
**BOS PROSPECTUS
UNSECURED NOTES**

**Flight Centre Travel Group Limited
(ACN 003 377 188)**

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FLIGHT CENTRE TRAVEL GROUP LIMITED

(ACN 003 377 188)

(the *Issuer*)

Registered office: Southpoint, 275 Grey Street, South Brisbane, Queensland, 4101

1. Introduction

This Prospectus is dated 22 April 2022 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. No Unsecured Notes will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. ASIC takes no responsibility for the contents of this Prospectus.

Attached to this document is a personalised application form for Unsecured Notes, incorporating the Special Conditions of Issue attaching to the Unsecured Notes. If you misplace the application form or the personalised information in the application form is incorrect, you should contact the Business Ownership Scheme Team by email at BOS_Australia@flightcentre.com, who will arrange to forward another or a corrected application form to you with another copy of this Prospectus.

Where this Prospectus and accompanying application form are distributed to you electronically rather than in paper form, the electronic versions contain the same information in the same sequence as the paper Prospectus and application form lodged with the ASIC (except for minor differences allowed by the ASIC). You may request a free paper copy of this Prospectus and accompanying application form by contacting the Business Ownership Scheme Team.

The securities to which this Prospectus relates will only be issued on receipt of a personalised application form issued together with this Prospectus. For these purposes, the application form can only be downloaded from software together with this Prospectus.

The offer pursuant to this Prospectus is only available to persons receiving it within Australia.

2. Information on issue of Unsecured Notes

This Prospectus is for the issue of Unsecured Notes to those Flight Centre Group shop managers or other senior managers (or their nominees) invited by the Issuer to participate in the Business Ownership Scheme.

The funds raised under this Prospectus will be used for working capital requirements of the Flight Centre Group. The Issuer does not intend to have the Unsecured Notes listed on ASX or any other authorised securities exchange. Unsecured Notes issued under this Prospectus are unsecured securities which rank equally with all other unsecured creditors of the Issuer, after the interests of the secured creditors of the Issuer, but before the interests of shareholders upon a winding up of the Issuer. The Directors believe that the Issuer will be able to repay amounts of principal and meet interest payments as they fall due.

The Issuer reserves the right not to accept any application or to satisfy it in part only.

Unsecured Notes are issued under the Trust Deed. The Trust Deed provides for Special Conditions of Issue to be attached to the Unsecured Notes.

Interest on the Unsecured Notes is payable by reference to the relevant shop or business unit profits, or, in the case of certain approved shop or business units, profit improvements of the business. Accordingly, there may be no interest payable if there are no such profits, or profit improvements. No particular level of interest return is promised or guaranteed by any person.

3. Overview of Special Conditions of Issue

The Special Conditions of Issue are set out in their entirety in the personalised application form. They include conditions such as:

3.1 Acquisition of Unsecured Note

Unsecured Notes are issued with respect to nominated business units being a particular shop, group of shops or other discrete business unit within the Flight Centre Group. The relevant business unit for you is specified in Schedule 2 of your personalised application form.

The Unsecured Noteholder must pay to the Issuer an amount equal to the face value of the Unsecured Note as specified in the Special Conditions of Issue. The Issuer will issue a certificate evidencing the ownership of the Unsecured Note by the Unsecured Noteholder. However, if an Unsecured Noteholder enters into a Funding Arrangement which requires the Company to hold the Unsecured Note certificate in escrow, the Company may agree to hold the Unsecured Note certificate in escrow. If payment is not received by the Issuer within the required time, the holder of the Unsecured Note will be deemed not to have been issued the Unsecured Note and any agreement for the issue of the Unsecured Note will be voidable at the option of the Issuer.

3.2 Redemption of Unsecured Note

Redemption of any Unsecured Note for its face value occurs under the Special Conditions of Issue:

- upon termination of the employment of the relevant manager for any reason;
- upon notice in writing from the holder requesting redemption or repayment of the Unsecured Note;
- upon notice in writing from the Issuer advising that redemption or repayment of the Unsecured Note will occur on a certain date; or
- upon the 10th anniversary of the date of issue of the Unsecured Note,

whichever occurs first.

If the relevant manager ceases to be involved in the day to day management of the business unit in respect of which the Unsecured Note is issued, the Issuer may:

- require the Unsecured Noteholder to redeem the Unsecured Note;
- amend the Special Conditions of Issue to refer to another business unit; or

- where the relevant manager is managing another business unit, allow the Unsecured Noteholder to continue to hold the Unsecured Note, in respect of the business unit which the relevant manager has ceased to manage, under the following conditions:
 - (i) up to 20% (or such higher percentage to a maximum 35% as may be approved by the board of the Issuer) of management profit, or profit improvements, of the business unit which the relevant manager has ceased to manage may be paid out as interest distributions in relation to all Unsecured Notes attaching to that business unit;
 - (ii) the Unsecured Noteholder must not hold more than 3 Unsecured Notes at any time;
 - (iii) where a new manager of the business unit is appointed, any existing Unsecured Noteholder may then be required to redeem all or part of its Unsecured Note; and
 - (iv) where there is more than 1 Unsecured Noteholder in the business unit, the order of redemption will be, first made in time will be first redeemed or repaid.

Upon redemption, the Moneys Owing under the Unsecured Note are paid to the Unsecured Noteholder. However, if there is a Funding Arrangement in place, and the Unsecured Noteholder has assigned the face value of the Unsecured Note and any distributions or other money payable on redemption of the Unsecured Note to the financier, the Company will pay all such amounts to the financier, who will (after deducting all amounts owed to it) account to the Unsecured Noteholder for the balance (if any).

For the avoidance of doubt, where any of the grounds for redemption outlined in this Prospectus arises, the Company may redeem the Unsecured Note without first receiving redemption instructions from the Unsecured Noteholder.

3.3 Interest

The Special Condition of Issue dealing with Interest is condition 6.

The holder of an Unsecured Note is entitled to an interest distribution by reference to the business unit in respect of the Unsecured Note by reference to the methodology contained in Schedule 5 of the Special Conditions of Issue. This will be by reference to a percentage of the management profits, or, in the case of certain nominated business units, profit improvements of the business unit, pursuant to the relevant Brand Profit Calculation Methodology. The applicable percentage rate(s) is (are) contained in Schedules 6 and 7 of the Special Conditions of Issue.

For those businesses to which Schedule 6 of the Special Conditions of Issue applies, the period and financial criteria which are to be met in order for interest repayments to be made together with the details of how such interest payments will be calculated and made is set out in Schedule 6 of the Special Conditions of Issue (calculated pursuant to the relevant Brand Profit Calculation Methodology), and this will apply where there is profit or profit improvements of that business unit. Interest payments will be made no less frequently than quarterly, in arrears, so long as the Unsecured Note continues.

For those businesses to which Schedule 7 of the Special Conditions of Issue applies, the period and financial criteria which are to be met in order for interest payments to be made together with the details of how such interest payments will be calculated and made is set out in Schedule 7 of the Special Conditions of Issue (calculated pursuant to the relevant Brand Profit Calculation Methodology), and this will apply where there is profit or profit improvements of that business unit.

In the case of interest distributions to be made by reference to the management profits or profit improvements of the business unit, interest on the Unsecured Notes is only payable by reference to the relevant shop or business unit profits or profit improvements, after accounting for prior period losses of the business. In these instances, a profit or profit improvement of the business unit for a given period includes a reduced loss position, or a return to profit position, for that period. Profit or loss for a period shall be determined as the management profit or loss for the relevant period calculated pursuant to the relevant Brand Profit Calculation Methodology.

Unless approved by the Issuer in accordance with the Special Conditions of Issue, no interest distribution will exceed 35% of the face value in any twelve (12) month period other than by way of full or partial redemption.

3.4 Other Special Conditions of Issue

The holder is prohibited from assigning, mortgaging or otherwise dealing with the Unsecured Note without the consent of the Issuer.

The holder is not entitled to voting rights, bonus shares, rights issues or other rights enjoyed by shareholders of the Issuer.

The manager of a business unit must notify the Issuer of any change in control of the legal entity which is registered as being the Unsecured Noteholder. In such a case the Issuer may require either:

- the Unsecured Note to be transferred to a legal entity of which the manager has effective control; or
- that the manager resume effective control of the legal entity registered as being the Unsecured Noteholder,

within 14 days of being required to do so.

If the manager does not comply with the Issuer's requirement, the Issuer may redeem the Unsecured Note immediately.

3.5 Funding Agreements

As indicated above, the Company has arrangements with a related financier to assist Unsecured Noteholders to fund the purchase of Unsecured Notes.

Unsecured Noteholders who fund the purchase of any Unsecured Notes under a Funding Arrangement with the financier (**Note Loan**) should read the Note Loan documentation carefully and, if in doubt as to the effect of the Note Loan, consult their solicitor.

