

RER GROUP LIMITED
ACN 098 812 492

NOTICE OF GENERAL MEETING
AND
EXPLANATORY MEMORANDUM

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspect of this document with the Company please contact
Mr James Cullen on telephone (+61 8) 9458 3111.*

**RER GROUP LIMITED
ACN 098 812 492**

NOTICE OF GENERAL MEETING

Notice is hereby given that a Meeting of the Shareholders of RER Group Limited will be held at the Western Australian Club, 101 St George's Tce, Perth, Western Australia at 11 am on 8 September 2010 to conduct the following business and to consider, and if thought fit, to pass the following Resolutions.

RESOLUTION 1 – ORDINARY RESOLUTION – APPROVAL OF PERFORMANCE RIGHTS PLAN

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

“That for the purposes of Listing Rule 7.2 (Exception 9) approval be and is hereby given to the Company issuing securities under the Performance Rights Plan as an exception to Listing Rule 7.2 on the terms and conditions set out in the Explanatory Memorandum.”

RESOLUTION 2 – SPECIAL RESOLUTION – CHANGE OF COMPANY NAME

To consider, and if thought fit, pass the following resolution as a special resolution:

“That the Company's name be changed to “Resource Equipment Ltd”.”

RESOLUTION 3 – ORDINARY RESOLUTION - GRANT OF ENTITLEMENTS AND PERFORMANCE RIGHTS TO MR JAMES CULLEN

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

“That for the purposes of Listing Rule 10.14 approval be and is hereby given to the Company issuing securities under the Performance Rights Plan to Mr James Cullen on the terms and conditions set out in the Explanatory Memorandum.”

RESOLUTION 4 – ORDINARY RESOLUTION - GRANT OF ENTITLEMENTS AND PERFORMANCE RIGHTS TO MR ANTHONY RYDER

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

“That for the purposes of Listing Rule 10.14 approval be and is hereby given to the Company issuing securities under the Performance Rights Plan to Mr Anthony Ryder on the terms and conditions set out in the Explanatory Memorandum.”

DATED THIS 3rd DAY OF AUGUST 2010

BY ORDER OF THE BOARD



James Cullen
DIRECTOR/SECRETARY

Notes:

Definitions

Terms which are used in this Notice and which are defined in Section 3 of the Explanatory Memorandum have the meanings ascribed to them therein.

Note

If you have recently changed your address or if there is any error in the name and address used for this notice please notify the Company Secretary. In the case of a corporation, notification is to be signed by a director or company secretary.

Proxies

A Shareholder who is entitled to vote at this Meeting has a right to appoint a proxy and should use the proxy form enclosed with this notice. The proxy need not be a Shareholder of the Company and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of this appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a Shareholder at the meeting is suspended if the Shareholder is present at the meeting.

The proxy form must be signed and dated by the Shareholder or the Shareholder's attorney. Joint Shareholders must each sign.

Proxy forms and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received:

- by mail at RER Group Ltd, PO Box 328, Welshpool Western Australia, 6986; or
- in person or by delivery to RER Group Ltd, 276 Treasure Road, Welshpool, Western Australia, 6106
- on facsimile number (+61 8) 9258 9804,

not later than 11 am on 6 September 2010.

Pursuant to regulation 7.11.37 of the Corporations Regulations, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the share register at 7.00 pm (Sydney time) on 5 September 2010.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one.

Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Voting Exclusion Statement

1. In accordance with Listing Rules 7.2 (Exception 9) and 14.11 the Company will disregard any votes cast on Resolution 1 by:
 - a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
 - any associate of the abovementioned person(s).

However this prohibition does not apply if:

- A vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; or
- A vote is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. In accordance with Listing Rules 10.14, 10.15A.6 and 14.11 the Company will disregard any votes cast on Resolution 3 by:

- Mr James Cullen;
- a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- if ASX has expressed an opinion under Rule 10.14.3 that approval is required for participation in the Plan by anyone else, that person; and
- any associate of the abovementioned person(s).

