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To the Creditors

23 August 2024

Regional Express Holdings Limited	ACN 099 547 270	(REH)
Air Partners Pty Ltd	ACN 065 221 356	(AP)
Regional Express Pty Ltd	ACN 101 325 642	(RE)
Rex Airlines Pty Ltd	ACN 642 400 048	(RAL)
Rex Investment Holdings Pty Ltd	ACN 101 317 677	(RIH)

(Administrators Appointed) (together, the “Companies” or “the Rex Group”)

Dear Sir/Madam

We refer to:

- ▶ The appointment of Adam Nikitins, Justin Walsh and I as Joint and Several Administrators (Administrators) of the Rex Group on 30 July 2024 at 9:30pm;
- ▶ circulars previously issued to creditors of the Companies and in particular the circulars to creditors issued on 13 August 2024 and 21 August 2024; and
- ▶ The orders made by Honourable Justice Yates of the Federal Court of Australia on 6 August 2024 (**First Orders**).

The purpose of this circular is to provide an update on certain matters with regards to the Administration of the Rex Group.

Orders

We hereby give notice that on 23 August 2024 the Honourable Justice Cheeseman of the Federal Court of Australia made orders relating to the administration of the Companies under sections 439A(6) and 447A of the Corporations Act 2001 (Cth) (Corporations Act), section 90-15 of the Insolvency Practice Schedule (Corporations) (being Schedule 2 to the Corporations Act), and sections 37AF and 37AG of the Federal Court of Australia Act 1976 (Cth) (**Orders**).

These orders relate to, amongst other things, an extension of the convening period within which the Administrators must convene the second meetings of creditors of the Companies (**Second Meetings**), the conduct of the Second Meetings and limiting the personal liability of the Administrators in certain circumstances.

A copy of the Orders is attached at **Annexure A**.

Set out below is a summary of the Orders relating to the extension of the convening period and the conduct of the Second Meetings. This is not a full extract of the Orders (in this regard we refer creditors to Annexure A), however it is intended to summarise practical matters for creditors to be aware of as the administration progresses.

Order	Subject	Description
Order 1 Order 2	Convening of the Second Meetings	<p>The convening period has been extended, which means that the Second Meetings must be held no later than 5 business days after 25 November 2024. The Administrators may convene and hold the Second Meetings earlier than this date.</p> <p>Creditors should be aware that the Administrators are not required to convene and hold the Second Meetings concurrently. This means that if the Administrators consider it is in the interests of creditors to do so, we can hold the second meeting of creditors for one (or more) of the Rex Companies prior to holding the Second Meetings of the other Rex Companies.</p>
Order 5 Order 6 Order 7	Conduct of Second Meetings	<p>Only those creditors who have lodged a proof of debt by 12pm two business days before the Second Meetings will be able to participate and vote at the Second Meetings.</p> <p>Any proof of debt submitted after this date will be disregarded for voting purposes, together with any requests to amend or replace any proof of debt submitted after this date.</p>
Order 8 Order 9	Conduct of Second Meetings	<p>If creditors wish to appoint a special proxy to vote at the Second Meetings, they must lodge the appropriate form by 12pm two business days before the Second Meetings.</p> <p>If creditors wish to appoint a general proxy to vote at the Second Meetings, they must lodge an appointment of general proxy form by 12pm two business days before the Second Meetings. To be able to vote, that general proxy must name either an Administrator or the chairperson of the meeting as the person appointed as proxy.</p> <p>Any appointment of proxy forms submitted after 12pm two business days before the Second Meetings will be disregarded.</p>
Order 10	Conduct of Second Meetings	Creditors must lodge a proof of debt, any proxy form, and/or a form appointing a power of attorney (if relevant) via the creditor portal.
Order 11	Conduct of Second Meetings	If creditors appoint one of the Administrators as a general proxy, and that Administrator is not present at the meeting and/or chairing the meeting, the chairperson will be treated as the creditor's general proxy.
Order 12 Order 13 Order 14	Conduct of Second Meetings	<p>Voting for the Second Meetings will occur electronically by poll.</p> <p>All poll votes will be counted by the Administrators regardless of whether those creditors (or their proxy or attorney) were present at the Second Meetings.</p> <p>Creditors will be informed of the method and time for voting no less than 5 business days before the Second Meetings.</p>

Order	Subject	Description
Order 15	Conduct of Second Meetings	<p>In relation to the Second Meetings:</p> <ul style="list-style-type: none"> these will be conducted by live stream (where creditors can participate by live chat but cannot speak at the meeting); creditors who wish to ask questions must submit these to the Administrators by 12pm two business days before the Second Meetings by email at rex.creditors@au.ey.com; the Administrators will answer or address questions at the Second Meetings (for at least 2 hours) that have been received from creditors on or before 12pm two business days before the Second Meetings. To the extent any questions of creditors are not able to be addressed at the Second Meetings, the Administrators will publish responses to these questions on the creditor portal within 5 business days of the Second Meetings.