Under the terms of the Note Loan, Unsecured Noteholders agree that the Company will hold the Unsecured Note Certificate in escrow and must assign the payment of the face value of the Unsecured Note and any distributions or other money payable on redemption of the Unsecured Note to the financier. The Unsecured Noteholder will give the Company

an irrevocable direction to make such payments directly to the financier. The Trust Deed acknowledges the Company's right to pay the financier all such amounts in respect of Unsecured Notes issued under a Note Loan.

Unsecured Noteholders who fund the purchase of Unsecured Notes with a Note Loan or otherwise should have regard to the termination events under the terms of the Note Loan or other funding arrangement and have regard to how those termination events would affect the Noteholder.

Unsecured Noteholders should note that the Trustee is in no way required to enquire into or make itself aware of the terms of the financing arrangements that may be entered into between prospective Unsecured Noteholders, the Issuer or any financier.

The Company does not receive any commission in connection with you entering into a Note Loan but, given the financier is a related body corporate, it receives the benefit of any interest and fees that you pay on the Note Loan.

If you want more information about the Note Loan, you should contact the Company's Business Ownership Scheme Team by email at BOS_Australia@flightcentre.com.

4. Disclosures Relating to ASIC Regulatory Guide 69

On 8 February 2012, ASIC updated Regulatory Guide 69 entitled 'Debentures and notes: Improving disclosure for retail investors' (**Regulatory Guide**). The Regulatory Guide was released to help investors understand the risks, assess the rewards being offered and decide whether a particular debenture investment is suitable for them.

In order to comply with the Regulatory Guide, the Issuer is required to report against certain benchmarks which are set out in the Regulatory Guide, in its Prospectus. Those benchmarks and the relevant disclosures in relation to the Issuer's business are set out in the table below.

Criteria Met	Further disclosures and if criteria not met, why not?
Benchmark 1: Equity Ratio	
Debenture issuers (other than property developers) should maintain a minimum equity ratio of 8%	
Yes	At 31 December 2021, the Issuer had an equity ratio of 33.9%*
Debenture issuers should disclose their comparative equity ratio from the prior year	
Yes	At 30 June 2021, the Issuer had an equity ratio of 37.1%*

* Calculated on the basis of the consolidated and unaudited balance sheet of the Company and those wholly-owned subsidiaries of the Company that are parties to a deed of cross guarantee pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (as amended), as at the relevant balance date.

Criteria Met	Further disclosures and if criteria not met, why not?
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Benchmark 2: Liquidity

Debenture issuers should have cash flow estimates for the next 3 months and ensure that at all times they have on hand cash or cash equivalents sufficient to meet their projected cash needs over the next three months.

Yes

The Issuer has funds available to meet the projected cash needs in relation to the Unsecured Notes over the next 3 months.

The Issuer prepares regular cash flow forecasts, which provide for any foreseeable funding required to redeem the Unsecured Notes. The Issuer is an ASX listed entity with a market capitalisation as at 31 December 2021 of approximately \$3.51 billion, producing consolidated revenues of c. \$315.7 million in the half-year ended 31 December 2021.

The Unsecured Notes are, as the name suggests, not secured and consequently the Moneys Owing to any Unsecured Noteholder at any given time will rank behind any secured liabilities (and certain other categories of creditor) and equally with unsecured creditors.

Benchmark 3: Rollovers

Issuers should disclose their approach to rollovers, including what process is followed at the end of the investment term.

Yes

Each Unsecured Note is issued for a period of 10 years unless:

- the relevant manager's employment is terminated for any reason;
- an Unsecured Noteholder requests redemption or repayment of the Unsecured Note in writing; or
- the Issuer notifies the Unsecured Noteholder that redemption or repayment of the Unsecured Note will occur on a certain date.

If none of the above events occur within 10 years the Unsecured Note is redeemed.

Issuers should disclose how they inform those rolling over or making further investments of any current prospectus and continuous disclosure announcements.

Criteria Met	Further disclosures and if criteria not met, why not?
Yes	<p>The Unsecured Notes do not rollover.</p> <p>However, and although not technically a “rollover”, if any Unsecured Note is redeemed for any reason, and a new Unsecured Note is applied for by the same previous Unsecured Noteholder, then the application for a new Unsecured Note is made under the current prospectus for the Unsecured Notes and which incorporates by reference all of the Issuer’s continuous disclosure announcements made to ASX.</p>

Benchmark 4: Debt maturity

Issuers should disclose an analysis of the maturity profile of interest-bearing liabilities (including notes on issue) by term and value and the interest rates, or average interest rates, applicable to their debt.

Yes A summary of the debt maturity profile of the Issuer and relevant wholly-owned subsidiaries* as at 31 December 2021 is set out in the table below.

Interest-bearing liability	Average interest rate	Time to maturity (years)						Total
		Up to 1	1 – 2	2 – 3	3 – 4	4 – 5	Over 5	
		\$	\$	\$	\$	\$	\$	
Bank facility	Variable ^{##}	0	0	350,000,000	0	0	0	350,000,000
Convertible notes [#]	Variable ^{##}	0	0	400,000,000	0	400,000,000	0	800,000,000
Intra-group loans	Variable ^{##}	245,847,947	0	40,754,469	0	194	24,338	286,626,948
TOTAL	-	245,847,947	0	790,754,469	0	400,000,194	24,338	1,436,626,948

In November 2020, the Issuer issued convertible notes with an aggregate principal amount of \$400,000,000 which mature in November 2027 and have a put date of November 2024. In November 2021, the Issuer issued convertible notes with an aggregate principal amount of \$400,000,000 which mature in November 2028 and have a put date of May 2026. At the respective put dates, investors in the convertible notes have the option to redeem the convertible notes for their face value. The table above assumes that each convertible note issuance is redeemed at its respective put date and not converted at the maturity date. The convertible notes are disclosed in the 31 December 2021 balance sheet of the Issuer as an accounting debt liability of \$672,600,695, with the balance to aggregate total issued principal amount of \$800,000,000 recognised in equity in accordance with accounting standards.

* Relevant wholly-owned subsidiaries are those wholly-owned subsidiaries of the Issuer that are parties to a deed of cross guarantee pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (as amended).

The intra-group loans identified above are those between members of the Flight Centre Group, where the borrower is a party to a deed of cross guarantee pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (as amended) which the Flight Centre Group has in place. Interest paid on those loans is at an arm's length rate, and as at 31 December 2021 was set at a margin of 2.95% above 3 month LIBOR or other equivalent benchmark rate.

The table above does not include contingent liabilities, such as guarantees and letters of credit.

Benchmark 5: Loan portfolio

The Issuer is not required to report against this criterion as it does not (either directly or through a related body corporate) on-lend money raised through the issue of Unsecured Notes.

Benchmark 6: Related party transactions

The Issuer is not required to report against this criterion as it does not (either directly or through a related body corporate) on-lend money to related parties raised through the issue of Unsecured Notes.

Benchmark 7: Valuations

The Issuer is not required to report against this criterion as it does not loan money for property related activities.

Benchmark 8: Lending principles – loan to valuation ratios

The Issuer is not required to report against this criterion as it does not loan money for property related activities.

5. Trust Deed

The Unsecured Notes are issued pursuant to and subject to the terms and conditions of the Trust Deed including the general conditions found in Schedule 1 of the Trust Deed and the special conditions in Schedule 3 of the Trust Deed (in the latter case as set out in the Unsecured Note agreement which forms part of the application form). The key provisions of the Trust Deed are described below.

5.1 Covenants by the Issuer

The Issuer has covenanted to use its best endeavours to carry on and conduct its business in a proper and efficient manner, to make available accounting or other records of the Issuer to the Trustee, to give or cause to be given to the Trustee such information as the Trustee requires with respect to all matters relating to the accounting and other records of the Issuer, to duly comply with all applicable requirements of the Corporations Act applicable to it and to do certain other things which are usual in a Trust Deed of this nature.

5.2 Events of default

The principal and distributions from time to time payable on the Unsecured Notes will, at the option of the Trustee, become due and be payable in cash immediately upon the

occurrence of certain events of default. The events of default include, but are not limited to, the following:

- the Issuer defaults in repayment or redemption of an Unsecured Note within 30 days after payment becomes due in accordance with the Special Conditions of Issue;
- the Issuer does not pay any other money owing which becomes due and payable by the Issuer pursuant to the Trust Deed within 30 days after it becomes due for payment;
- default is made by the Issuer in the performance or observance of any covenant, condition or provision under the Trust Deed and, where such default is capable of remedy, such default is not remedied within 30 days;
- an order is made, or a resolution is passed, for the winding up of the Issuer; and
- other events relating to insolvency, external administration, compromise with creditors and ceasing to carry on the Issuer's business.

5.3 Trustee's powers

The Trustee may exercise certain powers in the interests of the Unsecured Noteholders. These powers may include, but are not limited to, the following:

- waive any breach or non-compliance by the Issuer under the Trust Deed;
- delegate its powers or discretions;
- apply to the court for directions in relation to any questions arising either before or after the Unsecured Notes become repayable;
- convene a meeting of Unsecured Noteholders; and
- represent the Unsecured Noteholders generally in any investigation, negotiation, demand, action, transaction or proceeding and in so doing has an absolute discretion to act or to refrain from acting as it thinks fit.

