



**BILL PEACH  
JOURNEYS**  
AIRCRUISING AUSTRALIA

30<sup>th</sup> July 2009

ASX Markets Supervision Pty Ltd  
Exchange Centre  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000  
Attention Sarah Donnelly  
Senior Advisor, Issuers (Sydney)

Dear Sarah

Please find as attachment additional pages to be read in conjunction with the company's Annual Financial Report for 30<sup>th</sup> June 2008.

The pages are in relation to the reporting requirements on Corporate Governance, and are submitted in answer to the correspondence received from the ASX dated 24<sup>th</sup> July 2009.

We apologise for the oversight.

Yours faithfully,



Geoff Watson

Company Secretary.

**AIRCruISING AUSTRALIA LIMITED**  
**A.B.N. 25 010 484 938**

**ADDITIONAL DISCLOSURES 30TH JUNE 2008**

**CORPORATE GOVERNANCE STATEMENT**

**PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURES**

The company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the securities market and has adopted a Market Disclosure Policy covering:

- announcements to the ASX;
- prevention of selective or inadvertent disclosure;
- conduct of investor and analysts briefings;
- media communications;
- commenting on expected earnings;
- communication black-out periods; and
- review of briefings and communications.

Under the Market Disclosure Policy, the Company Secretary, as the nominated disclosure officer, has responsibility for overseeing and co-ordinating the disclosure of information by the company to the ASX and for administering the policy and the company's continuous disclosure education programme.

As Aircruising Australia Limited is a small company, the Board of Directors combined form the function of "Disclosure Committee".

The company's Market Disclosure Policy is consistent with ASX Principle 5. A copy of the policy is available from the company's web site.

**PRINCIPLE 8: ENCOURAGE ENHANCED PERFORMANCES**

**PERFORMANCE REVIEW**

The performance of key executives is monitored at each meeting of directors (11 times per year).

Measurement is against:

- agreed budget, and strategic plan;
- past statistics; and
- industry standards.

The agenda for performance review include:

- operating results;
- customer satisfaction;
- sales;
- occupancy rates

**FACILITATING PERFORMANCE BY EDUCATION**

New directors have an induction process that includes:

- product familiarisation;
- discussions with joint managing directors and company secretary

The same process is in place for new key executives.

It is always the aim of the directors that new appointments add value and strength to the board.

**AIRCruISING AUSTRALIA LIMITED**  
**A.B.N. 25 010 484 938**

**ADDITIONAL DISCLOSURES 30TH JUNE 2008**

**ACCESS TO INFORMATION**

Directors and key executives have access to continuing education to enhance skills both in the position and the industry.

**REPORTING**

There is an agreed monthly reporting package in place that is distributed to all directors before the board meeting (11 times per year).

The directors and key executives have free access to any employee to further discuss the contents of the reporting package.

**COMPANY SECRETARY**

The company secretary is accountable to the board through the chairperson on all governance matters.

The company secretary monitors that board policy and procedures are followed, and co-ordinates and despatches the board agenda and supporting papers before the date of the board meeting.

**PRINCIPLE 9: REMUNERATE FAIRLY AND RESPONSIBLY**

**BOARD REMUNERATION:**

**REMUNERATION POOL**

As Aircruising Australia Limited is a small company, the Board of Directors combined form the function of "Remuneration Committee".

The current annual remuneration pool for non-executive directors is \$15,000 P.A. This fee was approved by attending shareholders at the annual general meeting held on 29th November 2007.

Details of annual fees are set out in the remuneration report on page 27 of the Annual Financial Report.

**NON-EXECUTIVE DIRECTOR SHARE PLAN**

At the date of this report, there is no share plan in existence for non-executive directors.

**REMUNERATION OF EXECUTIVE DIRECTORS AND SENIOR EXECUTIVES.**

Details of remuneration for executive directors and senior executives are set out in the Remuneration Report, which forms part of the Annual Financial Report on page 27.

The remuneration report also sets out details of remuneration practices and policies of the company.

**EXECUTIVE DIRECTORS AND SENIOR EXECUTIVES SHARE PLAN.**

At the date of this report, there is no share plan in existence for executive directors and senior executives.

