

# 2016

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting (**Meeting**) of REAGroup Limited (**Company**) will be held at REAGroup Limited's Head Office, Ground Floor, 511 Church Street, Richmond, Victoria on Tuesday, 8 November 2016 at 2.00pm (AEDT) for the purposes of transacting the business set out in this notice.

### 1. Consideration of Reports

To receive and consider the Company's Financial Report, including the Financial Statements, and the reports of the Directors and Auditors for the year ended 30 June 2016.

### 2. Remuneration Report

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

"That the Remuneration Report for the year ended 30 June 2016 be adopted."

*The Remuneration Report is set out on pages 42 to 51 of the 2016 Annual Report. Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.*

*A [voting exclusion statement](#) applies to this item of business (see below).*

### 3. Election and Re-election of Directors

To consider and, if thought fit, pass the following resolutions as separate ordinary resolutions:

- a) "That Mr Michael Miller, who having been appointed as a Director of the Company on 12 November 2015 in accordance with rule 7.1(c) of the Company's Constitution, and being eligible for election, be elected as a Director of the Company."
- b) "That Ms Susan Panuccio, who having been appointed as a Director of the Company on 22 March 2016 in accordance with rule 7.1(c) of the Company's Constitution, and being eligible for election, be elected as a Director of the Company."

- c) "That Mr Richard Freudenstein, who retires in accordance with rule 7.1(d) of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

### 4. Increase the maximum aggregate fees payable to Non-Executive Directors

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

"That, in accordance with rule 7.3(a) of the Company Constitution and Listing Rule 10.17, the maximum aggregate Directors' fees payable to Non-executive Directors per annum be increased by \$550,000 from \$950,000 to a maximum of \$1,500,000."

*A [voting exclusion statement](#) applies to this item of business (see below).*

Please refer to the Explanatory Notes, which form part of this Notice of Meeting, for information regarding each item of business.

By order of the Board



**Sarah Turner**  
Company Secretary  
7 October 2016

## Voting exclusions for Items 2 and 4

For all resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel (KMP) of the Company (being the resolutions in respect of Items 2 and 4), the *Corporations Act 2001* (Cth) (**Corporations Act**) restricts KMP and their closely related parties from voting in certain circumstances.

Closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

## Item 2 – Remuneration Report

The Company will disregard any votes cast on Item 2:

- > by, or on behalf of, a member of the KMP (including the Directors) named in the Remuneration Report and their closely related parties, regardless of the capacity in which the vote is cast; or
- > as a proxy by a person who is a member of the KMP at the date of the Meeting and their closely related parties, unless the vote is cast as proxy for a person entitled to vote on Item 2:
  - in accordance with a direction on the proxy form; or
  - by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit even though the item is connected with the remuneration of the Company's KMP.

## Item 4 – Increase in the maximum aggregate fees payable to Non-Executive Directors

The Company will disregard any votes cast on Item 4:

- > by or on behalf of the Directors and any of their associates, as well as any votes cast as a proxy on Item 4 by a member of the KMP at the date of the Meeting and their closely related parties, unless the vote is cast; or
- > as a proxy by a person who is a member of the KMP at the date of the Meeting and their closely related parties, unless the vote is cast as proxy for a person entitled to vote on Item 4:
  - in accordance with a direction on the proxy form; or
  - by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit even though the item is connected with the remuneration of the Company's KMP.

## Proxies and voting:

### Eligibility to vote

You are eligible to vote at the Meeting if you are registered as a holder of the Company's shares at 7.00pm (AEDT) on Friday 4 November 2016. Accordingly, transactions registered after that time will be disregarded in determining which shareholders are entitled to attend and vote at the Meeting.

### Appointing a proxy

If you are entitled to attend and vote at the Meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a shareholder of the Company, and may be an individual or a body corporate. A personalised proxy form is included with this Notice of Meeting. If you are entitled to cast two or more votes,

you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you require a second proxy form, please contact the Company's share registry, Boardroom Pty Limited on 1300 737 760.