Subject to the Corporations Act, the Trustee has absolute and uncontrolled discretion as to the exercise of all its powers, authorities and discretions and in the absence of fraud, wilful default or breach of trust, on the part of the Trustee, the Trustee will not be responsible for any loss, costs, damage or inconvenience that may result from the exercise or non-exercise of such powers, authorities or discretions.

5.4 Trustee may determine disputes

The Trustee may as between itself and the Unsecured Noteholders determine all questions and matters of doubt arising in relation to any of the covenants, provisions and obligations of the Trust Deed.

5.5 Alterations to Trust Deed

The Trustee and the Issuer may by deed make any alteration, modification or addition to the Trust Deed if (in the opinion of the Trustee) such alteration:

- is made to correct a manifest error or is of a formal or technical nature only;

- is necessary or expedient for the purpose of enabling the Issuer to continue to be listed for quotation with ASX or to comply with the provisions of any statute;
- is required by or in consequence of any amendment to the Corporations Act and is not prejudicial to the interests of Unsecured Noteholders;
- is considered by the Trustee not to be or to be likely to become prejudicial to the interests of the Unsecured Noteholders;
- is necessary or expedient to enable the Issuer to claim any deduction or rebate for income tax purposes in respect of the interest payable on any Unsecured Note; or
- is necessary or expedient for the purpose of facilitating the issue of Unsecured Notes and would not prejudice the rights of existing Unsecured Noteholders.

Otherwise the Trust Deed may be altered or modified with the approval of a special resolution of Unsecured Noteholders.

5.6 Redemption

The Issuer may terminate any particular Unsecured Noteholder's Unsecured Note Agreement and redeem the Unsecured Note related to that Unsecured Note Agreement at any time upon the provision of at least 14 days' notice to the Unsecured Noteholder and the Trustee.

5.7 General conditions applying to Unsecured Notes

Schedule 1 of the Trust Deed sets out the general conditions applying to the Unsecured Notes including the following:

- where the Unsecured Noteholder holds the Unsecured Note Certificate, the surrender to the Issuer of the Unsecured Note certificate is a condition precedent to the right of an Unsecured Noteholder to receive payment of the principal. There is a mechanism provided for the re-issue of worn out, defaced, lost or destroyed certificates; and
- subject to the Special Conditions of Issue and the Corporations Act, Unsecured Noteholders are entitled to transfer the whole or part of any part of their Unsecured Notes by an instrument in writing in the usual common form or any form which the Issuer and the Trustee approve. No transfer of any Unsecured Notes will be registered in favour of a person who is, amongst other things, not otherwise a person who may make a loan to the Issuer under the Trust Deed. Every instrument of transfer duly stamped (if required) must be delivered to the Issuer for registration accompanied by the relevant Unsecured Note certificate and such other evidence as the Issuer requires to prove the title of the transferor.

5.8 Unsecured Note agreement

The special conditions of the Unsecured Notes (***Special Conditions of Issue***) are contained in the Unsecured Note agreement (a specimen of which is set out in Schedule 3 to the Trust Deed) and have been discussed in section 3 of this Prospectus. The Unsecured Note agreement forms part of the application form.

5.9 Trustee's indemnity and liability

The Issuer indemnifies the Trustee under clause 12 of the Trust Deed in respect of all liabilities and expenses of acting as trustee, and in particular of enforcing performance of the provisions of the Trust Deed.

Under clause 13 of the Trust Deed, to the extent permitted by section 283DB of the Corporations Act, a liability or obligation arising under or in connection with the Trust Deed is limited to and can be enforced against the Trustee only to the extent to which it can be satisfied out of the trust fund under the Trust Deed out of which the Trustee is actually indemnified for the liability. This does not apply to any liability of the Trustee as a result of a Trustee default, being the Trustee's fraud, negligence, wilful default, wilful misconduct, failure to act in accordance with proper instructions, or breach of section 283DA of the Corporations Act. Clause 13 of the Trust Deed sets out other limitations on the Trustee's liability to Unsecured Noteholders, including, to the extent permitted by section 283DB of the Corporations Act, a waiver of rights and release in favour of the Trustee by the Unsecured Noteholders in respect of any loss or damage which they may suffer as a result of any breach by the Trustee of any of its obligations or non-performance by the Trustee of any of its obligations, and which cannot be paid or satisfied out of the trust fund under the Trust Deed of which the Trustee is entitled to be indemnified in respect of any liability incurred by it as trustee of the trust established under the Trust Deed. This waiver of rights and release in favour of the Trustee by the Unsecured Noteholders is also of no application in respect of any liability of the Trustee as a result of Trustee default (defined above).

5.10 Trustee's role

The Trustee holds Australian financial services licence number 428289. The Trustee has obligations and duties under the Trust Deed and the Corporations Act, which the Trustee has agreed to undertake and perform. Neither the Trustee nor any of its directors, employees, officers or related body corporates (each, a **Related Person**) guarantee performance by the Issuer of its obligations under the Trust Deed or the conditions of the Unsecured Notes.

The Trustee has not authorised or caused the issue, submission, dispatch or provision of this Prospectus and takes no responsibility for any part of this Prospectus. The Trustee does not, nor does any Related Person, make any representations as to the truth or accuracy of the contents of this Prospectus other than the parts which refer directly to the Trustee. To the maximum extent permitted at law, the Trustee does not, nor does any Related Person, make any representation regarding or accept any responsibility for, and expressly disclaims all liability in respect of, any statements or omissions in or from any other parts of this Prospectus, other than the references to its name and the statements included in this Prospectus with its written consent.

The Trustee is not involved in the promotion of the issue of the Unsecured Notes and gives no express or implied recommendation or other statement in respect of the issue of the Unsecured Notes or as to whether or not the Unsecured Notes are a suitable investment for any person.

Melbourne Securities Corporation Limited (ACN 160 326 545) acting as trustee under the Trust Deed is not to be read or construed as an endorsement of the Unsecured Notes or

any investment represented by the Unsecured Notes. Each applicant for an Unsecured Note must:

- make their own assessment as to whether or not an investment in the Unsecured Notes is a suitable form of investment for them having regard to their personal, financial, taxation and other relevant circumstances and taking into account any other proposed terms and conditions of the Unsecured Note;
- seek their own financial, taxation and other relevant advice in determining whether or not to make an investment in the Unsecured Notes taking into account any other proposed terms and conditions of the Unsecured Note; and
- make their own decision whether or not to invest in Unsecured Notes taking into account any other proposed terms and conditions of the Unsecured Note and without reliance on any recommendation, statement, opinion, forecast or other representation (whether positive or by omission) by or on behalf of the Trustee.

Other than the parts of this Prospectus that refer directly to the Trustee or to the provisions of the Trust Deed, the Trustee has relied upon the Issuer for the accuracy of the content of this Prospectus. The Trustee does not make any representations as to the performance of the issue, the maintenance of capital or any particular rate of return.

6. Information with respect to the Issuer

6.1 Information incorporated by reference

The information contained in each of the documents referred to below is incorporated in, and forms part of, this Prospectus:

- the director's report and audited financial statements for the Flight Centre Group for the financial year ending 30 June 2021 (**2021 Annual Report**);
- the director's report and reviewed financial statements for the Flight Centre Group for the half year ended 31 December 2021; and
- the Trust Deed.

Copies of the above documents have been lodged with ASIC and are available for inspection during usual business hours at the Issuer's registered office at Southpoint, 275 Grey Street, South Brisbane, Queensland, 4101.

The Issuer will provide, free of charge upon written request to the Company Secretary, a copy of any or all of the above documents.

6.2 Announcements to ASX

The Issuer is required by the Corporations Act and the Listing Rules to inform ASX of information concerning the Issuer that a reasonable person would expect to have a material effect on the price or value of the Issuer's securities.

Announcements made by the Issuer to ASX are available from ASX's website (under the Issuer's ticker code: FLT) at www.asx.com.au.

7. Key risks

7.1 Overview

This section identifies the major risks associated with an investment in Unsecured Notes.

The Issuer's business is subject to risk factors, both specific to its business activities and of a general nature. Such risks could affect the future operating performance of the Issuer and, in turn, the Issuer's ability to perform its obligations under the Unsecured Notes. Accordingly, an investment in Unsecured Notes should be considered in light of relevant risks, as set out below.

Before deciding to invest in Unsecured Notes, you should:

- read the entire Prospectus;
- consider risk factors that could affect the financial performance of the Issuer;
- review these factors in light of your personal circumstances; and
- seek professional advice from your accountant, financial adviser, lawyer or other professional adviser before deciding whether to invest.

The risks identified in this Prospectus are not an exhaustive list of the risks faced by the Issuer. These factors and others not addressed in this Prospectus may materially affect the financial performance of the Issuer and its ability to repay Unsecured Notes issued under this Prospectus.

