

Employee Securities Trading Policy

Regional Express Holdings Limited

1. Application

This policy relates to trading in Regional Express Holdings Limited shares and related securities. In this policy:

- **Shares** means ordinary shares of Regional Express Holdings Limited (**Company**); and

- **Securities** includes Shares as well as financial products issued or created over Shares by third parties, structured financial products, swaps, futures contracts, contracts for differences, spread bets, options, warrants, depositary receipts or other derivatives over or related to the performance of Shares.

- **Insider Information** means information that is not generally available; whereby if the information were generally available, a reasonable person would expect it to have a **material effect** on the price or value of Rex shares, options and derivatives

- **Material effect** – will, or is likely to, influence persons in their decision on whether or not to acquire or dispose of Rex shares or their derivatives.

This policy applies to all directors (executive, non-executive and independent) and employees (collectively, **officers**) of the Company, and its subsidiaries from time to time (collectively, the **Group**).

2. Reasons for the policy

This policy regulates dealings by employees in Securities.

All employees are required to conduct their personal investment activity in a manner that is lawful and avoids conflicts of interest between the employee's personal interests and those of the Group and its clients. The Company is also keen to promote shareholder and general market confidence in the Group.

This policy is specifically designed to raise awareness and minimise any potential for breach of the prohibitions on insider trading contained in the *Corporations Act 2001*. The policy is also designed to minimise the chance that misunderstandings or suspicions arise regarding officers trading while in possession of non-public price sensitive information.

3. Prohibitions

All trading in Securities by officers must be in accordance with this policy.

Subject to the provisions of this policy, trading in Securities may only occur in designated trading windows.

Directors, Management Committee (MC) members and designated Senior Executives collectively called Designated Officers, are deemed to be constantly in possession of Insider Information.

Consistent with the law, all Designated Officers are prohibited **in all circumstances** (with the exception of involuntary disposals of shares as set out below) from trading in Securities at any time if they are in possession of Insider Information regarding the Group and its Securities **whether or not a trading window is open**.

Designated Officers are also prohibited from procuring others to trade in Securities when the officers are precluded from trading.

In addition, Designated Officers:

- must not communicate Insider Information to someone who might then (i) trade in Securities or (ii) procure another person to trade in Securities; and
- should seek to ensure that third parties who come into possession of Insider information preserve its confidentiality and do not trade while in possession of that information. This will usually be achieved by means of a written confidentiality agreement.

Designated Officers **in all circumstances** are prohibited from trading in Securities which:

- (a) amount to “short-selling” of Shares (or an interest in Shares);
- (b) operate to limit the economic risk of an officer’s holdings of Shares or options (including options granted by the Group, whether or not vested); or
- (c) otherwise enable an officer to profit from or limit the economic risk of a decrease in the market price of Shares.

The only exceptions to this provision are:

- i) when shares are sold without the Designated Officer’s prior knowledge by financial institutions for the purposes of covering a margin loan that the Designated Officer may have with the institution. In such situations, the Designated Officer must alert the Chairman of the Board, via email, immediately once they are aware of the sale. Information on the date, volume and price must be included in the email and it must be copied to the Company Secretary.
- ii) at the discretion of the Board. Such situations include financial hardship where the Designated Officer seeking the exception request will need to demonstrate a genuine need in order for this discretion to be exercised. The procedures for obtaining approval and the conducting of trades are set out in section 6 of this policy.

4. Trading windows

Subject at all times to the prohibitions described in section 3 above, trading windows during which it will be permitted for employees to buy or sell Securities will be notified by a Company Secretary. These will generally be opened at the following times:

(a) for a period of 6 weeks following the public release by the Company of its annual, half year results and annual report to the Australian Stock Exchange (**ASX**) (commencing on the second trading day after, and ending 6 weeks following, the day of such release);

(b) for a period of 6 weeks following Rex's annual general meeting (commencing on the second trading day after, and ending 6 weeks following, the day of such an event);

(c) for a period of 6 weeks following public release of significant price sensitive information to the Australian Stock Exchange (**ASX**) (commencing on the second trading day after, and ending 6 weeks following, the day of such release). The Chairman of the board will decide on the significance of all announcements for the purpose of opening the window period;

No trading in Securities may occur outside of these trading windows without the permission of the Chairman. Permission will ordinarily only be granted in situations of financial hardship and only in the event that the person involved is not in possession of non-public price sensitive information affecting Securities. Requests for permission should generally be made through the Company Secretary.

Note that **trading windows will not automatically be opened** at the times described above. A Company Secretary will notify employees by e-mail when a trading window is opened or closed and will include that information on the Company's intranet.

Notwithstanding the time periods described above, the Company may declare a trading window closed at any time at its absolute discretion and without prior notice (including the Initial Trading Window).

5. Restrictions on Designated Officers

Designated Officers must not apply for, buy or sell Securities or engage in transactions at any time or procure others to do the same (even during the Trading Window) unless he or she has the written approval of the Chairman of the Board.