**REMUNERATION COMMITTEE**

As Aircruising Australia Limited is a small company, the Board of Directors combined form the function of "Remuneration Committee".

The Remuneration Committee's responsibilities include:

**AIRCRUISING AUSTRALIA LIMITED**  
**A.B.N. 25 010 484 938**

**ADDITIONAL DISCLOSURES 30TH JUNE 2008**

- reviewing fixed and variable remuneration for the Non Executive Directors and Joint Managing Directors including incentive schemes.
- reviewing and approving recommendations from the Joint Managing Directors on fixed and variable remuneration for senior executives including incentive schemes.

The composition, operation and responsibilities of the Remuneration Committee are consistent with ASX Principle 8.

The committee, as a process of the meeting of Directors, meet 11 times per year.



ASX Markets Supervision Pty Ltd  
ABN 26 087 780 489  
20 Bridge Street  
Sydney NSW 2000  
PO Box H224  
Australia Square  
NSW 1215

Telephone 61 2 9227 0361  
Facsimile 61 2 9241 7620  
[www.asx.com.au](http://www.asx.com.au)

28 July 2009

Geoff Watson  
Aircruising Australia Limited  
20/77 Bourke Rd  
Alexandria NSW 2015

By Email

Dear Geoff,

**Aircruising Australia Limited (the "Company")**

We refer to the Company's annual report for the year ended 30 June 2008 ("Annual Report") and in particular to the Company's disclosures about its corporate governance practices.

Listing rule 4.10.3 requires that an entity include in its annual report:

*"A statement disclosing the extent to which the entity has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed."*

ASX Markets Supervision ("ASXMS") has reviewed the corporate governance disclosures in the annual reports of all entities. Upon our review of the Annual Report, ASXMS could not identify a statement in the Annual Report confirming whether the Company had followed or not followed the following recommendations of the Council:

- Recommendations 5.1, 5.2, 8.1, 9.3 and 9.4.

ASXMS attaches particular importance to encouraging a consistently high standard of listed entities' disclosures about the Council's corporate governance recommendations.

ASXMS contacted the Company with regard to its disclosure in respect of the corporate governance recommendations following review of the Company's 2007 annual report. Either the Company agreed that it had not made the necessary disclosure in relation to the corporate governance recommendations or upon review by ASXMS it has been determined that adequate disclosure had not been made. ASXMS required the Company to confirm by letter that the Company's board was apprised of the fact that the corporate governance disclosure in the 2007 annual report was deficient for the purposes of complying with listing rule 4.10.3, and that the Company undertook to ensure that its disclosures under listing rule 4.10.3 in its annual report for the year ending 30 June 2008 would address whether the Company has adopted each one of the Council's

recommendations, and, where the Company has not adopted one, given the Company's reasons for not having adopted that recommendation.

**In light of the Company's non-disclosure in respect of the abovementioned corporate governance recommendations in its Annual Report, ASXMS requires that the Company make additional disclosure to the market in compliance with listing rule 4.10.3 about the extent to which the Company has followed or not followed each one of the recommendations of the Council.**

The additional disclosure should be sent to me by e-mail at [sarah.donnely@asx.com.au](mailto:sarah.donnely@asx.com.au) or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office. This is requested as soon as possible and, in any event, not later than **9.30am A.E.S.T. on Friday, 31 July 2009**.

Under listing rule 18.7A, a copy of this letter and the additional disclosure will be released to the market, so your response should be presented in a suitable form.

Should the Company fail to do so, ASXMS may consider suspending the Company's securities from quotation until the Company releases to the market a corporate governance statement that discloses the required information.

We remind you that (with the exception of Recommendation 4.2, the audit committee recommendation, which is mandatory for the top 300 entities under listing rule 12.7) reporting on the Company's corporate governance practices is on an "if not, why not" basis. The Company is not obliged to have adopted any particular recommendation of the Council, only to report on whether it has followed each recommendation, and, where it has not followed a recommendation, to give its reasons for not having adopted that particular recommendation.

If you have any queries about this letter, or about the Council's recommendations and the Company's reporting obligations in relation to those recommendations, please contact me immediately.

Yours sincerely,

*[Sent electronically without signature]*

Sarah Donnelly

**Senior Adviser, Issuers (Sydney)**