You may specify the way in which the proxy is to vote on each resolution (ie. by marking the boxes 'for', 'against' or 'abstain' next to the applicable resolutions on the proxy form) or you may allow the proxy to vote at his or her discretion. However, the Company's KMP (which includes each of the Directors) and their closely related parties will not be able to vote your proxy on Items 2 and 4 unless you direct them how to vote. If you intend to appoint a member of the KMP, other than the Chairman of the Meeting, as proxy, you must ensure the proxy is directed how to vote on Items 2 and 4.

If you intend to appoint the Chairman of the Meeting as proxy (or the Chairman becomes your proxy by default), you can direct him how to vote by marking the appropriate boxes on the proxy form (ie. 'for', 'against' or 'abstain'). If you do not mark any of the boxes in Step 2, by signing and returning the proxy form and by marking the Chairman's box in Step 1, you are expressly authorising the Chairman of the Meeting to exercise your proxy on Items 2 and 4 as the Chairman sees fit, notwithstanding that the Item is connected with the remuneration of the Company's KMP.

The Chairman of the Meeting intends to cast all available proxies in favour of each item of business.

The Company encourages all shareholders who submit proxies to direct their proxy how to vote on each item of business.

If you appoint a proxy and direct them how to vote, and your proxy does not attend the Meeting or does not vote if a poll is called on an item of business, your directed proxies will automatically default to the Chairman of the Meeting, who is required to vote proxies as directed on a poll.

### Lodging your proxy form

You can lodge your completed proxy form with the Company's share registry, Boardroom Pty Limited, by post, personal delivery, electronically or by fax to:

REA Group Limited  
c/- Boardroom Pty Limited

<b>Personal delivery address:</b>	<b>Postal address:</b>
Level 12, Grosvenor Place	GPO Box 3993
225 George Street	Sydney NSW 2001
Sydney, NSW 2000	

<b>Fax:</b>	<b>Electronically:</b>
+61 2 9290 9655	<a href="http://www.votingonline.com.au/reaagm2016">www.votingonline.com.au/reaagm2016</a>

Your completed proxy form must be received by Boardroom Pty Limited no later than 2:00pm (AEDT) on Sunday 6 November 2016, being 48 hours before the commencement of the Meeting. If the proxy form is signed by an attorney, the original power of attorney under which the proxy form was signed (or a certified copy) must also be received by Boardroom Pty Limited by 2:00pm (AEDT) on Sunday 6 November 2016, unless it has been previously provided to Boardroom Pty Limited.

If you appoint a proxy, you may still attend the Meeting. The appointment of a proxy is not revoked by you attending and taking part in the Meeting, however if you vote on a resolution,

the proxy is not entitled to vote, and must not vote, as proxy on the resolution.

## Attending the Meeting

If you attend the Meeting, please bring your personalised proxy form with you. The bar code at the top of the form will help you to register. If you do not bring your form with you, you will still be able to attend the Meeting but representatives from Boardroom Pty Limited will need to verify your identification.

## Corporate shareholders

Corporate shareholders who wish to appoint a representative to attend the Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the Company's representative. Shareholders can download and fill out an "Appointment of Corporate Representative" form from the Boardroom website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au).

## Questions for the Auditor

Shareholders may submit questions to the Company's Auditor, Ernst and Young, if the question is relevant to the content of Ernst & Young's audit report for the year ended 30 June 2016 or the conduct of its audit of the Company's Financial Report for the year ended 30 June 2016.

If you wish to submit a question to the Auditor in writing, it must be received by the Company no later than 2:00pm (AEDT) on Monday 31 October 2016. You may submit any written questions for the Auditor with the Company's share registry, Boardroom Pty Limited, by post, personal delivery, electronically or by fax to:

REA Group Limited  
c/- Boardroom Pty Limited

<b>Personal delivery address:</b>	<b>Postal address:</b>
Level 12, Grosvenor Place	GPO Box 3993
225 George Street	Sydney NSW 2001
Sydney, NSW 2000	

**Fax:**  
+61 2 9290 9655

A list of written questions will be made available to shareholders attending the Meeting. If written answers are tabled at the Meeting, they will be made available to shareholders as soon as practicable after the Meeting.