However this prohibition does not apply if:

- A vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; or
- A vote is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. In accordance with Listing Rules 10.14, 10.15A.6 and 14.11 the Company will disregard any votes cast on Resolution 4 by:

- Mr Anthony Ryder;
- a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- if ASX has expressed an opinion under Rule 10.14.3 that approval is required for participation in the Plan by anyone else, that person; and
- any associate of the abovementioned person(s).

However this prohibition does not apply if:

- A vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; or
- A vote is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RER GROUP LIMITED
ACN 098 812 492

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening a Meeting of members of the Company to be held on 8 September 2010 commencing at 11 am. This Memorandum is to assist shareholders in understanding the background to and the legal and other implications of the Notice and the reason for the Resolutions proposed. Certain terms used in this Explanatory Memorandum are defined in Section 3.

1. RESOLUTION 1

(a) Background

Shareholders are asked to approve a Performance Rights Plan which the Board has resolved to implement.

Under the Plan selected employees, including executive Directors, will be granted Performance Rights which will entitle them to receive ordinary shares in the Company, subject to the Company meeting performance objectives determined by the Board and individual employees subsequently completing a designated period of service.

The Board believes that the Plan will better align employee compensation with returns to shareholders and assist with staff retention.

(b) Main features of the Plan

Selected Employees will at or prior to the commencement of a financial year be provided with a potential Entitlement, being an amount expressed in Australian dollars, which will be used to determine the number of Performance Rights issued.

Any individual's potential Entitlement will be determined by reference to his/her Salary and will be a monetary sum based on a week's Salary and will vary according to the Return on Equity level that is achieved in the relevant year.

The actual Entitlement of each participating Employee in respect of a financial year will, subject to the Board's discretion as described above, be awarded in part or in full at the completion of that financial year, based on the Company meeting its Return on Equity performance objectives.

The award of an Entitlement to an employee will, subject to the Board's discretion as described above, grant that employee rights to a fixed number of fully paid Shares in the Company determined by

dividing the Entitlement of that employee by the volume weighted average Share price of the Company for the 20 day trading period prior to the commencement of the relevant financial year that the potential Entitlement is granted for.

The Performance Rights in respect of an employee will, subject to the Board's discretion as described above, generally vest over 3 years after the end of the financial year in which the corresponding Entitlement arises, however, the Board retains absolute unfettered discretionary powers to determine and vary the Vesting Date provided it is no more than 5 years. The employee must still be employed by the Company at the Vesting Date in order for the Performance Rights to vest, subject to the overriding discretion of the Board to vary this requirement.

An Employee may notify the Board of any nominee to which the Employee wants Shares to be issued that would otherwise be issued to that Employee pursuant to the Plan provided that all taxation consequences of such nomination are the sole responsibility of the Employee concerned and provided that such notification is received before 31 July in the relevant year.

Any Performance Rights that have been earned but remain unvested will vest automatically if a Change of Control Event occurs, the intention being that the holders of Performance Rights are to be able to accept (in respect of the resulting Shares to be issued) offers made or to be made under or pursuant to the Change of Control Event. If at the time of any Change of Control Event the number of Performance Rights on issue exceeds 10% of the issued capital of the Company, any such Performance Rights will be reduced pro rata amongst all holders such that the number of Performance Rights that may vest automatically if a Change of Control Event occurs must not exceed 10% of the issued capital of the Company.

In the case of the Company's two executive Directors, Mr James Cullen and Mr Anthony Ryder the Board has determined that they will participate in the Plan based on the following ROE parameters:

ROE	12.5%	15%	20%	22%
Percentage of Annual Salary in Performance Rights	0%	25%	42%	50%

The above percentage of Salary formula will apply pro-rata for ROE levels achieved between 12.5% and 22%.

For example, for the 2010 financial year, assume both Mr Cullen's and Mr Ryder's annual salary is \$450,000. Therefore, the maximum Entitlement to which Mr Cullen and Mr Ryder each may be granted will be \$225,000 where the ROE (return on equity) is 22%. Assuming that the volume weighted average Share price of the Company for the

20 day trading period prior to the commencement of the 2010 financial year was 27 cents per Share, the maximum number of Performance Rights to be earned by Mr Cullen and Mr Ryder respectively are 833,333 (ie the right to be issued up to 833,333 Shares each).

