

# **Regional Express Holdings Limited**

## **Annual General Meeting**

2011

Date of meeting	23 November 2011
Time of meeting	11 am, Sydney time
Place of meeting	Level 3 Board Room 81 – 83 Baxter Road Mascot NSW 2020

Regional Express Holdings Limited  
(ABN 18 099 547 270)

**Notice of Annual General Meeting and Explanatory Notes**

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## **Contents of this booklet**

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## **Documents accompanying this booklet**

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1. Proxy Form for the Meeting
2. Reply paid envelope

## **Important dates**

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Deadline for return of Proxy Forms: 11 am, Sydney time on 21 November 2011

Voting entitlement date: 7 pm, Sydney time on 21 November 2011

Date and time of Meeting: 11 am, Sydney time on 23 November 2011

## **Meeting procedure**

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The Meeting will be conducted by the Chairperson, subject to the discretion of the Chairperson to adjourn or reconvene the meeting. Each resolution will be voted on separately.

## **Other parts of the notice of meeting**

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The Chairman's letter and the Explanatory Notes form part of the Notice of Meeting.

## **How to vote**

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### **Eligibility to vote**

For the purposes of the Meeting, a Member will be entitled to vote at the Meeting if they are recorded on the Company's register of members at 7 pm, Sydney time on 21 November 2011 (the *Voting Entitlement Date*).

### **Voting in person**

If you are proposing to attend the Meeting and vote, there is no need for you to take any further action at this time.

### **Voting by corporate representative**

Body corporate Members should complete a "Corporate Letter of Representation" to enable a person to attend the Meeting on their behalf. A form of this certificate may be obtained from the Registrar by calling 1300 735 980 (within Australia) or +61 2 8280 7136 (outside Australia).

### **Voting by proxy**

If you are not attending the Meeting and you wish to vote you must complete and lodge the enclosed Proxy Form.

A reply paid envelope is enclosed for the Proxy Form. Proxies may also be submitted by fax.

More information about how to vote and lodge proxies is contained in the Explanatory Notes and the Proxy Form.

## **Defined terms**

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A number of defined terms are used in this Notice of Meeting. These terms are explained in the Glossary.

## **Further assistance**

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General queries about the Meeting and voting arrangements should be directed to:

Irwin Tan or Benjamin Ng  
Company Secretaries  
CompanySecretary@rex.com.au  
Tel: +61 2 9023 3555

23 October 2011

Dear Member

## **Annual General Meeting 2011**

Please find enclosed information relating to the Regional Express Holdings Limited Annual General Meeting to be held at 11 am, Sydney time on 23 November 2011.

The AGM will provide an overview of the Company's activities for the period ended 30 June 2011, as well as an update on recent developments. In addition, Members will be given the opportunity to consider and vote on a number of matters, as follows:

### **Consideration of financial statements**

The Company will be reporting to you on its financial performance for the financial year ended 30 June 2011.

### **Remuneration report**

Members will be asked to vote on the remuneration report section of the Directors' Report in the Annual Report.

Consistent with the *Corporations Act 2001* (Cth), Members should note that the vote is not binding.

### **Re-election of Directors**

Members will be asked to vote on the re-election of four Directors to the Company's board of Directors.

The proposed resolutions are set out in full in the enclosed Notice of Meeting and an explanation of each resolution is set out in the enclosed Explanatory Notes.

If you are unable to attend the Meeting, the Directors encourage you to cast your vote by completing, signing and returning the enclosed Proxy Form.

I urge all Members to read this booklet carefully before voting on the proposed resolutions. If you are undecided what to do, you should consult your accountant, stockbroker or other professional adviser.

I look forward to seeing you at the Meeting.



Lim Kim Hai  
Executive Chairman

## **Notice of Annual General Meeting for Regional Express Holdings (ABN 18 099 547 270)**

Regional Express Holdings Limited (*Company*) gives notice that the Annual General Meeting of the Company will be held at Level 3 Board Room, 81 – 83 Baxter Road, Mascot, NSW 2020 on 23 November 2011 at 11 am.