## Explanatory Notes:

### Item 1 – Consideration of the Financial Statements and Report

In accordance with section 317 of the Corporations Act, the Company is required to lay before the Annual General Meeting:

- > the reports of the Directors and Auditors, for the year ended 30 June 2016; and
- > the Financial Report, including the Financial Statements of the Company, for the year ended 30 June 2016.

Neither the Corporations Act nor the Company Constitution require a vote of shareholders on the reports or statements. However, shareholders will be given a reasonable opportunity to ask questions about or make comments on the management of the Company.

Also, a reasonable opportunity will be given to shareholders as a whole at the Meeting to ask the Company's Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company in relation to the preparation of the Financial Statements and the independence of the Auditor in relation to the conduct of the audit.

### Item 2 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to shareholders its Remuneration Report as disclosed in the Company's 2016 Annual Report and shareholders will be asked to vote on this item. The vote is advisory only and is not binding on the Directors or the Company. However the Directors will have regard to the outcome of the vote and the discussion at the Meeting when determining the Company's remuneration policy.

The Remuneration Report is presented within the Directors' Report on pages 42 to 51 of the Company's 2016 Annual Report and is also available on the Company's corporate website ([www.rea-group.com](http://www.rea-group.com)).

The Remuneration Report sets out the remuneration policy for the Company and explains the remuneration arrangements in place for its executives and Directors.

A [voting exclusion](#) applies to this item of business, as set out in the Notice of Meeting.

The Board unanimously recommends that shareholders vote in favour of Item 2.

The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.

### Item 3 – Election and Re-election of Directors

The Board's policy on board composition is to ensure that at all times there will be an appropriate mix of skills and experience in order to provide the necessary knowledge required to meet the Company's objectives.

Mr Michael Miller and Ms Susan Panuccio who having been appointed as Directors of the Company on 12 November 2015 and 22 March 2016 are offering themselves for election as Directors of the Company. Their expertise and experience is set out below.

Mr Richard Freudenstein is retiring by rotation and is eligible to stand for re-election. His expertise and experience is also set out below.



**3a) Mr Michael Miller,  
B.A.Sc, Communication and Media**

*Non-executive Director  
appointed 12 November 2015*

Mr Michael Miller was appointed Executive Chairman of News Corp Australasia in November 2015. He has 20 years of experience working in senior executive roles in the media industry, most recently as the CEO of APN News and Media. Mr Miller was previously the Regional Director for News Limited in New South Wales, the Managing Director of Advertiser News Media, and News Limited's Group Marketing Director. He has served on the Boards of News Limited, Adshel, Australian Radio Network, [carsguide.com.au](http://carsguide.com.au), Sky Network Television NZ Limited, the Committee for Sydney, the South Australian Rugby Union and Waratahs Rugby. Mr Miller is currently

the Chairman of The NewsMediaWorks and a Director of Unruly, Foxtel and Fox Sports. Mr Miller is a nominee Director of News Corp.

**Board Recommendation:** The non-candidate directors unanimously support the election of Mr Miller.



**3b) Ms Susan Panuccio,  
B. Bus (Hons), ICAA**

*Non-executive Director  
appointed 22 March 2016*

Ms Panuccio has had extensive media experience across the UK and Australia. She was appointed Chief Financial Officer of News Corp Australia in September 2013, having joined the company after spending 11 years in London, working for News UK in a number of roles. These roles included Chief Financial Officer, Director of Corporate Planning and Director of Strategic Programme Management. Ms Panuccio is a nominee Director of News Corp.

**Special responsibilities:** Member of the Audit, Risk and Compliance Committee

**Board Recommendation:** The non-candidate Directors unanimously support the election of Ms Panuccio.



**3c) Mr Richard J Freudenstein  
BEC, LLB (Hons)**

*Non-executive Director  
appointed 21 November 2006*

Mr Freudenstein is a media executive with extensive experience in Australian and international markets. He was Chief Executive Officer of Foxtel from 2011 to 2016, prior to which he was CEO of News Digital Media (the digital division of News Limited) and The Australian newspaper. Mr Freudenstein was previously the Chief Operating Officer of British Sky Broadcasting. Mr Freudenstein is a nominee director of News Corp.