The Board has further determined that number of Performance Rights underlying the award of an individual Entitlement to Mr Cullen and Mr Ryder must not exceed 1,500,000 each (ie the right to be issued up to 1,500,000 Shares in any relevant year).

In the case of Mr Cullen, a condition of him joining the Company in September 2008 was participation in a long term incentive plan. Because that plan has not yet been implemented and the condition has therefore not yet been met, it has been agreed that the Entitlement calculated with respect to the year ended 30 June 2010 will be doubled. This will effectively satisfy the above condition from the commencement of his employment to 30 June 2009, during which time a long term incentive plan had not been implemented.

Also in the case of any executive Director, vesting will occur on the earlier of (i) the vesting periods as defined in the Performance Rights Plan, and (ii) termination of the executive's employment as a result of the Company not renewing the Employment Agreement at the expiry of the Term or pursuant to certain conditions specified in their employment contracts. Should an executive resign, all Entitlements not yet vested will be forfeited.

Proposed Implementation Steps

Subject to the Board's overriding discretion as described above it is envisaged that the Plan will operate as follows:

- At or prior to the commencement of a financial year Employees will be advised of their potential Entitlements and the relevant ROE hurdle.
- No later than 31 August of each year the Company will advise each Employee of the number of Performance Rights to which he/she has become entitled in respect of the previous financial year ended 30 June.
- The Board will determine the relevant vesting date(s) in respect of each Entitlement/Performance Right.
- At least seven days prior to each Vesting Date the Company will instruct its share registry to issue the relevant Shares to the Employee on the Vesting Date.
- Within 3 days of issue of the relevant Shares the Company will apply to have them granted quotation on ASX

Discretion

For Employees who are not Directors, the Board of Directors of the Company also retains the absolute unfettered discretion to adjust any Entitlement that would otherwise be earned up or down by up to 20% to account for exceptional or poor Company safety performance during the relevant period in respect of which the Entitlement has been earned. This discretion does not apply to any Employee who is a Director.

Condition

Participation in the Plan and any obligations of the Company thereunder will be subject to the obtaining of all necessary approvals of the Company's shareholders and to obtaining any required regulatory approvals.

Interpretation

"Board" means the board of Directors of RER Group Ltd.

"Change of Control Event" means:

- (a) an off-market or market bid for some or all of the Shares in the Company made under Chapter 6 of the Corporations Act;
- (b) a court sanctioning a compromise or arrangement proposed for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate under Part 5.1 of the Corporations Act; or
- (c) another event occurs that ASX determines is a significant change in the nature or scale of the Company's activities in terms of Listing Rule 11.1.

"Company" means RER Group Ltd (ACN 098 812 492).

"Corporations Act" means the Corporations Act 2001 (Cth).

"Entitlement" means a right (which is always subject to the overriding, absolute and unfettered right of the Board to revoke without cause or compensation) expressed as a dollar amount which entitles the grantee, subject to the satisfaction by the Company of certain ROE performance hurdles (as determined by the Board in its absolute unfettered discretion) notified to the grantee at the time of grant, to be issued a corresponding Performance Right in accordance with the Plan.

“Employee” means a full time employee of the Company or one of its subsidiaries.

“Listing Rules” means the official listing rules of ASX Limited.

“Performance Right” means the right (which is always subject to the overriding, absolute and unfettered right of the Board to revoke without cause or compensation), derived from the issue of the Entitlement, to require the Company to issue to the grantee a number of Shares pursuant to a formula and subject to the terms and conditions contained in the Plan. For the avoidance of all doubt no voting, dividend or other rights that attach to Shares are attached to the Performance Rights or Entitlements.

“Performance Rights Plan” and **“Plan”** means the performance rights plan adopted by the Board as described in Section 1.