The Explanatory Notes accompanying and forming part of this Notice of Meeting describe in more detail the matters to be considered.

The following will be transacted at the meeting.

### **Ordinary business**

#### **Item 1 - Annual Report**

To receive and consider the financial report of the Company and its controlled entities for the financial year ended 30 June 2011, and the related Directors' Report, Directors' Declaration and Auditor's Report.

#### **Resolution 1 - Adoption of remuneration report**

To consider, and if thought fit, pass the following as a non-binding ordinary resolution:

"That the remuneration report, as set out in the Directors' Report for the Company and its controlled entities for the financial year ended 30 June 2011, be adopted."

A voting restriction applies to Resolution 1 – see the Explanatory Notes to the Notice of Meeting for details.

#### **Resolution 2 – Re-election of John Sharp as a Director**

To consider, and if thought fit, pass the following as an ordinary resolution:

"That John Sharp, being a Director of the Company, who retires in accordance with ASX Listing Rule 14.4 and article 20.1 of the Company's constitution, and being eligible, offers himself for re-election, is re-elected as a Director of the Company."

#### **Resolution 3 – Re-election of James Davis as a Director**

To consider, and if thought fit, pass the following as an ordinary resolution:

"That James Davis, being a Director of the Company, who retires in accordance with ASX Listing Rule 14.4 and article 20.1 of the Company's constitution, and being eligible, offers himself for re-election, is re-elected as a Director of the Company."

#### **Resolution 4 – Re-election of Chris Hine as a Director**

To consider, and if thought fit, pass the following as an ordinary resolution:

"That Chris Hine, being a Director of the Company appointed to the board since the last Annual General Meeting, and being eligible, offers himself for re-election, is re-elected as a Director of the Company."

**Resolution 5 – Re-election of Ronald Bartsch as a Director**

To consider, and if thought fit, pass the following as an ordinary resolution:

“That Ronald Bartsch, being a Director of the Company appointed to the board since the last Annual General Meeting, and being eligible, offers himself for re-election, is re-elected as a Director of the Company.”

BY ORDER OF THE BOARD

Dated: 23 October 2011

A handwritten signature in black ink, appearing to be 'Irwin Tan', with a long horizontal flourish extending to the right.

Irwin Tan  
Company Secretary

## **Explanatory Notes to the Notice of Meeting**

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### **Annual Report**

The Annual Report for consideration at the Company Meeting will consist of the financial statements of the Company for the financial year ending on 30 June 2011, the notes to those financial statements, the Directors' declaration about the statements and notes, the Directors' report and the auditor's report.

Neither the *Corporations Act 2001* (Cth) nor the Company's constitution requires a vote of the Members on the statements or the reports. However, Members will be given the opportunity to raise questions or comments on the statements and reports at the Company Meeting. In addition, a reasonable opportunity will be given to Members as a whole at the Company Meeting to ask the Company's auditor questions relevant to the conduct of the audit and the preparation and content of the auditor's report.

### **Adoption of the remuneration report**

The *Corporations Act 2001* (Cth) requires that a resolution must be put to Members that the remuneration report of the Company be adopted. The remuneration report of the Company, which forms part of the Directors' report, is set out on pages 19 to 21 of the Annual Report. The remuneration report sets out the Company's remuneration policy and reports the remuneration arrangements in place for executive Directors and non-executive Directors.

Under the *Corporations Act 2001* (Cth), the resolution of the Members that the remuneration report of the Company be adopted, or any failure to pass that resolution, is advisory only and does not bind the Company or its Directors.

However the Board will consider the outcome of the vote and comments made by Members on the remuneration report at the meeting when reviewing the Company's remuneration policies and practices.

Further, under recent amendments to the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a "board spill resolution" to determine whether that another meeting should be held within 90 days at which all of the Company's Directors (other than the Chief Executive Officer) must stand for re-election.

Recent changes to the Corporations Act impose voting restrictions on who can vote in respect of any resolution to approve the remuneration report, a vote on Resolution 1 must not be cast, and the Company will disregard any votes cast, (in any capacity) by or on behalf of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 and the Company need not disregard the vote, if:

- the person does so as proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- the vote is not cast on behalf of a person described in (a) or (b) above.