Questions, requests for information and comments to be made ahead of Second Meetings

Questions, requests for information or comments that they wish to raise at the Second Meetings should be submitted to the Administrators by 12pm two business days before the Second Meetings.

Committee of Inspection (COI) Proposal Outcome

Pursuant to the First Orders made by Honourable Justice Yates of the Federal Court of Australia on 6 August 2024, a single COI is to be formed for the Rex Group.

On 13 August 2024, the Administrators invited creditors of the Rex Group to vote on the COI proposal which outlined the members proposed by the Administrators (based on nominations received). With voting closing at 5:00 PM (AEST) on 20 August 2024.

In accordance with regulation 75-130(2)(a)-(b) of the Insolvency Practice Rules (Corporations) 2016 (Cth) (IPR), the proposal was taken to have passed. With the majority of creditors in value and number voting in favour of the proposal.

Vote	Number	Value (\$)	%Number	%Value
For	102	144,686,877	82.3%	99.0%
Against	11	84,059	8.9%	0.1%
Abstain	11	1,401,663	8.9%	1.0%

Accordingly, the members of the COI of the Rex Group are as following (being the persons proposed by the Administrators in the proposal put to creditors on 13 August 2024):

No.	Representative	Representing	Stakeholder Group	Rex Entity
1	James Marshall	PAGAC Regulus Holding Pte. Ltd	Secured Creditor	All
2	Jodie Kampf	Westpac Banking Corporation Ltd	Finance Creditor	RAL
3	Henry Carr*	Department of Employment and Workplace Relations (DEWR)	Employees	Observer



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No.	Representative	Representing	Stakeholder Group	Rex Entity
4	Simon Lutton	AFAP Union as Employee Nomination	Employees	RAL/ REH
5	Teri O'Toole	FAAA Union as Employee Nomination	Employees	RAL
6	Edward Knell	TWU Union as Employee Nomination	Employees	RAL
7	Christopher Swan	Self (Employee)	Employees	RAL
8	Michael Gilderdale	Australian Pacific Airports (Melbourne) Pty Ltd	Airport	REH
9	Cameron Hoffman	Maranoa Regional Council	Airport	RAL
10	Stuart Richardson	Aus Flight Handling Pty Ltd	Ground Handling	RAL
11	Tony Troiani	Sabre Asia Pacific Pte Ltd / Sabre GBLB Inc	Supplier	REH
12	James Keen	Killick Aerospace Limited	Supplier	RAL
13	Justin Cheng Kim Chuen	The Branksome Residences Pty Ltd	Supplier	REH
14	Sam Hardy	National Jet Express Pty Ltd	Airline	RAL/ REH/ AP

*Please note that Henry Carr representing DEWR will sit on the Committee as an observer.

In case of any queries, please reach out to this office by an email at rex.creditors@au.ey.com.

Yours sincerely

Sam Freeman
Joint and Several Administrator

Encl.



Federal Court of Australia

District Registry: New South Wales Registry

Division: General

No: NSD1050/2024

SAMUEL FREEMAN, JUSTIN WALSH AND ADAM NIKITINS IN THEIR CAPACITY AS JOINT AND SEVERAL ADMINISTRATORS OF REGIONAL EXPRESS HOLDINGS LIMITED (ACN 099 547 270) (ADMINISTRATORS APPOINTED) AND THE THIRD TO SIXTH PLAINTIFFS and others named in the schedule
Plaintiffs

ORDER

JUDGE: Justice Cheeseman

DATE OF ORDER: 23 August 2024

WHERE MADE: Sydney

THE COURT ORDERS THAT:

Extension of Convening Period

1. Pursuant to section 439A(6) of the Corporations Act 2001 (Cth) (**Corporations Act**), the convening period (as defined in section 439A(5)(b) of the Corporations Act) within which the First Plaintiffs (**Administrators**) must convene the second meeting of creditors in respect of each of the Second to Sixth Plaintiffs (**Rex Companies**) be extended up to and including 25 November 2024.
2. Pursuant to section 447A of the Corporations Act, Part 5.3A of the Corporations Act is to operate in relation to the Rex Companies such that, notwithstanding the provisions in section 439A(2) of the Corporations Act, the second meetings of the creditors of each of the Rex Companies required under section 439A of the Corporations Act (**Second Meetings**) may be convened and held at any time during, or within, five (5) business days after the end of, the convening period as extended by order 1 above, provided that the Administrators give notice of the meeting to creditors of each of the Rex Companies (including the persons or entities claiming to be creditors of the Companies) at least five business days before the meeting.