“Return on Equity” and **“ROE”** means net profit after tax divided by shareholders’ equity at the beginning of the financial year, subject to the Board’s discretion to adjust for unusual items and ordinary corporate taxation rates.

“Salary” means the ordinary time earnings (before any items of salary sacrifice) of an Employee at 30 June of each year based on 2,340 hours per annum, exclusive of allowances and overtime.

“Share” means an ordinary fully paid share in the capital of the Company.

“Vesting Date” in respect of Performance Rights means the date the Board determines as the vesting date in respect of those Performance Rights.

(c) Directors’ recommendation on Resolution 1

The Directors, other than Mr Cullen and Mr Ryder who abstain from making any comment or recommendation, unanimously support the adoption of the Performance Rights Plan pursuant to Resolution 1.

(d) Regulatory Requirements

Listing Rules Chapter 7

Listing Rule 7.1 limits the capacity of the Company to issue equity securities without the approval of its Shareholders. The Board considers that the Entitlements and corresponding Performance Rights under the Plan constitute “securities” for this purpose. In broad terms the Rule provides that a Company may not, within a 12 month period, issue equity securities equal to more than 15% of the total number of

ordinary securities on issue at the beginning of the 12 month period unless the issue is approved by Shareholders or the issue otherwise comes within one of the exceptions to Listing Rule 7.1. Although it is not contemplated that the “securities” comprised within the Plan would be likely to infringe the 15% limit described above the Board wants to ensure that the “securities” comprised in the Plan are excluded from any future calculations for the purposes of the 15% Rule in Listing Rule 7.1.

The Board wishes to rely on the exception from Listing Rule 7.1 contained in Exception 9 in Listing Rule 7.2.

Paragraph (b) of Exception 9 in Listing Rule 7.2 excludes from the application of 7.1 an issue under an “employee incentive scheme” if within 3 years before the date of issue “holders of ordinary securities have approved the issue of securities under the scheme as an exception to this rule”.

Resolution 1, therefore, is designed to fulfil the requirements of Exception 9 of Listing Rule 7.2. Paragraph (b) of Exception 9 in Listing Rule 7.2 contains requirements as to the contents of a Notice sent to Shareholders for the purposes of the Rule and the following information is included to meet those requirements:

- A summary of the terms of the scheme – the main features of the Plan are set out in Section 1(b) above;
- The number of securities issued under the scheme since the date of this last approval – not applicable as the Plan has not previously been approved by Shareholders;
- A “voting exclusion statement” – this is included in the Notice.

2. RESOLUTION 2

Currently the Company’s operations are conducted through its subsidiary, Resource Equipment Rentals Pty Ltd. For administrative and marketing ease as well as to reduce costs, it is desirable to conduct the Company’s operations under the listed entity, currently named RER Group Limited. In doing so, the Directors wish to retain the branding and goodwill associated with the “Resource Equipment” name. At the same time the Directors do not wish to describe the business as a rental company, since it is a solutions based business and also sells equipment from time to time.

The name Resource Equipment Ltd is considered appropriate as the Directors consider that by adopting this name, the branding and goodwill established in previous years will be preserved without limiting the scope of services that the Company provides.

3. RESOLUTIONS 3 & 4

(a) **Proposed Performance Rights to be issued to Mr James Cullen and Mr Anthony Ryder**

The employment contracts of Mr Cullen and Mr Ryder require that the Company must provide them with a form of long term equity incentive. The recommendation of appropriate equity incentives was delayed because of uncertainty which arose from the Federal Government's proposed changes to the taxation consequences of granting equity incentives to executives. Now that this uncertainty has been removed the Board has resolved that Mr Cullen and Mr Ryder should participate in the Plan.

(b) **Directors' recommendation on Resolutions 3 & 4**

The Directors, other than Messrs Cullen and Ryder who abstain from making any comment or recommendation, unanimously support the award of the Entitlement and corresponding Performance Rights as set out in Resolutions 3 and 4.