For the purposes of such voting exclusions under the Corporations Act, Key Management Personnel and Closely Related Parties are defined in the Glossary and essentially:

- Key Management Personnel means the Directors and any other person specified as Key Management Personnel in the Company's remuneration report; and
- their Closely Related Parties include certain family members, dependents and companies they control.

If you choose to appoint a proxy, you are encouraged to direct your proxy on how to vote on Resolution 1 (remuneration report) by marking either "For", "Against" or "Abstain" on the proxy form for that item of business. As noted in the Notice of Meeting, a voting exclusion applies to this Resolution as required by the Corporations Act. If you appoint the Chairman as your proxy and your proxy does not specify whether to vote "For", "Against" or "Abstain", then your undirected proxy on Resolution 1 (remuneration report) held by the Chairman will be taken as a direction to the Chairman to vote in accordance with his stated voting intention which is to vote in favour of this Resolution 1 (remuneration report).

The Company encourages all Members to cast their votes on Resolution 1 (remuneration report).

The Board of Directors recommends that Members vote in favour of the adoption of the remuneration report.

## **Explanatory Notes to the Notice of Meeting (Continued)**

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### **Re-election of Directors**

#### *Retirement by rotation*

In accordance with ASX Listing Rule 14.4 and Article 20.1 of the Company's constitution, a Director must retire from office and may seek re-election by no later than the third AGM following their appointment or election or 3 years, whichever is longer.

The following Directors, retire as required by Article 20.1 of the Company's constitution and ASX Listing Rule 14.4 and, being eligible, offer themselves for re-election as Directors of the Company:

#### **JOHN SHARP**

The Honourable John Sharp, originally from a farming and business background, is an aviator having been a licensed pilot of both fixed wing and rotary wing aircraft. Mr. Sharp was a member of the House of Representatives of the Commonwealth Parliament for 14 years (1984 – 1998). Mr. Sharp retired from the House of Representatives in 1998 and established his own high level aviation and transport consulting company, Thenford Consulting. Mr. Sharp is a former Chairman of the Aviation Safety Foundation of Australia, a director of Australian Aerospace, a wholly owned subsidiary of European Aeronautics Defence and Space (EADS) representing Airbus (the aircraft manufacturer of ATR, CASA, Eurocopter and Astrium satellites) and a director of Skytraders, an air freight and aerial work operation providing services for Australia's Antarctic Division. He is Chairman of Parsons Brinkerhoff Advisory Board. This is an engineering and design company operating throughout Australia. He is also Chairman of Power and Data Corporation Pty Limited and Chairman of Pel-Air Aviation Pty Limited. Mr. Sharp is a Trustee and Board Member of John McKeown House, Honorary Federal Treasurer, National Party of Australia and recently retired Chairman of Winifred West Schools Foundation. He is a member of the University of Wollongong Vice Chancellor's Advisory Board. Recently he was appointed a director of the Flight Safety Foundation following his receipt of the Foundation's Presidential Citation for Aviation Safety; the first Australian to receive this award. Mr. Sharp's extensive experience of aviation, regional air services and as the former Federal Minister for Transport and Regional Development in the Federal Government, adds significantly to the expertise and standing of the board.

Mr. Sharp was appointed to the board of the Company on 14 April 2005 and he was re-elected as a Director at the Company's AGM in November 2008.

The Board of Directors recommends that Members vote in favour of the re-election of John Sharp as Director.

#### **JAMES DAVIS**

Mr Davis is a qualified Aeronautical Engineer and worked for four years with the Civil Aviation Safety Authority before obtaining his Air Transport Pilot Licence. Since then he has flown professionally with airlines in Australia and overseas for 26 years accumulating some 12,500 flying hours. Upon joining Hazelton Airlines in 1999, he was appointed Flight Operations and Standards Manager and Deputy Chief Pilot for the airline. In 2011, Mr Davis was promoted to Chief Pilot of Hazelton, and held that position when Hazelton was merged into, and began trading as part of Rex in 2002. Mr Davis became Executive General Manager Operations in 2003, and subsequently Managing Director Operations. Mr Davis became Chief of Staff of the Chairman's Office in 2007 and was appointed Managing Director in May 2008. Mr Davis was Chairman of the Australian Airline Pilot Academy Pty Ltd and a Director of Rex Group companies Pel-Air Aviation Pty Ltd and Air Link Pty Ltd. He also sits on the Board of the Regional Aviation Association of Australia.