7.2 COVID-19 pandemic

The COVID-19 pandemic has materially adversely affected, and may continue to adversely affect for the foreseeable future, the Issuer's business and financial performance.

The events relating to COVID-19 have resulted in unprecedented restrictions on domestic and international travel, major reductions in airline capacity and general disruption to the tourism sector. This has caused a decline in demand for domestic and international travel and tourism services and an increase in travel cancellation rates, which has had a significant short term impact, and is expected to have a significant medium to long term impact, on the Issuer's domestic and global businesses and operations. Most affected is the demand for the Issuer's services, which has reduced visibility on future earnings and cash flows, and has led to a material decline in revenues and profitability.

It is anticipated that the travel industry and its business will continue to be materially adversely affected while travel bans and other government restrictions and mandates remain in place and/or continually change. There is continued uncertainty as to the duration and further impact of the COVID-19 pandemic (including new variants of the virus), including but not limited to government, regulatory and/or health authority actions, work stoppages, lockdowns, quarantines, domestic and/or international travel restrictions including border closures, and the impact on the Australian and the global economy.

To the extent that the COVID-19 pandemic continues to materially adversely affect the Issuer's business and financial performance, it may also have the effect of exacerbating many of the other risks identified in section 7 of this Prospectus.

7.3 General economic conditions

The Issuer's operating and financial performance is influenced by a variety of general economic and business conditions in Australia and overseas. A significant proportion of the Issuer's operations are in Australia, New Zealand, Asia, North America, South America, the United Kingdom, Europe, the Middle East and Africa. A prolonged deterioration in macroeconomic conditions, including changes in inflation rates, employment levels, economic output, tightening credit markets, global energy and fuel prices, the ongoing effects of geopolitical risks including wars, terrorism, and any related sanctions, and a general decrease in consumer and business demand, would each likely have a material adverse effect on the Issuer's business and/or financial condition.

7.4 Tourism industry

The Issuer's operating and financial performance is dependent on the health of the travel and tourism industry generally. A decline in the domestic and international tourism industry, whether as a result of a particular event (such as a geopolitical risks including wars, civil unrest, nuclear threats, terrorist attacks, associated sanctions, outbreaks including COVID-19, SARS or other disease pandemic or epidemic, or natural disasters, such as floods, bushfire, earthquakes and volcanic ash clouds) or economic conditions (this risk is described above and includes the risk of a decrease in consumer and business demand), would have a material adverse effect on the Issuer's operating and financial performance.

Transitioning to a lower-carbon economy may also entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. Physical risks resulting from climate change can be event driven or longer term shifts in climate patterns and may have financial implications for the Issuer, such as indirect impacts from supply chain disruption and travel patterns and habits of customers. There is uncertainty about how the Issuer's customers will respond to the effects of climate change (and therefore on possible changes in customer demand).

7.5 Financial risk

The COVID-19 pandemic has resulted in a significant short term impact and is expected to have a very significant medium to long term impact on the Issuer's business and operations and in particular, the demand for its services, which has reduced visibility on future earnings and cash flows, and has led to a material decline in revenues. The Issuer has processed a large volume of refunds since the start of the COVID-19 pandemic.

The high volume of cancellations and refund requests during the COVID-19 crisis if domestic and international borders continue to open and close places significant strain on the Issuer's cash flows and resources and its refunds policies and procedures in general in responding to and processing customer requests for refunds and the return of customer monies, which has had and is expected to continue to have an adverse impact on the Issuer's operational and financial performance.

Customers of the Issuer's group may seek a chargeback (or reversal) for certain types of card purchases (in general, or specifically in relation to certain events, such as the COVID-19 pandemic and the associated government actions and travel cancellations). Such actions may place a significant strain on the Issuer's operations and financial resources.

There is no certainty that demand for the Issuer's services will normalise to a level existing prior to the impact of COVID-19 (or how long such normalisation could take), even once all domestic and international travel restrictions are lifted.

The Issuer's ability to continue its current operations and effectively implement future business plans may depend on its ability to raise additional funds. There is no guarantee that equity or debt funding will continue to be available to the Issuer on favourable terms or at all or that, when an existing facility, convertible bond instrument or any other instrument expires, matures or is otherwise terminated (e.g. due to an event of default), the Issuer will be able to refinance that debt facility, convertible bonds or instrument on reasonable terms or at all.

An inability to raise additional funds or refinance existing facilities, convertible bond or other instrument may have a material adverse effect on the Issuer's operating and financial performance and its ability to repay Unsecured Noteholders.

The Unsecured Notes are unsecured obligations and will rank behind the claims of the Issuer's secured creditors and payments under the Unsecured Notes will be structurally subordinated to liabilities and obligations of the subsidiaries of the Issuer. The Unsecured Notes are unsecured obligations of the Issuer ranking pari passu and rateably, without any preference among themselves. The payment obligations of the Issuer under the Unsecured Notes will rank equally with all its other existing and future unsecured and unsubordinated obligations, save for such obligations that may be preferred by provisions of law that are mandatory and of general application. The repayment of the Notes may be compromised if (i) the Issuer enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings, (ii) there is a default in payment under the Issuer's future secured indebtedness or other unsecured indebtedness, or (iii) there is an acceleration of any of the Issuer's indebtedness. If any of these events occur, the Issuer's assets may not be sufficient to pay amounts due on the Unsecured Notes.

7.6 Decreased profits

Interest on the Unsecured Notes is calculated by reference to the relevant shop or business unit revenues, profits or some other metric. Accordingly, an Unsecured Noteholder's return on the Unsecured Notes will be affected by anything which affects the revenues, profitability etc. of the relevant shop or business unit. The Issuer does not promise or guarantee any particular return on the Unsecured Notes. Each of the risks identified in section 7 of this Prospectus may materially impact the revenues, profitability etc. of the relevant shop or business unit.

7.7 Credit-associated risk

The Issuer may be exposed to counterparty credit risk arising from its operating activities as its current cash flow and ability to generate revenue is heavily reliant on arrangements with customers and suppliers. The Issuer is exposed to credit risks arising from any payment failures due to the deterioration in the creditworthiness of, or as a consequence of a bankruptcy or insolvency proceeding, affecting its debtors including corporate customers, suppliers and travel services providers (such as airlines, tour operators, cruise lines, hotels, etc.). Customers may also seek a chargeback (or reversal) for certain types of card purchases and such actions may place a significant strain on the Issuer's operations and financial resources.

The Issuer's credit facilities and borrowings contain various covenants which, if not waived or complied with, could result in rights exercisable by the financiers against the Issuer, including an acceleration of such facilities. The continued compliance with these covenants depends on a number of external factors.

In the event that the Issuer breaches any financial covenants in the future and its financiers do not waive such breaches, its financiers may have the right to accelerate the principal and interest payments relating to the facilities in breach. This could trigger cross default and/or cross acceleration provisions in other financing arrangements under which the Issuer is a borrower. Such events may also lead to an event of default under the terms and conditions of the Unsecured Notes.

7.8 Supplier and customer risk

The Issuer's business activities and financial performance are reliant on suitable contractual arrangements being negotiated with major airlines, global distribution system ('GDS') providers, and other suppliers of goods and services, as well as on winning and retaining customers. A dispute, or a breakdown in the relationship, between the Issuer and its suppliers or customers, a failure to reach a suitable arrangement with a particular supplier or customer, or the failure of a supplier or customer to pay or otherwise satisfy its contractual obligations (including as a result of insolvency), could have an adverse effect on the reputation and/or the financial performance of the Issuer.

7.9 Competitor and consumer risks

Competition

The Issuer's businesses operate in a highly competitive industry. The Issuer's competitors comprise established and emerging online and traditional sellers of travel-related services. The Issuer's competitors may increase their product offering or value proposition to compete with the Issuer on a larger scale. If the Issuer fails to continuously innovate to remain competitive, its revenues and operating results could suffer.

Consumer patterns

Changes in customer patterns with respect to products may adversely affect the Issuer. The Issuer's business and financial condition may be affected by changes in customer patterns and preferences in relation to its product offerings. If trends away from the Issuer's offering were to continue and the Issuer fails to achieve sales of such substitute products in volumes similar to its pre-COVID-19 flight and hotel sales volumes, this could have a material adverse effect on the Issuer's business. The operational and financial challenges associated with COVID-19, the associated impact on the travel and tourism industry and the Issuer's response to these challenges, including its cancellation policies and processing times, could impact upon customer satisfaction and loyalty, the reputation of the Issuer and its ability to attract customers in future. A loss of customer satisfaction or loyalty may also materialise as a result of changing community travel and/or service expectations, activism in relation to particular travel destinations or activities which are booked through the Issuer, and in the event that the Issuer's employees fail to comply with approved customer service, pricing and cancellation policies.

