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Do the Qantas Board Members Deserve Re-election?

That is one of the questions that will be considered by shareholders at the upcoming Qantas Annual General Meeting to be held on **Wednesday 21st October 2009 at 11:00am at the River View Room, Perth convention and Exhibition Centre.**

ASU members / shareholders will not be the only ones asking these questions as the storm over the massive payments to former QF CEO Geoff Dixon have been commented on from the Prime Minister down.

As meeting notices and proxy forms start arriving many staff have asked us once again who to proxy and what to vote on the key questions of Directors' re-election and the remuneration report.

Remuneration report

Consistently over a number of years the ASU has recommended voting against the remuneration report.

We recommended a vote against the remuneration report and the packages for Geoff Dixon and Peter Gregg last year. We were right then – we recommend a No vote again.

Unfortunately whatever you vote on the remuneration report it is “non binding” on the Company's Board. Maybe that will soon all change given the recent draft report from the Productivity Commission.

The details of who is paid what is contained in the Annual Report from page 68 onwards.

CEO Alan Joyce and CFO Colin Storrie get a mixture of salary (fixed annual remuneration), free travel trips and rights to shares at no cost to the executives, as well as cash bonuses.

Others, like Jetstar CEO Bruce Buchanan and Executives Rob Gurney, Simon Hickey and Lyell Strambi have fixed annual remuneration, free travel and bonuses as well.

What about Geoff Dixon's going away bonus?

As the report reveals, Qantas made a number of payments to Geoff Dixon over the last year, some of which may not have been clear to or revealed to shareholders.

From the Annual Report it appears Geoff Dixon worked for 9 months and got 12 months pay, and the Board paid him an extra \$3million to compensate for changes in tax law which changed the value of a Superannuation contribution Qantas made in August 2006. Basically, Qantas paid Geoff Dixon extra money because he got taxed more than he thought he would!

No one can remember that being mentioned at the AGM last year, probably because no one would even think it would be possible to compensate someone in 2009 for a 2006 payment. Qantas has come under significant criticism for this payment, and rightly so!

Our strong view is that the Qantas remuneration report shouldn't be supported.

Board members' re-election

Three Board members are up for re-election; James Strong, Peter Cosgrove and Garry Hounsell.

All three were on the Qantas Board which recommended the failed APA bid in 2007 to shareholders. There is no doubt that Qantas would have been in deep financial trouble had the Directors and Board advice been followed.

While there is a lot of sentiment for James Strong, a former Qantas CEO, it should be noted that he is Chairman of the Qantas Remuneration Committee. Was Mr. Strong responsible for the unprecedented payouts to Geoff Dixon?

It surely is time for shareholders to tell the Qantas Board that they are not happy with the way in which Executive pays are dealt with. Now is the time to register a protest vote.

What to do?

You can vote against any or all of the resolutions. Whatever you do it is important to express your view.

The ASU's recommendation is to vote against each resolution.

You can also attend the meeting in Perth or proxy your vote to ASU delegates or officials who are attending the meeting.

In your AGM pack from Qantas there was a proxy form, all you need to do is fill it in by following the instructions below.

Your proxy form must be lodged by **11:00am AEDT on Monday 19th October 2009** to be valid.

Who can be proxies?

A number of ASU delegates and officials will be attending the meeting. The following are the ASU reps attending the meeting who you can give your proxy to. You only need to choose one of them as your proxy:

- Debbie Butler (ASU)
- Emmet Molloy (ASU)
- Anna-Maria (Paola) Stobbart (QFPerth)
- Steven Harris (QF Perth)
- Greg Mofflin (QF Freight, Perth)

Qantas 2009 AGM – How to Vote

1. **In Step 1** – Name one person to be your proxy (see names above)
2. **In Step 2** – Either direct your proxy how to vote by marking a box against the resolutions, or just mark the single box in Step 2 if you want your proxy to decide how to vote
3. **In Step 3** – Sign and date the form
4. Post or fax your proxy form to the Qantas Share Registry to reach them by **11:00am AEDT on Monday 19th October 2009**. **To post:** Use the reply paid envelope you received or post to Locked Bag A14, Sydney South NSW 1235. **To fax:** Fax to (02) 9287 0309. **Online:** Vote online at www.qantas.com.au/travel/airlines/investors-annual-meetings/global/en.
5. Fax a copy of your proxy form to the ASU National Office on (03) 9342 1499 or give a copy to your ASU delegate or organiser by 19th October 2009 so we know who we are representing. If you vote online, send us an email at airlines@asu.asn.au
6. If you have lost your proxy form or didn't receive one, a new form can be requested by phoning the share registry on 1800 177 747

STEP 1 APPOINT A PROXY

I/We being a Shareholder(s) of Qantas Airways Limited (Qantas) and entitled to attend and vote hereby appoint:

the Chairman of the Meeting (mark box with an X)[^] **OR** Write here the name of the person or body corporate you are appointing if this person/body corporate is someone other than the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the Qantas 2009 Annual General Meeting (Meeting), to be held at 11:00am on Wednesday 21 October 2009 in the River View Room of the Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth, on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Meeting of Qantas and at any adjournment of that Meeting. Qantas proxies will only be valid and accepted by Qantas if they are signed and received at Qantas' Share Registry, Link Market Services, or at Qantas' Registered Office no later than 48 hours before the Meeting (ie by no later than 11:00am (Australian Eastern Daylight Savings Time) on Monday 19 October 2009) or any adjournment.

STEP 2 VOTING DIRECTIONS

If you wish to direct your proxy how to vote on any Resolution please insert in the appropriate box below.

Resolutions	For	Against	Abstain [^]
2. Election of Directors			
2.1 Re-Elect Non-Executive Director General Peter Cosgrove	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2.2 Re-Elect Non-Executive Director Garry Hounsell	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2.3 Re-Elect Non-Executive Director James Strong	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Remuneration Report	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

[^] If the Chairman is your proxy and you do not wish to direct your proxy how to vote, please place an X in the box. The Chairman of the Meeting intends to vote undirected proxies in favour of all Resolutions. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Resolution and that votes cast by him, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes in respect of Resolutions in which he has an interest in the outcome and your votes will not be counted in computing the required majority on a Resolution.

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SHAREHOLDER(S) - THIS MUST BE COMPLETED

Shareholder 1 (Individual) <input style="width: 100%; height: 20px;" type="text" value="X - Sign here"/> Sole Director and Sole Company Secretary	Joint Shareholder 2 (Individual) <input style="width: 100%; height: 20px;" type="text"/> Director/Company Secretary (Delete one)	Joint Shareholder 3 (Individual) <input style="width: 100%; height: 20px;" type="text"/> Director
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