Limitation of Liability – Deed of Guarantee

3. Pursuant to section 447A(1) of the Corporations Act, Part 5.3A of the Corporations Act is to operate, *nunc pro tunc*, in relation to the Administrators, the Second Plaintiff (**Rex Holdings**) and the Fifth Plaintiff (**Regional Express**) as if section 443A(1) of the Corporations Act provides that:
 - (a) the liabilities of the Administrators incurred with respect to any obligations arising out of, or in connection with, the Deed of Guarantee (supporting future ticket purchases) dated 15 August 2024 between the Commonwealth of Australia, the Administrators, Rex Holdings and Regional Express (**Deed**) (including any variation to the terms of that Deed), are in the nature of debts incurred by the Administrators in the performance and exercise of their functions as joint and several administrators of Rex Holdings and Regional Express; and
 - (b) notwithstanding that the liabilities in subparagraph 3(a) are debts or liabilities incurred by the Administrators in the performance and exercise of their functions as joint and several administrators of Rex Holdings and Regional Express, if the property and assets of Rex Holdings and Regional Express are insufficient to satisfy these debts and liabilities, such that the indemnity under section 443D of the Corporations Act is insufficient to meet any amount for which the Administrators may be liable, then the Administrators will not be personally liable to repay such debts or satisfy such liabilities to the extent of that insufficiency.
4. Until further order of the Court, pursuant to sections 37AF(1)(b)(i) of *the Federal Court of Australia Act 1976* (Cth), on the ground stated in section 37AG(1)(a), being that the order is necessary to prevent prejudice to the proper administration of justice,
 - (a) pages 26-83 of Exhibit SJF-4 to the affidavit of Samuel Freeman affirmed 21 August 2024;
 - (b) Confidential Exhibit SJF-5 to the affidavit of Samuel Freeman affirmed 21 August 2024; and
 - (c) Confidential Exhibit 1, being the Amendment and Restatement of Confidentiality Deed dated 16 August 2024 tendered on 23 August 2024,



be kept confidential and be prohibited from disclosure to any person other than:

- (a) a Judge of the Court and that Judge's personal staff and assistants;
- (b) the plaintiffs and their legal representatives; and
- (c) the Commonwealth of Australia and its legal representatives.

Conduct of Second Meeting of Creditors

5. Pursuant to section 90-15 of the *Insolvency Practice Schedule (Corporations)* (Cth) (**IPSC**), the Administrators are justified in permitting only those persons who have lodged particulars of a debt or claim in the administration of one or more of the Rex Companies, and by no later than midday on the second business day before the Second Meetings are held (**POD Lodgement Date**), to participate and vote in respect of the resolutions to be determined at the Second Meetings.
6. Pursuant to section 90-15 of the IPSC, in respect of any debt or claim submitted by a person to the Administrators in respect of the Rex Companies, the Administrators are justified in disregarding for voting purposes any such debt or claim (or particulars thereof) that is lodged after the expiry of the POD Lodgement Date.
7. Pursuant to section 90-15 of the IPSC, the *Insolvency Practice Rules (Corporations) 2016* (Cth) (**IPR**) are to operate in relation to the Rex Companies such that persons (or their proxy or attorney) may not at any time after the POD Lodgement Date, without the express written consent of the Administrators, amend or replace any proof of debt.
8. Pursuant to section 447A of the Corporations Act and/or section 90-15 of the IPSC, Part 5.3A of the Corporations Act (and rule 75-150 of the IPR) is to operate in relation to the Rex Companies such that a person appointed as a proxy, by a person otherwise entitled to vote at the Second Meetings, will not be entitled to vote, unless:
 - (a) in the case of a person appointed by special proxy, that special proxy has been received by the Administrators by no later than midday on the second business day before the Second Meetings; or
 - (b) in the case of a person appointed by general proxy, that general proxy names either an Administrator or the chairperson of the meeting as the person



appointed as proxy and has been received by the Administrators by no later than midday on the second business day before the Second Meetings,

(together the **Proxy Lodgement Date**).

9. Pursuant to section 90-15 of the IPSC, in respect of any appointment of proxy forms submitted by a person to the Administrators in respect of the Rex Companies, the Administrators are justified in disregarding any such proposed appointment of proxy that is lodged after the expiry of the Proxy Lodgement Date.
10. Pursuant to section 90-15 of the IPSC, the IPR are to operate in relation to the Rex Companies such that the requirements of a person to:
 - (a) lodge particulars of a debt or claim for the purposes of section 75-85(3)(b) of the IPR;
 - (b) provide an instrument of appointment of proxy pursuant to section 75-150(3) of the IPR; and
 - (c) provide an instrument evidencing the appointment of a power of attorney pursuant to section 75-155(2) of the IPR,in order to establish an entitlement to vote at the Second Meetings may only be satisfied by a person submitting a claim lodged on the creditor portal maintained by the Administrators accessible on the website <https://ey.creditors.accountants/Account/Login> prior to the expiry of the POD Lodgement Date (in the case of subparagraph (a)) and the Proxy Lodgement Date (in the case of subparagraphs (b) and (c)).
11. Pursuant to section 447A of the Corporations Act and/or section 90-15 of the IPSC, Part 5.3A of the Corporations Act is to operate in relation to the Rex Companies such that where a person has appointed one of the Administrators as general proxy, and that Administrator is not present at a meeting and/or is not chairing the meeting, the chairperson is treated as that Administrator's deputy in accordance with rule 75-152(2) of the IPR.
12. Pursuant to section 90-15 of the IPSC, the IPR are to operate in relation to the Rex Companies such that all resolutions to be determined at the Second Meetings are to be decided by a poll and voted on electronically by creditors or, if relevant, their proxies or attorneys.



