfeiting of his 2021-2023 LTIP shares that vested in August 2023.

Current Non-Executive Directors who were on the Board at the time will take a 33 per cent reduction to their Directors' base fees this year.

Further details will be included in the Remuneration Report in the 2024 Annual Report.

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Authorised for release by the Qantas Board of Directors.