The Chairman of the Board must have the written approval of the Deputy Chairman of the Board or the Chairman of the Audit Committee to apply for, buy or sell Securities or engage in transactions.

Employees (other than Designated Officers) may come into possession of material inside information as a result of working on a particular project or assisting on a particular matter (eg. A proposed acquisition). Such staff may be notified by the Company Secretary that, for the duration of their involvement in the project or matter or for whatever appropriate period, the Chairman has determined they will also be subject to the restrictions on buying or selling

Securities applicable to Designated Officers set out above. Such notification and their subsequent cancellation are to be recorded in the Staff Trading Disclosure Register

An officer who has any doubt or question in this regard should contact the Company Secretary before dealing in Rex securities.

6. Declaration, approval, and conduct of trades

6.1 Declaration of intention to trade

Designated officers dealing in Securities must give at least 3 trading days' (or such shorter period approved by the Chairman) prior notification of any trade to the Chairman for his approval. In the case of the Chairman of the Board, he must also provide at least 3 trading days' prior notice of any intention to trade to the Audit Committee for their approval. If circumstances warrant, the Chairman may at his own discretion revoke his approval for the shares to be traded. Trades must be completed within 2 months of approval.

The Company Secretary shall maintain a register of all such approvals and declarations.

The only trades that need not be pre-notified are proposed acquisitions under any dividend reinvestment plan (**DRP**), equity incentive or share plan, or as otherwise notified by a Company Secretary. In the case of a DRP, the employee must only elect to participate in the DRP when they are not in possession of non-public price sensitive information and may not change that election until they are again not in possession of non-public price sensitive information.

The above declaration obligation does not apply to the exercise of employee options. Options may be exercised at any time in accordance with the Rex Option Plan. However, the notification obligations do apply to shares issued as a result of the exercise of an option. The above notification obligation also does not apply to Shares that are or have been subject to voluntary or mandatory escrow (**Escrow Shares**). Clearly, during the period of escrow, Escrow Shares cannot be traded at all.

6.2 Reporting of completed trades

Once a trade of any Securities has been made by or for a Designated Officer, its completion, including volume date and price, must be reported within two working days by e-mail to the Chairman (or, in the case of the Chairman, to the Deputy Chairman or Chairman of the Audit Committee, depending on which person provided the original approval) and copied to the Secretary so that the Company can comply with its ASX reporting obligations.

7. Extension of Restrictions to Family Members and Others

A number of the restrictions described in this policy prohibit the communication of non-public price sensitive information to other people or arranging for another person to trade in Securities.

Where a person related to or closely connected with an employee undertakes trading in Securities which are restricted by this policy, there is often a presumption that such person has been privy to information which is held by the employee. If that presumption is correct,

both the employee and the other person may have engaged in insider trading. Even if that presumption is incorrect, such trading may create a perception of insider trading.

Accordingly, to the extent that it is within employees' power to do so, employees should ensure that any Securities trading which is prohibited by this policy is not undertaken by their:

- spouse or partner;
 - immediate family members such as a parent, child, sibling, in-laws or other relative living in the employee's home or to whom material support is contributed;
 - a company or trust over which the employee has influence or control (regardless of who is the beneficiary);
 - a trust of which the employee is a beneficiary (other than a trust over which the employee exercises no control, i.e. a third person or entity exercises exclusive discretionary authority); and
 - any other person over whom an employee has investment control or influence.
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8. Takeovers etc

The restrictions in this policy do not prevent an employee from accepting a takeover bid or from selling Securities under a scheme of arrangement in respect of the Company.

9. Review of policy

This policy will be reviewed regularly by the Company's Directors having regard to the changing circumstances of the Company and any changes to the policy will be notified to affected persons in writing. If employees have any comments or views concerning the operation or effectiveness of the policy, they should be communicated to the Company Secretaries.

10. Breaches

Insider trading is strictly prohibited by law, and it is incumbent upon all employees to uphold that prohibition. Insider trading, or the perception of insider trading, by any employee will not be tolerated. The existence of a personal financial emergency or hardship does not excuse compliance with this policy. It is not only important that the Group and its employees do not participate in any insider trading activities, but also that we avoid any *appearance* of insider trading. Any allegation of insider trading would be likely to have a serious detrimental impact on our business. As such, we must all be seen to be actively and diligently upholding the law and complying with this policy

Breaches of this policy will be viewed seriously and may lead to disciplinary action being taken against the relevant employee. In serious cases, such action may include dismissal. Any employee who becomes aware of a violation of this policy should immediately report the violation to the Company Secretaries.

It should also be noted that, in some circumstances, the Company may be obliged to notify regulatory and/or criminal authorities of a serious breach of this policy. Insider trading is a crime and can result in imprisonment, fines, orders to pay compensation and other penalties against the Company, its directors and employees.

11. Questions

For questions about the operation of the policy, please contact the Company Secretaries.