13. Pursuant to section 90-15 of the IPSC, the Administrators would be justified in counting, on any poll taken during the Second Meetings, all votes lodged by creditors (by proxy or otherwise), regardless of whether it can be shown that those creditors (or their proxy or attorney) were present at the Second Meetings.
14. Pursuant to section 90-15 of the IPSC, the requirement of rule 75-75(4)(b) of the IPR may be taken to be satisfied, in the case of the Rex Companies, by the provision to creditors (including persons or entities claiming to be creditors) of the Rex Companies of notice of the method and time for voting no less than five (5) business days before the date of the Second Meetings, with such notice to be in accordance with Order 4 of the Orders dated 6 August 2024 (**6 August Orders**).
15. Pursuant to section 90-15 of the IPSC, the requirements of rule 75-75(1) of the IPR may be taken to be satisfied, in the case of the Rex Companies, if:
 - (a) the Administrators hold the Second Meetings via audio-visual conference technology, such as (but not limited to) Kaltura, with the details of the audio-visual conference to be provided by a notice to creditors (including persons or entities claiming to be creditors) of the Rex Companies in accordance with Order 4 of the 6 August Orders;
 - (b) the Administrators conduct a virtual meeting by way of a live stream format, where participants are able to participate in the meeting by way of a written live chat function which is visible only to the Chairperson of the meeting (or his or her delegate), but where the participants cannot orally address the meeting;
 - (c) the Administrators have given a notice to creditors (including persons or entities claiming to be creditors) of the Rex Companies (in accordance with Order 4 of the 6 August Orders) that specifies that questions, requests for information, or comments that they wish to raise at the Second Meetings should be submitted, to the extent possible, to the Administrators by midday on the day that is two (2) business days before the Second Meetings; and
 - (d) the Administrators:
 - (i) answer or address at the Second Meetings, as far as practicable, questions, requests for information, or comments submitted by



creditors prior to midday on the day that is two (2) business days before the Second Meetings, for a period of not less than two (2) hours or until all such questions, requests for information and comments have been responded to (whichever occurs sooner); and

- (ii) otherwise may, but are not required at the Second Meetings to, answer or address any questions, requests for information, or comments submitted by creditors after midday on the day that is two (2) business days before the Second Meetings.

- 16. Within five (5) business days of the Second Meetings, the Administrators publish on the creditor portal information responding to the substance of all questions, requests for information, and comments received prior to or during the Second Meetings which are not in substance addressed at the Second Meetings.

Ancillary Orders

- 17. The Administrators take all reasonable steps to cause notice of these orders to be given, within one (1) business day of the making of the orders to:
 - (a) creditors (including persons or entities claiming to be creditors) of the Rex Companies, in accordance with Order 4 of the 6 August Orders; and
 - (b) the Australian Securities and Investments Commission.
- 18. Liberty be granted to any person demonstrating a sufficient interest to apply to vary or discharge any orders made above, on one (1) business day's written notice being given to the Plaintiffs and to the Court.
- 19. The Plaintiffs' costs of the application be treated as costs in the administrations of each of the Rex Companies, jointly and severally.
- 20. These orders be entered forthwith.

Date orders authenticated: 23 August 2024


Registrar

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.



Schedule

No: NSD1050/2024

Federal Court of Australia

District Registry: New South Wales Registry

Division: General

Second Plaintiff	REGIONAL EXPRESS HOLDINGS LIMITED (ACN 099 547 270) (ADMINISTRATORS APPOINTED)
Third Plaintiff	AIR PARTNERS PTY LTD (ADMINISTRATORS APPOINTED) (ACN 065 221 356)
Fourth Plaintiff	REX INVESTMENT HOLDINGS PTY LIMITED (ADMINISTRATORS APPOINTED) (ACN 101 317 677)
Fifth Plaintiff	REGIONAL EXPRESS PTY LIMITED (ADMINISTRATORS APPOINTED) (ACN 101 325 642)
Sixth Plaintiff	REX AIRLINES PTY LTD (ADMINISTRATORS APPOINTED) (ACN 642 400 048)