(c) **Regulatory Requirements**

Listing Rules Chapter 10

Under Listing Rule 10.14, a company must not permit any of the directors of the company or associates of the directors of the company to acquire "securities" under an employee incentive scheme without approval from the holders of ordinary securities of the acquisition. The Entitlements and corresponding Performance Rights the subject of Resolutions 3 and 4 are considered by the Company to constitute "securities" for this purpose.

Resolutions 3 and 4 are, therefore, intended to satisfy the requirements of Listing Rule 10.14 with respect to the issue of Entitlements and Performance Rights to the Directors concerned in respect of the 2010 and 2011 and 2012 financial years.

Listing Rule 10.15A contains requirements as to the contents of a Notice sent to shareholders for the purposes of Listing Rule 10.14 and the following information is included in this Explanatory Memorandum for that purpose:

(a) **If the person is not a director, a statement of the relationship between the person and the director that requires approval to be obtained:** Mr Cullen and Mr Ryder are executive Directors of the Company.

(b) **The maximum number of securities that may be acquired by all persons for whom approval is required, including the**

formula for calculating the number of securities to be issued:

As noted above in Section 1(b), the maximum number of securities that may be acquired by each of Mr Cullen and Mr Ryder for whom approval is sought is 1,500,000 Shares in any relevant year, and thus in aggregate over the 2009, 2010, 2011 and 2012 financial years is 9,000,000 Shares. The Company currently has 154,215,466 Shares on issue and 46,805,050 Options on issue, and 9,000,000 Shares would constitute approximately 4.28% of the Company's fully diluted capital.

Mr Cullen may acquire:

- a maximum Entitlement of \$240,000 and corresponding Performance Rights of 960,000 (ie the right to be issued up to 960,000 Shares) in respect of each of the 2009 and 2010 financial years;
- a maximum potential Entitlement of \$270,000 in respect of the 2011 financial year with the corresponding number of Performance Rights to be determined in accordance with the formula set out in Section 1(b), and subject to the overriding requirement (as outlined in above and in Section 1(b) that no more than 1,500,000 Performance Rights may be earned.

Mr Ryder may acquire:

- a maximum Entitlement of \$240,000 and corresponding Performance Rights of 960,000 (ie the right to be issued up to 960,000 Shares) in respect of the 2010 financial year;
- a maximum potential Entitlement of \$270,000 in respect of the 2011 financial year with the corresponding number of Performance Rights to be determined in accordance with the formula set out in Section 1(b)), and subject to the overriding requirement (as outlined in above and in Section 1(b) that no more than 1,500,000 Performance Rights may be earned;
- a maximum potential Entitlement of \$300,000 in respect of the 2012 financial year with the corresponding number of Performance Rights to be determined in accordance with the formula set out in Section 1(b)), and subject to the overriding requirement (as outlined in above and in Section 1(b) that no more than 1,500,000 Performance Rights may be earned.

- (c) **The price, or the formula for calculating the price, for each security to be acquired under the scheme:** the Entitlements and Performance Rights to be granted to the two executive Directors are being granted for nil cash consideration. The formula by which Performance Rights derive from Entitlements is set out in Section 1(b).
- (d) **The names of all the persons referred to in Listing Rule 10.14 who received securities under the scheme since the last approval, the number of securities received and the acquisition price for each security:** not applicable.
- (e) **The names of all the persons referred to in Listing Rule 10.14 who are entitled to participate in the scheme:** Mr J Cullen and Mr Ryder are the only such persons entitled to participate in the Plan as at the date hereof.
- (f) **A voting exclusion statement:** a voting exclusion statement is included in this Notice.
- (f) **The terms of any loan in relation to the acquisition:** no loan is made with respect to the acquisitions.
- (g) Details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under Listing Rule 10.14;

Any additional persons who become entitled to participate in the Plan after Resolutions 3 and 4 are approved and who are not named in the Notice or this Explanatory Memorandum will not participate until approval is obtained under Listing Rule 10.14.

- (h) **The date by which the Company will issue the securities, which must be no later than 3 years after the meeting:**

All Performance Rights to be issued pursuant to Resolutions 3 and 4 will be issued no later than 31 August 2012.