7.10 Business systems risk

IT systems & privacy / data protection

The Issuer relies heavily on the performance, reliability and availability of its information technology, communication and other business systems, which are subject to network interruption and system outage risks that could have a negative impact on the quality of the services offered by the Issuer and, as a result, on demand from consumers and revenue. The disruption caused to operations as a result of the COVID-19 pandemic and the Issuer's increased dependency on remote working arrangements have resulted in a significant increase in the reliance on the performance and availability of the Issuer's remote working and collaboration systems, and interruption to these services could have an adverse impact on the Issuer's operations, financial performance and reputation. Any damage to, or failure of, the Issuer's key systems (on either the supplier or Issuer side) may result in disruptions to the Issuer's business (especially its online services). Any failures of, or malicious attacks on, the Issuer's business systems, or any compromise to the security of data (including any personal information / data) held by the Issuer (for example, because of cyberattacks), may similarly impact both the Issuer's business and its reputation and the results of its operations. Financial penalties for data breaches can also be significant, which if levied on the Issuer could have a material adverse effect on the reputation, the financial performance of the Issuer, customer losses and liability claims or class action lawsuits against the Issuer. A cyber security incident affecting the third parties on which the Issuer relies upon could expose the Issuer or its customers to a risk of loss or misuse of customer data and significantly damage the Issuer's reputation and may have a material adverse impact on the financial performance and operations of the Issuer.

The Issuer's systems contain large amounts of customer data (including name, address and financial data details), as well as the data of employees, end customers, and suppliers as part of its business and therefore it must comply with the strict data protection and privacy laws in jurisdictions in which it operates. While the Issuer uses security technologies and processes to limit access to such data, and places a strong focus on developing processes to protect such data, such measures cannot guarantee absolute security given conditions including the constantly developing and pervasive nature of the cyber threat landscape, unknown security vulnerabilities and unavoidable human error.

In addition, the majority of key systems are operated under third party licenses and the Issuer will require new licenses or extended existing licenses in the future. Failure to secure appropriate licensing arrangements may impact revenue adversely and could lead to delays in product introductions and loss of substantial resources whilst the Issuer attempts to secure alternate technical offerings, including from appropriate third party suppliers, which could impact the financial performance of the Issuer and in turn materially adversely affect the Issuer's business and financial condition and the results of its operations. The costs of licenses may also increase.

Credit cards

The Issuer is subject to risks associated with processing credit card and other payment transactions and failure to manage such risks may subject the Issuer to fines, penalties and additional costs and could have a material adverse impact on its business and financial condition and the results of its operations.

The Issuer is also subject to payment card association operating rules, including data security rules and certification requirements, which could change or be reinterpreted to make it difficult or impossible for the Issuer to comply. If the Issuer fails to comply with these rules or requirements or if its data security systems are breached or compromised, the Issuer may be liable for card issuing banks' costs, be subject to fines and higher transaction fees, lose its ability to accept credit and debit card payments or facilitate other types of online payments, and/or suffer reputational damage and the loss of customers.

Intellectual property

The Issuer's intellectual property rights and information technology systems are valuable and any inability to protect or maintain them could reduce the value of the Issuer's products, services and brand and licensing risk.

7.11 Loss of key staff and staff turnover

The Issuer is dependent upon the experience of its Directors, key senior management and staff generally. The loss of any of key personnel (i.e. by death, total or permanent disablement or resignation), as well as high staff turnover, could cause disruption to the conduct of the Issuer's business in the short term and negatively affect the Issuer's operating and financial performance.

7.12 Growth strategy execution and business model disruption

The Issuer may not be able to execute effectively the strategies for its current and future acquired businesses. Planned growth through expansion of existing business could expose the Issuer to additional or unforeseen costs, which may strain financial or management resources. There is also a risk of disruption to the Issuer's business models and/or those of its suppliers due to factors that are outside the control of the Issuer. Such disruption could adversely impact the Issuer's reputation and financial performance.

7.13 Acquisition and investment risk

From time to time, the Issuer evaluates acquisition and divestment opportunities. Any past or future acquisitions or disposals would cause a change in the sources of the Issuer's earnings and result in variability of earnings over time. Integration of new businesses may be costly and occupy management's time. The financial performance of investments and the economic conditions they operate within may result in investment impairment should the recoverable amount of the investments fall below their carrying values.

7.14 Legal and compliance risks

The risk of litigation and claims is a general risk that applies across the Issuer's business. The Issuer operates a global business and from time to time in the ordinary course of its business it receives enquiries from various regulators and government bodies and is also subject to various claims and litigation from third parties. The Issuer is of the opinion that no material contingent liability for any such claims or litigation currently exists.

The Issuer may be subject to litigation and claims by employees individually, or as part of a class action or trade union organisation, or investigations and enforcement proceedings by regulatory bodies, in the various jurisdictions in which it operates. The Issuer may be subject to litigation, class actions (including consumer / customer class actions, securities / shareholder class actions), and other claims and disputes in the course of its business in each of the jurisdictions it operates, including contractual disputes, indemnity claims,

consumer actions, personal injury claims, regulatory enforcement actions, claims in relation to compliance with laws including taxation, sanctions, anti-money laundering and anti-bribery, claims in relation to technology failures, data breaches and information security incidents and claims in relation to creative content. The Issuer may become subject to intellectual property infringement claims, including patent, copyright, trade secret, and trademark infringement claims. Litigation may be required to determine the validity and scope of the intellectual property rights of others.

In many of the jurisdictions in which the Issuer operates, governments have implemented various new laws or regulations to deal with employee related impacts of the COVID-19 pandemic (such as sick leave and paid time off) and, in some jurisdictions, regarding the health and safety of employees and/or customers, including vaccine mandates in the workplace. As such, there is a risk that the Issuer will be exposed to disputes, claims, litigation and industrial relations issues as a result of these requirements including in relation to vaccine mandates, discrimination, and various forms of workplace health and safety claims.

Damages (or any other awards, orders, settlements, penalties or costs), defence and settlement costs can be significant, even in respect of claims that have no merit, and can divert the time and attention of the management away from the business. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Issuer's business and prospects.

7.15 Regulatory risk

Regulatory action against the Issuer under legislation and government policy may adversely affect the Issuer. For example, as a retailer of travel and travel-related products, the Issuer engages in extensive promotional and other advertising activities and processes its employees' and customers' personal information / data. The Issuer's cancellation and refunds policies and procedures and/or the imposition of cancellation fees or charges by the Issuer or its contracted travel services providers during the COVID-19 crisis may also continue to expose the Issuer to regulatory scrutiny or other action, adverse media attention, consumer actions (including class actions) and/or cause reputational damage to the Issuer. Any regulatory or other action taken against the Issuer or its employees in relation to the conduct of the Issuer or its employees may have adverse effects on the reputation of the Issuer or on the Issuer's operating and financial performance.

A variation in legislation and government policy may also affect the Issuer and the business environment in which it operates. Any variation in legislation or government regulation and policy as regards the travel industry (or travel agencies more specifically) may also affect the Issuer and the business environment in which it operates. Legislative changes could directly and indirectly alter consumer demand for and consumer attitudes towards international or domestic travel. In particular, privacy, data protection, anti-money laundering, counter-terrorism financing, and sanctions compliance have been the subject of significant regulatory change and enforcement in recent years. A failure to operate a program to combat money laundering, bribery and terrorist financing or to ensure compliance with economic sanctions could have serious legal and reputational consequences for the Issuer and its employees. Consequences can include large fines, criminal and civil penalties, civil claims, reputational harm, and limitations on doing business in certain jurisdictions. Any new or altered laws or regulations which affect the Issuer's business could require the Issuer to increase spending and employee resources

on regulatory compliance and/or change or restrict the Issuer's business practices, which could adversely affect the Issuer's operations and profitability. Moreover, COVID-19 continues to present ongoing compliance challenges in connection with the capture, storage and processing of sensitive health personal information. In the absence of clear government mandates and/or internationally agreed standards, any future requirements around the storage and processing of such data (particularly in the form of COVID-19 vaccination information) represents an area of future and evolving risk. There will be costs associated with implementing technical and organisational measures to manage these privacy risks that are presently unknown. Costs (in the form of contractual damages, regulatory penalties and/or remediation expenses) may also arise should the technical and organisational measures adopted by the Issuer ultimately be deemed insufficient.

7.16 Reputation risk

The Issuer's business depends on its strong reputation and the value of its brand. The Issuer's brand equity is essential to ongoing growth. The Issuer considers its reputation for trustworthiness and integrity as important in maintaining customer goodwill and confidence for its operations and products. Unforeseen issues or events which place the Issuer's reputation at risk may impact on its future growth and profitability and its ability to compete successfully, and result in adverse effects on its future business plans.

7.17 Insurance risk

The Issuer has taken up insurance policies for certain risks in accordance with industry standards for a company of the size of the Issuer. However, there is no assurance that the Issuer's existing coverage will be sufficient to compensate it against all losses, or that insurers will continue to offer insurance products to certain sectors or industries on reasonable terms or at all. There are certain types of risks that are not covered by the insurance policies because they are either uninsurable or not economically insurable, including acts of war and acts of terrorism.