The Board of Directors recommends that Members vote in favour of the re-election of James Davis as Director.

### ***Confirmation of appointment***

In accordance with ASX Listing Rule 14.4 and Article 19.5 of the Company's constitution, a Director appointed by the board to fill a casual vacancy must retire from office and may seek re-election at the next AGM following their appointment.

The following Directors, were appointed to Board of Directors since the last AGM and as required by Article 19.5 of the Company's constitution and ASX Listing Rule 14.4 and, being eligible, offer themselves for re-election as Directors of the Company:

#### **CHRIS HINE**

Chris has over 20 years of aviation experience including 15 years as a First Officer and Captain of Metroliner and Saab 340 aircraft and is a well-accomplished and knowledgeable instructor. He has been with the Company since its inception in August 2002 and prior to his current role as Chief Operating Officer was General Manager Flight Operations and Chief Pilot. Prior to Rex he worked for Kendell Airlines from 1995 during which time he held various Check and Training Captain positions. He currently oversees the Company's operations including flight operations, maintenance control, airport operations and human factors group. Mr Hine has also had experience as a lecturer in Cockpit Systems Management for the Bachelor of Applied Science (Civil Aviation) degree at the University of South Australia. He is a member of the Rex Management Committee and Chairman of the Australian Airline Pilot Academy Pty Ltd (AAPA).

Mr. Hine was appointed as Executive Director on 1 March 2011.

The Board of Directors recommends that Members vote in favour of the re-election of Chris Hine as Director.

#### **RONALD BARTSCH**

Mr. Bartsch has over 30 years experience in the aviation industry in a variety of senior operational, safety and regulatory roles. He was head of safety and regulatory compliance for Qantas Airways' Limited AOC and manager of the CASA Sydney Airline Transport Field Office.

In addition, Mr. Bartsch is an experienced pilot and has extensive legal and regulatory experience. Mr. Bartsch has formal qualifications in law, education, science and is the author of the definitive legal textbook on aviation law. Mr. Bartsch is an international aviation safety consultant and senior visiting fellow with the Department of Aviation at the University of NSW.

Mr. Bartsch was appointed to the board of the Company on 23 November 2010.

The Board of Directors recommends that Members vote in favour of the re-election of Ronald Bartsch as Director.

## **Proxies**

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### **Proxy votes**

If you do not plan to attend the Meeting in person, you are encouraged to complete and return the Proxy Form which accompanies the Notice of Meeting.

Any Member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to vote on their behalf in respect of each share they hold in the Company. If two proxies are appointed, the Member may specify the proportion or number of votes each proxy is appointed to exercise. If two proxies are appointed and no proportion or number is specified, each proxy may exercise half of the votes. A proxy need not be a Member.

The Proxy Form contains voting instructions and other important information which you should read carefully.

To be effective, Proxy Forms (duly completed and with any necessary documentation) must be received by 11 am, Sydney time on 21 November 2011.

Proxy Forms may be returned by any of the following means:

#### **By mailing it to:**

Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000 or Locked Bag A14, Sydney South, NSW 1235 Australia using the reply paid envelope enclosed with this booklet.

#### **By faxing it to:**

(02) 9287 0309 (within Australia)

+61 2 9287 0309 (outside Australia)

#### **By hand delivering it to:**

Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000

#### **By lodging it online at:**

<http://www.linkmarketservices.com.au>

Proxy Forms must be signed by a Member or the Member's attorney or, if the Member is a body corporate, by two directors or by a director and secretary, or of it is a proprietary company that has a sole director who is also the sole secretary (or has no secretary), by that director, or under hand of its attorney or duly authorised officer.