Corporations Act

The Board has satisfied itself that the “financial benefits” (as defined in the Corporations Act) which are to be given by the grant of Entitlements to Mr Cullen and Mr Ryder in respect of the 2010, 2011 and 2012 financial years as contemplated by this Explanatory Memorandum constitute remuneration as an employee that is reasonable in the circumstances of the Company and of Mr Cullen and Mr Ryder respectively and, therefore, that the exemption in Section 211 of the Corporations Act applies thereto.

3. **INTERPRETATION**

In this Explanatory Memorandum:

“Anthony Ryder”, “Mr Anthony Ryder” and “Mr Ryder” means Mr Anthony Gerard Ryder, an executive Director of the Company.

“Board” means the board of Directors of the Company;

“Change of Control Event” means:

- (a) an off-market or market bid for some or all of the Shares in the Company made under Chapter 6 of the Corporations Act;
- (b) a court sanctioning a compromise or arrangement proposed for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate under Part 5.1 of the Corporations Act; or
- (c) another event occurs that ASX determines is a significant change in the nature or scale of the Company’s activities in terms of Listing Rule 11.1;

“Company” means RER Group Limited (ACN 098 812 492);

“Corporations Act” means the Corporations Act 2001 (Cth);

“Director” means a director of the Company;

“Employee” means a full time employee of the Company or one of its subsidiaries;

“Entitlement” means a right (which is always subject to the overriding, absolute and unfettered right of the Board to revoke without cause or compensation) expressed as a dollar amount which entitles the grantee, subject to the satisfaction by the Company of certain ROE performance hurdles (as determined by the Board in its absolute unfettered discretion) notified to the grantee at the time of grant, to be issued a corresponding Performance Right in accordance with the Plan;

“Listing Rules” means the official listing rules of ASX Limited;

“James Cullen”, “Mr James Cullen” and “Mr Cullen” means Mr James Donald de Barran Cullen, an executive Director of the Company;

“Notice” means the notice of meeting dated the 3rd day of August 2010 to which this Explanatory Memorandum is attached;

“Option” means an option to acquire a Share;

“Performance Right” means the right (which is always subject to the overriding, absolute and unfettered right of the Board to revoke without cause or compensation), derived from the issue of the Entitlement, to require the Company to issue to the grantee a number of Shares pursuant to a formula and subject to the terms and conditions contained in the Plan. For the avoidance of all doubt no voting, dividend or other rights that attach to Shares are attached to the Performance Rights or Entitlements;

“Performance Rights Plan” and **“Plan”** means the performance rights plan adopted by the Board as described in Section 1;

“Return on Equity” and **“ROE”** means net profit after tax divided by shareholders’ equity at the beginning of the financial year, subject to the Board’s discretion to adjust for unusual items and ordinary corporate taxation rates;

“Salary” means the ordinary time earnings of an Employee at 30 June of each year based on 2,340 hours per annum, exclusive of allowances and overtime;

“Share” means an ordinary fully paid share in the capital of the Company;

“Vesting Date” in respect of Performance Rights means the date the Board determines as the vesting date in respect of those Performance Rights.

References in this Explanatory Memorandum to “Sections” are to Sections of this Explanatory Memorandum.

RER GROUP LIMITED
ACN 098 812 492

PROXY FORM

The Secretary
RER Group Limited
276 Treasure Road
Welshpool WA 6106

Fax Number: +61 8 9258 9804

I/We _____

of _____

being a shareholder/(s) of RER Group Limited hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at the Western Australian Club, 101 St George's Tce, Perth, Western Australia at 11am (WST) on the 8th day of September 2010, and at any adjournment thereof in respect of []% of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company. If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his or her discretion.

I/we direct my/our proxy to vote as indicated below:

	FOR	AGAINST	ABSTAIN
Resolution 1 Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval of Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Grant of Performance Rights to Executive Director, Mr Cullen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Grant of Performance rights to Executive Director, Mr Ryder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