7.18 Taxation risks

A change to the current taxation regime in Australia or overseas, including changes in interpretation or application of the law by courts or taxation authorities, may affect the Issuer or the Unsecured Noteholders. Tax liabilities are the responsibility of each individual Unsecured Noteholder.

7.19 Currency and foreign exchange risk

The Issuer operates internationally and is exposed to foreign exchange risk arising from currency exposures on future cash flows. The Issuer actively measures these exposures and manages some of that exposure through currency hedges and derivative contracts. However, notwithstanding those measures, the movement of foreign exchange rates and/or any other economic factors could still have an adverse effect on the Issuer's operating and financial performance.

7.20 Interest rate risk

Changes in interest rates will affect borrowings which bear interest at floating rates. Any increase in interest rates will affect the Issuer's costs of servicing borrowings, and may affect the relative strength of the Australian dollar against other currencies which could

materially and adversely affect the Issuer's earnings, financial performance and position. Changes in interest rates will have an impact on interest-earning investments held by the Issuer, where a reduction in interest rates will reduce the interest income earned, which could materially affect the Issuer's earnings, financial performance and position.

7.21 Changes in accounting policy

The Issuer must report and prepare financial statements in accordance with prevailing accounting standards and policies. There may be changes in these accounting standards and policies in the future which may have an adverse impact on the Issuer. The Issuer has previously assessed and disclosed, and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.

7.22 Investment risks

The Issuer invests funds it receives in the course of conducting its business.

The value of those investments or the return on them may rise or fall as a result of circumstances beyond the Issuer's control, including general economic conditions in Australia or overseas.

8. Meaning of profit and profit improvements for purposes of Unsecured Notes

Profit, loss, or profit improvement for a period shall be determined as the management profit, loss or profit improvement for the relevant period, calculated pursuant to the relevant Brand Profit Calculation Methodology. The Brand Profit Calculation Methodology for each brand is determined by the Chief Financial Officer of the Issuer. The Issuer will notify the Unsecured Noteholder of any major change in the Brand Profit Calculation Methodology relevant to the brand and business unit to which the Unsecured Note relates.

Profit of each business unit is calculated as if that business unit was a "stand alone" operation. The expense components used in determining profit are partly influenced by the manager of that business unit and partly by the Issuer.

Examples of areas where the Issuer has significant influence are:

- the Issuer from time to time negotiates various deals with airlines, wholesalers, insurance brokers, reservation system providers and other related travel product providers and all business units have access to these deals;
- the Issuer determines half-yearly internal fees which are charged out (on a monthly basis) to its business units for the following:
 - accounting and legal services;
 - payroll and banking;
 - advertising;
 - computer support;
 - shop fit out;
 - management fees for "Country" and global support;
 - conferences; and

- training; and
- salary related expenses:
 - the business unit is responsible for all statutory costs related to employment of persons in that business unit, including annual leave, long service leave, payroll tax and superannuation within the Issuer's general policy from time to time and legal requirements; and
 - the business unit is responsible for paying employees as per the Issuer's salary structure from time to time and legal requirements.

9. Additional Information

9.1 No costs and fees

Investors in Unsecured Notes pay no brokerage, stamp duty or other charges on lodgement of their investment. Any stamp duty on the application for or issue of the Unsecured Notes will be paid by the Issuer.

9.2 Interests of Directors

Other than as described below and in the 2021 Annual Report, no Director and no firm in which a Director of the Issuer is a partner has any interests in the promotion or formation of, or any property proposed to be acquired by, the Issuer, nor have any amounts in cash or shares or otherwise been paid or been agreed to be paid to any Director of the Issuer (or to any firm of which he is a partner), to induce him to become or to qualify him as, a Director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Issuer.

At no time will any Director be offered, be issued with, or have any beneficial interest in Unsecured Notes that are, will be or have been issued pursuant to this Prospectus.

Directors are paid remuneration for their services as directors of the Issuer as set out in rule 51 of the constitution of the Issuer and, in the case of executive directors, under service agreements.

9.3 Warranty

The applicant warrants to the Issuer that any proposed Unsecured Noteholder which is a non-natural person (for example, a company, family trust or superannuation fund trustee of the applicant):

- has not contracted with Flight Centre to provide the management services (such as by being "*independent contractor*") to a Flight Centre business; and
- is not engaged in the business of holding or dealing in debt securities.

9.4 Unsecured Noteholder to provide certain information

If requested by the Issuer, the Unsecured Noteholder agrees, and it is a condition of the issue of the Unsecured Notes, to provide certain information required by it or the Trustee in order to comply with any applicable law, including the United States *Foreign Account Tax Compliance Act* (FATCA).

9.5 Directors' statement

The Directors report that, after making due inquiry, since 31 December 2021 there have not been any circumstances that have materially affected or will materially affect the profitability or the value of the assets and liabilities of the Issuer or the Flight Centre Group, except as disclosed in this Prospectus (see particularly section 6.2).

9.6 Statutory information

Subject to the earlier provisions of this Prospectus, the Issuer will, within two months of accepting an application form, issue the investor with a certificate acknowledging the indebtedness of the Issuer for the face value of the Unsecured Note issued.

Each of Ernst & Young and Baker & McKenzie has given and not withdrawn its consent to being named in this Prospectus in the form and context in which it is named. Neither Ernst & Young nor Baker & McKenzie has authorised or caused the issue of this Prospectus and neither takes any responsibility for any part of this Prospectus. Ernst & Young has also given and not withdrawn its consent to the issue of this Prospectus with the inclusion (by reference) of its audit report on the financial statements for the year ended 30 June 2021 in the 2021 Annual Report and its review report on the financial statements for the half year ended 31 December 2021. To the fullest extent permitted by law, Ernst & Young does not accept any responsibility for the consequences of any reliance on its audit report on the financial statements for the year ended 30 June 2021 or its review report on the financial statements for the half year ended 31 December 2021 beyond that owed to whom those reports were addressed at the date of their issue.

The Trustee has given and not withdrawn its consent to being named in this Prospectus as Trustee for Unsecured Noteholders in the form and context in which it is named. The Trustee is paid a one-off fee of \$20,000 for its engagement, as well as an ongoing annual fee of \$50,000 (plus GST) plus 0.10% of the face value between \$25 million and \$150 million of Unsecured Notes on issue and 0.05% of the face value over \$150 million of Unsecured Notes on issue for acting as trustee and receives the benefit of clauses 12 and 13 of the Trust Deed described above.

The Trustee's role in the preparation of this Prospectus has been limited to reviewing the Prospectus to ensure its contents are not inconsistent with the provisions of the Trust Deed. The Trustee has had no involvement in the preparation of any part of this Prospectus and expressly disclaims and takes no responsibility for any part of, and has not caused or authorised the issue of, this Prospectus.

9.7 Privacy

The Unsecured Noteholder agrees that the Company may collect personal information (as defined in the *Privacy Act 1988* (Cth)) about the Unsecured Noteholder in connection with the Unsecured Note(s) to be issued under this Agreement. The Company may collect personal information directly from the Unsecured Noteholder or from the Company's internal business divisions (e.g. Flight Centre Payroll) and/or from the Company's related bodies corporate (e.g. Moneywise Global Pty Ltd (ACN 141 183 815) or P4 Finance Pty Ltd (ACN 151 234 605)).

The Unsecured Noteholder agrees that the Company may use such personal information, and disclose it to third parties (which may include overseas recipients), in connection with the issue and management of the Unsecured Note(s). Such third party recipients may

include the Company's related bodies corporate, Moneywise Global Pty Ltd (ACN 141 183 815) and P4 Finance Pty Ltd (ACN 151 234 605). Personal information disclosed to Moneywise Global Pty Ltd (ACN 141 183 815) will be handled in accordance with its Privacy Policy at <https://www.moneywiseglobal.com/privacy-policy-moneywise-global/>. Personal information disclosed to P4 Finance Pty Ltd (ACN 151 234 605) will be handled in accordance with its Privacy Policy at <http://www.p4finance.com/sites/p4finance.com/files/P4-Privacy-Policy.pdf?20210721& sm au =iVVgFS6VVgvJMFB7>.

The Company may disclose personal information of the Unsecured Noteholder to the Trustee. The Trustee collects personal information about the Unsecured Noteholder for the primary purpose of providing trustee services to the Company and for ancillary purposes detailed in the Trustee's Privacy Policy. The Trustee may disclose personal information, such as name and contact details, along with relevant account information, to its related bodies corporate, the Company, professional advisers, and/or as otherwise instructed by the Company. The Trustee is also permitted to collect and disclose personal information when required or authorised to do so by law. The Trustee is not likely to disclose personal information to overseas recipients. Personal information held by the Trustee will be used in accordance with the Trustee's Privacy Policy. The Trustee's Privacy Policy contains information about how an individual may access or correct their personal information held by the Trustee and how they may complain about a breach of the Australian Privacy Principles by the Trustee. The Trustee's Privacy Policy is available at <https://www.msc.group/privacy-policy/>.