**Special responsibilities:** Member of the HR Committee

**Board Recommendation:** The non-candidate Directors unanimously support the election of Mr Freudenstein.

**Item 4 – Increase the maximum aggregate fees payable to Non-Executive Directors**

**Shareholder approval is sought to increase the maximum aggregate remuneration paid to Non-Executive Directors of the Board by \$550,000 from \$950,000 to \$1,500,000 per annum.**

In accordance with rule 7.3(a) of the Company Constitution and Listing Rule 10.17, the limit on total aggregate remuneration that may be paid to non-executive directors is fixed by ordinary resolution of a general meeting of shareholders.

The Company's non-executive directors are remunerated for their services from a maximum aggregate amount (currently \$950,000 per annum) approved by shareholders for that purpose. The current limit of \$950,000 was approved by REA shareholders at REA's 2013 AGM.

Non-executive directors' fees are reviewed annually and set and approved by the Board based on advice received from the Human Resources Committee which in turn may receive advice from external remuneration consultants. The most recent review was conducted in October 2015. Currently the total fees per annum

paid to all Company non-executive directors equals approximately \$950,000. The remuneration of each director for the year ended 30 June 2016 is detailed in the Company's 2016 Annual Report.

The Board wishes to increase the maximum aggregate amount of fees that may be paid to non-executive directors by \$550,000 from \$950,000 to a maximum of \$1,500,000.

The Board considers that it is reasonable and appropriate to increase the remuneration pool for non-executive directors for the following reasons:

- > there are increasing demands on non-executive directors given REA's growth in its operations, particularly its international operations;
- > REA has had historically low board remuneration fees because the News Corp appointed directors were also News Corp employees who did not receive any remuneration. The Chairman and Mr Freudenstein are no longer employed by News Corp in an executive capacity and are consequently entitled to be remunerated;
- > there are continued regulatory changes which increase workloads and time demands on non-executive directors; and
- > the Board is comprised of highly experienced senior business leaders. The ability to recruit and retain high calibre directors requires sufficient capacity to respond to changes in market rates for non-executive directors as required.

During 2016, the Board determined that Board member base fees be increased to \$150,000 from \$120,000 with changes to the Audit, Risk and Compliance Committee fees from \$14,000 to \$16,000 and the Human Resources Committee fees from \$13,000 to \$15,000. Board member and Committee base fees were last increased in 2013.

An increase in the current pool is sought to:

- > provide sufficient capacity and flexibility to respond to future needs as discussed above, and
- > allow for the capacity to pay fees for additional work on behalf of the Company such as special Board sub-committees and participation in Company wide projects which require significant extra time over and above a non-executive director's anticipated regular responsibilities.

A [voting exclusion statement](#) applies to this item of business, as set out in the Notice of Meeting.

The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.

*With non-executive directors noting their interest, the Board unanimously recommends that shareholders vote in favour of Item 4.*



**All Correspondence to:**

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2.00pm AEDT on Sunday 6 November 2016.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** [www.votingonline.com.au/reaagm2016](http://www.votingonline.com.au/reaagm2016)
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.  
If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2.00pm AEDT on Sunday, 6 November 2016.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** [www.votingonline.com.au/reagagm2016](http://www.votingonline.com.au/reagagm2016)
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**  
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **REA Group Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **REA Group Limited's Head Office, Ground Floor, 511 Church Street, Richmond, Victoria on Tuesday, 8 November, 2016 at 2.00pm AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 2 and 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 2 and 4 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 2 and 4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**  
 \* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 2	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3a	To Elect Mr Michael Miller as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3b	To Elect Ms Susan Panuccio as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3c	To Re-elect Mr Richard Freudenstein as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To increase the maximum aggregate fees payable to Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS**  
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2016