If a proxy is signed by a Member's attorney, the power of attorney must have been previously noted by the Registrar or a certified copy thereof must also be received by 11 am, Sydney time on 21 November 2011.

## **Appointment of the Chairman or other Key Management Personnel as your proxy**

Due to the voting exclusions and requirements referred to in the Explanatory Notes, if you intend to appoint the Chairman or any other member of Key Management Personnel or their Closely Related Parties as your proxy, you are encouraged to direct your proxy on how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the proxy form for the relevant item of business.

The Chairman's stated voting intention would be to vote any undirected proxies in favour of all proposed Resolutions.

Further you should note that:

- if you execute a proxy form and do not nominate a person to act as your proxy, the Chairman will be appointed as your proxy by default;
- if you appoint the Chairman as your proxy or the Chairman is appointed as your proxy by default, and the proxy form does not specify whether to vote "For", "Against" or "Abstain", your undirected proxies held by the Chairman will be taken as a direction to the Chairman to vote in accordance with his stated voting intention, which is to vote in favour of all Resolutions (including Resolution 1 (remuneration report));
- you will be taken to authorize the Chairman to exercise the proxy even if the relevant Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel or the Chairman has an interest in the outcome of the relevant Resolution.

Members always have the ability to appoint the Chairman as their proxy to cast the votes contrary to the Chairman's stated voting intention or to abstain from voting on Resolution 1.

If you appoint someone other than the Chairman as your proxy who is another member of Key Management Personnel or their Closely Related Parties and do not direct them how to vote on Resolution 1, then your proxy will not be voted on that Resolution.

## Glossary

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AGM	Annual General Meeting
Annual Report	In the case of the Company, the financial statements of the Company for the financial year ended 30 June 2011, the notes to those financial statements, the Directors' declaration about the statements and notes, the Directors' report and the auditor's report
ASX	ASX Limited (ACN 008 624 691)
Booklet	This booklet, comprising the Chairman's letter, the Notice of Meeting, the Explanatory Notes and accompanying documents
Closely Related Party	means, as defined in the <i>Corporations Act 2001</i> (Cth), a closely related party of a member of the Key Management Personnel for an entity: a) a spouse or child of the member; or b) a child of the member's spouse; or c) a dependant of the member or of the member's spouse; or d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or e) a company the member controls; or f) a person prescribed by the Corporations Regulations 2001 (Cth).
Company	Regional Express Holdings Limited (ABN 18 099 547 270)
Directors	The directors of the Company from time to time and "Director" means any one of them
Explanatory Notes	Explanatory Notes to the Notice of Meeting
Key Management Personnel	has the same meaning given in the accounting standards and, in broad terms, includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly). For the purposes of this AGM, Key Management Personnel are those people described as Key Management Personnel in the Company's Annual Report.

Meeting	The AGM of the Company to be held at Level 3 Board Room, 81 – 83 Baxter Road, Mascot, NSW 2020 at 11 am Sydney time on 23 November 2011.
Notice of Meeting	The notice of the Meeting (together with the Chairman’s letter and Explanatory Notes) enclosed in this Booklet
Registrar	Link Market Services Limited (ACN 083 214 537)
Member	A person who is entered in the Company’s members’ register from time to time as the holder of shares in the capital of the Company
Voting Entitlement Date	7 pm Sydney time on 21 November 2011, being the time and date for determining the eligibility of Members to vote at the Meeting

## **Corporate directory**

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### **Regional Express Holdings Limited 81 – 83 Baxter Road, Mascot, NSW 2020**

Tel: +61 2 9023 3555

Website: <http://www.rex.com.au>

### **Directors of the Company**

Lim Kim Hai

Lee Thian Soo

James Davis

John Sharp

Chris Hine

Ronald Bartsch

### **Secretaries of the Company**

Irwin Tan

Benjamin Ng

### **Registrar**

Link Market Services Limited

Tel: 1300 735 980 or (02) 8280 7136

Website: <http://www.linkmarketservices.com.au>