10. Personalised application forms and instructions

Accompanying this Prospectus is your personalised application form. If invited to do so by the Issuer, applicants should complete all relevant sections on the application form provided, sign and return it to the registered office of the Issuer. Applications should be made only on the application form accompanying the Prospectus. Photocopies of this application form will not be accepted. The minimum investment is A\$20,000. The percentage and the relevant shop (or other business unit) in respect of which interest calculations will be made under condition 6 of the Special Conditions of Issue are nominated in the personalised application form. Where payment is made by cheque, it must be in Australian currency (drawn on an Australian bank) and made payable to "Flight Centre Travel Group Limited", crossed not negotiable and attached securely to the front of the application form.

An applicant may, with the prior approval of the Issuer, nominate in writing a legal entity over which the applicant has effective control to be the holder of the Unsecured Note. This nomination may be made by inserting the name of the approved holder in the space indicated on the application form. The application form requests applicants or approved holders to complete a postal address for all correspondence. All communications to the holder from the Issuer or the Trustee will be mailed to the address as shown. Applicants should also include their telephone number, area code and contact name to assist the Issuer or the Trustee in the event that they need to contact the applicant in relation to their application. For advice on investing in these Unsecured Notes, applicants should consult their independent financial adviser. Applicants should also enter their Australian tax file number or exemption category in the box provided. Collection of tax file numbers is

regulated by law. Quotation of tax file numbers is not compulsory and will not affect this application.

Applicants should obtain their own advice regarding the taxation impacts of holding Unsecured Notes. None of the Issuer, the Directors or other members of the Flight Centre Group or the Trustee, or any member of the Trust Group, takes any responsibility for advising investors as to their tax position or the taxation impacts of holding Unsecured Notes.

By signing the application form, applicants will be signing a document which will be legally binding on them on acceptance by the Issuer in accordance with the terms of the Trust Deed (and in particular the Special Conditions of Issue set out in the application form) and this Prospectus. By signing the application form, applicants also consent to the Unsecured Note certificates being in electronic format.

The following information will be set out in each personalised application form:

- the name of the applicant (Schedule 1);
- the name of any other person previously approved by the Issuer to hold the relevant Unsecured Note;
- the name of the relevant shop / business unit to which the Unsecured Note will relate (Schedule 2);
- the face value of the Unsecured Note for which application is invited (being the face value of the Unsecured Note (Schedule 4);
- the basis on which the Unsecured Noteholder's entitlement to an interest distribution will be determined, including which Brand Profit Calculation Methodology will apply (Schedule 5); and
- the percentage rate proposed by the Issuer for use in the calculation of interest (Schedules 6 and 7).

11. Glossary

2021 Annual Report has the meaning given to that term in section 6.1 of this Prospectus;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Ltd (ACN 008 624 691);

Brand Profit Calculation Methodology means the accounting profit methodology paper to be used by each brand of the Issuer and which sets out the manner in which the accounting profit (or loss) or profit improvement of business units within each brand of the Issuer is to be calculated. The Brand Profit Calculation Methodology for each brand of the Issuer will be determined by the Chief Financial Officer of the Issuer, and may be varied from time to time (with prior notice to the Unsecured Noteholder);

Company Secretary means the secretary of the Issuer;

Directors means the directors of the Issuer;

Flight Centre Group means the Issuer and its controlled entities from time to time;

Funding Arrangement means an arrangement whereby a related financier funds the issue of Unsecured Notes to an Unsecured Noteholder;

Issuer or **Company** means Flight Centre Travel Group Limited (ACN 003 377 188);

Moneys Owning means the face value together with any distributions payable from time to time in respect of an Unsecured Note;

Note Loan has the meaning given to that term in section 3.5 of this Prospectus;

Prospectus means this prospectus dated 22 April 2022;

Regulatory Guide has the meaning given to that term in section 4 of this Prospectus;

Related Person has the meaning given to that term in section 5.10 of this Prospectus;

Special Conditions of Issue means the special conditions being schedule 3 to the Trust Deed, set out in full in the personalised application form with this Prospectus;

Trust Deed means the Unsecured Note Deed between the Trustee and the Issuer dated 19 April 2022 (as amended from time to time);

Trustee means the person from time to time acting as the trustee for the Unsecured Noteholders of the trust constituted by the Trust Deed (acting in that capacity), which is, at the date of this Prospectus, Melbourne Securities Corporation Limited (ACN 160 326 545);

Unsecured Noteholder has the meaning set out in the Trust Deed; and

Unsecured Notes means the unsecured debt securities to be issued by the Issuer pursuant to this Prospectus under the Trust Deed.

12. Corporate directory

Directors

Gary Smith (Non-executive Chairman)
Graham Turner (Managing Director)
John Eales (Non-executive Director)
Robert Baker (Non-executive Director)
Colette Garnsey (Non-executive Director)

Company secretary

David Smith

Registered Office

Southpoint, 275 Grey Street
SOUTH BRISBANE QLD 4101

Share Registrar

Computershare Investor Services Pty Limited
Level 1, 200 Mary Street
BRISBANE QLD 4000

Auditors

Ernst & Young

Level 51, 111 Eagle Street

BRISBANE QLD 4000

Solicitors

Baker & McKenzie

Level 8, 175 Eagle Street

BRISBANE QLD 4000

Trustee

Melbourne Securities Corporation Limited

Level 2, 395 Collins Street

MELBOURNE VIC 3000

Signature

This Prospectus is signed on behalf of the Issuer by Graham Turner who is authorised by the Directors to sign this Prospectus.



Graham Turner
Managing Director

Annexure

Application Form Unsecured Notes

UNSECURED NOTE AGREEMENT

THIS AGREEMENT is made the _____ day of _____ 20____
BETWEEN Flight Centre Travel Group Limited (ACN 003 377 188) (hereinafter called the **Company**) of Southpoint, 275 Grey Street, South Brisbane, Queensland, 4101,
AND the person referred to in Schedule 1 (hereinafter called the **Unsecured Noteholder**).

Acquisition of Unsecured Note

1. The Unsecured Noteholder agrees to take and the Company agrees to issue an Unsecured Note to the Unsecured Noteholder in relation to the business referred to in Schedule 2 (the **Business**) on the terms and conditions as herein set out and as set out in the Deed described in clause 10.
2. The face value of the Unsecured Note is to be as set out in Schedule 4.
3. The Unsecured Noteholder must be, at the date of this Agreement, either the manager (referred to in Schedule 3 and hereinafter called the **Manager**) of the Business or any legal entity of which the Manager has effective control, nominated in writing by the Manager. A copy of such nomination must be given to the Company prior to execution of this Agreement. However, the Manager is not entitled to be issued an Unsecured Note other than in relation to the Business of which they are the Manager.
4.
 - (a) Within 31 days after the date of this Agreement, the Unsecured Noteholder must pay to the Company an amount equal to the face value of the Unsecured Note set out in Schedule 4 in a manner acceptable to the Company (cash or cheque) as consideration for the acquisition of the Unsecured Note.
 - (b) As soon as is practicable after receiving this amount, the Company shall provide the Unsecured Noteholder with a Certificate evidencing the Unsecured Noteholder's ownership of the Unsecured Note stating the face value applicable to the Unsecured Note for distributions during the term of this Agreement and upon termination of this Agreement.
 - (c) If payment is not received by the Company within the required time, the Unsecured Noteholder will be deemed not to have been issued the Unsecured Note or any rights relating thereto, and this Agreement shall be voidable at the option of the Company.

Redemption of Unsecured Note

5. In addition to the circumstances referred to in clause 9, the Unsecured Note shall be redeemed for its face value together with all other Moneys Owing in accordance with this

Agreement, which shall be paid by the Company to the Unsecured Noteholder within 30 days or as otherwise specified in this Agreement, upon:

- (a) termination of the Manager's employment with the Company for any reason;
 - (b) notice in writing from the Unsecured Noteholder requesting redemption or repayment of the Unsecured Note;
 - (c) notice in writing from the Company advising that redemption or repayment of the Unsecured Note will occur on a certain date; or
 - (d) the 10th anniversary of the date of issue of the Unsecured Note,
- whichever occurs first.

Interest distribution on Unsecured Note

- 6. (a) The Unsecured Noteholder will be entitled to an interest distribution by reference to the Business in respect of the Unsecured Note held by the Unsecured Noteholder on the basis set out in Schedule 5. The applicable percentage rate(s) is (are) contained in Schedules 6 and 7 of this Agreement (as applicable to the Business).
- (b) If Schedule 6 of this Agreement applies to the Business, the period and financial criteria which are to be met in order for interest repayments to be made together with the details of how such interest payments will be calculated and made is set out in Schedule 6 of this Agreement (calculated pursuant to the relevant Brand Profit Calculation Methodology), and this will apply where there is profit or profit improvements of the Business. Interest payments will be made no less frequently than quarterly, in arrears, so long as the Unsecured Note continues.
- (c) If Schedule 7 of this Agreement applies to the Business, the period and financial criteria which are to be met in order for interest payments to be made together with the details of how such interest payments will be calculated and made is set out in Schedule 7 of this Agreement (calculated pursuant to the relevant Brand Profit Calculation Methodology), and this will apply where there is profit or profit improvements of the Business.
- (d) In the case of interest distributions to be made by reference to the management profits or profit improvements of the Business, interest on the Unsecured Notes is only payable by reference to the Business' profits or profit improvements, after accounting for prior period losses of the Business. In these instances, a profit or profit improvement of the Business for a given period includes a reduced loss position, or a return to profit position, for that period. Profit or loss for a period shall be determined as the management profit or loss for the relevant period calculated pursuant to the relevant Brand Profit Calculation Methodology.
- (e) Unless approved by the Company, the distribution payable in respect of any Unsecured Note from time to time will not exceed 35% of the face value of the Unsecured Note in any twelve month period other than by way of full or partial redemption.

General

7. The Unsecured Noteholder shall not be entitled to voting rights, bonus shares, rights issues or any other rights enjoyed by shareholders of the Company.
8. The Unsecured Noteholder is prohibited from assigning, mortgaging or otherwise dealing in the Unsecured Note, without the consent of the Company.
9. The Company may at its discretion once the Manager is no longer the Manager of the Business:
 - (a) require the Unsecured Noteholder to redeem all or part of any Unsecured Note it already holds relating to the Business in accordance with clause 5;
 - (b) amend the terms of this Agreement by substituting a new business in Schedule 2;
or
 - (c) when the Manager is managing another Company business, allow the Unsecured Noteholder to maintain all or part of the Unsecured Note in the Business under the following conditions:
 - (i) up to 20% (or such higher percentage to a maximum 35% as may be approved by the board of the Company) of management profit, or profit improvement, of the Business may be paid out as interest distributions in relation to all Unsecured Notes attaching to that Business;
 - (ii) the Manager must not hold more than 3 Unsecured Notes at any time;
 - (iii) where a new manager of the Business is appointed, any existing Unsecured Noteholder with respect to that Business may then be required to redeem all or part of their Unsecured Note in accordance with clause 5;
and
 - (iv) where there is more than 1 Unsecured Noteholder in the Business, the order of redemption will be, first made in time will be first redeemed or repaid.
10. This Agreement and the Unsecured Note to which it relates are entered into and made respectively subject and pursuant to the Deed dated 19 April 2022 (as amended from time to time) between the Company and Melbourne Securities Corporation Limited (ACN 160 326 545) and the provisions of that Deed are incorporated into this Agreement and shall be complied with by the Company and the Unsecured Noteholder. Any terms used in this Agreement which are defined in that Deed have the same meaning here and the terms of this Agreement are Special Conditions under that Deed.
11. Any moneys which are not paid by the Company when due under this Agreement or the Deed referred to in clause 10 shall bear interest at the rate which is 3% greater than the base lending rate offered by the Company's principal banker from time to time in respect of loans of \$100,000 and over calculated on a daily basis and a year of 365 days from the date due until paid subject to the terms of that Deed.
12. The Manager of a business unit must notify the Company of any change in control of the legal entity which is registered as being the Unsecured Noteholder. In such a case the Company may require either:
 - (a) the Unsecured Note to be transferred to a legal entity of which the manager has effective control; or

- (b) that the Manager resume effective control of the legal entity registered as being the Unsecured Noteholder,

within 14 days of being required to do so.

If the Manager does not comply with the Company's requirement, the Company may redeem the Unsecured Note immediately.

- 13. The Manager warrants to the Company that any nominated Unsecured Noteholder which is a non-natural person (for example, a company, family trust or superannuation fund trustee of the Manager):
 - (a) has not contracted with Flight Centre to provide the management services (such as by being "*independent contractor*") to a Flight Centre business in Queensland; and
 - (b) is not engaged in the business of holding or dealing in debt securities.
- 14. (a) The Unsecured Noteholder agrees that the Company may collect personal information (as defined in the *Privacy Act 1988* (Cth)) about the Unsecured Noteholder in connection with the Unsecured Note(s) to be issued under this Agreement. The Company may collect personal information directly from the Unsecured Noteholder or from the Company's internal business divisions (e.g. Flight Centre Payroll) and/or from the Company's related bodies corporate (e.g. Moneywise Global Pty Ltd (ACN 141 183 815) or P4 Finance Pty Ltd (ACN 151 234 605)).
- (b) The Unsecured Noteholder agrees that the Company may use such personal information, and disclose it to third parties (which may include overseas recipients), in connection with the issue and management of the Unsecured Note(s). Such third party recipients may include the Company's related bodies corporate, Moneywise Global Pty Ltd (ACN 141 183 815) and P4 Finance Pty Ltd (ACN 151 234 605). Personal information disclosed to Moneywise Global Pty Ltd (ACN 141 183 815) will be handled in accordance with its Privacy Policy at <https://www.moneywiseglobal.com/privacy-policy-moneywise-global/>. Personal information disclosed to P4 Finance Pty Ltd (ACN 151 234 605) will be handled in accordance with its Privacy Policy at http://www.p4finance.com/sites/p4finance.com/files/P4-Privacy-Policy.pdf?20210721&_sm_au_ =iVVgFS6VVgvJMFB7.
- (c) Without limiting the above, the Unsecured Noteholder agrees that the Company may disclose personal information of the Unsecured Noteholder to Melbourne Securities Corporation Limited (ACN 160 326 545) (**MSC**). MSC collects personal information about the Unsecured Noteholder for the primary purpose of providing trustee services to the Company and for ancillary purposes detailed in MSC's Privacy Policy. MSC may disclose personal information, such as name and contact details, along with relevant account information, to its related bodies corporate, the Company, professional advisers, and/or as otherwise instructed by the Company. MSC is also permitted to collect and disclose personal information when required or authorised to do so by law. MSC is not likely to disclose personal information to overseas recipients. Personal information held by MSC will be used in accordance with MSC's Privacy Policy. MSC's Privacy Policy contains information about how an individual may access or correct their personal information held by MSC and how they may complain about a breach of the

Australian Privacy Principles by MSC. MSC's Privacy Policy is available at <https://www.msc.group/privacy-policy/>.

SCHEDULE 1.

The Unsecured Noteholder is: _____

SCHEDULE 2.

The Business is: _____

SCHEDULE 3.

The Manager is: _____

SCHEDULE 4.

The face value of the Unsecured Note is: \$ _____

SCHEDULE 5.

The Brand Profit Calculation Methodology relevant to the Business is:

[INSERT NAME OF RELEVANT BRAND AND THE NAME AND VERSION NUMBER OF THE BRAND PROFIT CALCULATION METHODOLOGY BEING USED]

The Unsecured Noteholder will be entitled to an interest distribution by reference to the profits of the relevant Business in respect of the Unsecured Note held by the Unsecured Noteholder on the following basis:

1. Where Schedule 6 applies, the percentage as set out in Schedule 6, of the management profits, or profit improvement of the Business, as calculated pursuant to the relevant Brand Profit Calculation Methodology, will be paid to the Unsecured Noteholder. For a Business to which Schedule 6 applies, the frequency of these interest payments will be no less frequently than quarterly, always in arrears, so long as the Unsecured Note continues.
2. Where Schedule 7 applies, Schedule 7 sets out the period and circumstances in which an interest payment will be made where there is profit or profit improvement of the relevant Business, as calculated pursuant to the relevant Brand Profit Calculation Methodology, and this will be paid to the Unsecured Noteholder. For a Business to which Schedule 7 applies, details of how interest payments will be calculated and the frequency of such payments is as set out in Schedule 7, subject always to being calculated pursuant to the relevant Brand Profit Calculation Methodology.
3. For the avoidance of doubt, a profit improvement of the Business for a given period includes a reduced loss position, or a return to profit position, for that period.
4. For the purposes of the above, profit, loss, or profit improvement of the Business for any period shall be determined as the management profit or loss for the relevant period, calculated in accordance with the relevant Brand Profit Calculation Methodology.
5. The Brand Profit Calculation Methodology is determined by the Chief Financial Officer of the Company. The Company will notify the Unsecured Noteholder of any major change in the Brand Profit Calculation Methodology. The Brand Profit Calculation Methodology for each brand of the Company will be determined by the Chief Financial Officer of the

Company, and may be varied from time to time (with prior notice to each Unsecured Noteholder).

SCHEDULE 6.

The percentage to be used in the calculation of interest distributed during the term of this Agreement is: _____
%.

SCHEDULE 7.

Further details of the interest distribution which is payable where there is profit improvement of the Business are as follows (or as set out in the attached appendix to this Schedule 7):

Execution by Applicant:

Signature of Applicant

or*

EXECUTED by _____)

Signature

Signature

Print name

Print name

Office held

Office held

Execution by Company:

SIGNED by **FLIGHT CENTRE TRAVEL
GROUP LIMITED (ACN 003 377 188)** in
accordance with section 127 of the
Corporations Act 2001 (Cth) by:

Director signature

Director/Secretary signature

Print name

Print name