

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you are not so resident, another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your registered holding of 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V., please send this document (including the detachable form of proxy set out at the end of this document) and the enclosed reply paid envelope to the purchaser or other transferee, or to the stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

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## R.E.A. Holdings plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 671099)

Proposals to restructure the security and guarantee arrangements in relation to the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. and unconditionally and irrevocably guaranteed by R.E.A. Holdings plc, including in particular by (i) the assignment by REA Finance B.V. to R.E.A. Services Limited of all rights that REA Finance B.V. has in relation to the loans owed to REA Finance B.V. by each of PT REA Kaltim Plantations and PT Sasan Yudha Bhakti and (ii) the addition of R.E.A. Services Limited as a guarantor of the sterling notes (in addition to R.E.A. Holdings plc), with the obligations of R.E.A. Services Limited in respect of such guarantee being secured by charges over a designated bank account and the loans assigned to it

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Notice of a meeting of the holders of 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. ("**sterling notes**") convened for 12.00 noon on 9 September 2010 to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands is set out on pages 27 to 29 of this document. A form of proxy for use in connection with such meeting is included at the end of this document. For the appointment of a proxy to be valid, the form of proxy should be detached, completed and returned to Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by no later than 12.00 noon on 7 September 2010. Completion and return of the form of proxy will not preclude a holder of sterling notes from attending and voting in person at the meeting should such holder so wish.

**Capita Trust Company Limited, as trustee for the holders of the sterling notes, has not been involved in the formulation of nor approved the proposals outlined in this document and, in accordance with normal practice, expresses no opinion as to the merits of the passing of the extraordinary resolutions set out in the notice convening the meeting of the holders of sterling notes. Nothing in this document should be construed as a recommendation from Capita Trust Company Limited to holders of sterling notes to vote in favour of, or against, the extraordinary resolutions set out in this document. Capita Trust Company Limited is not responsible for the accuracy, completeness, validity, correctness of or any omissions from the statements made, documents referred to or opinions expressed in this document. Capita Trust Company Limited has, however, authorised it to be stated that on the basis of the information contained in this document and the terms of the extraordinary resolutions set out in the notice convening the meeting of holders of sterling notes, it has given consent to the issue of such notice, and of this document of which the notice forms a part, to the holders of the sterling notes, and has no objection to the contents thereof being presented to the holders of the sterling notes for their consideration. Holders of sterling notes should take their own advice on the merits and/or the consequences of voting in favour of the extraordinary resolutions, including any tax consequences.**

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## DEFINITIONS

Unless the context otherwise requires, the following definitions apply throughout this document:

<b>"company"</b>	R.E.A. Holdings plc
<b>"Indonesian debtor subsidiary"</b>	any qualifying subsidiary which is indebted to REA Finance or REA Services (as applicable), for so long as such qualifying subsidiary is so indebted
<b>"prescribed loan agreement"</b>	any loan agreement made between REA Finance or REA Services (as applicable) and any qualifying subsidiary pursuant to which REA Finance or REA Services (as applicable) lends monies to such subsidiary (as amended and/or re-stated from time to time with the sanction of the holders of the sterling notes)
<b>"qualifying subsidiary"</b>	any subsidiary of the company incorporated in Indonesia and engaged in the cultivation of oil palms and/or the processing of oil palm fruit
<b>"REA Finance"</b>	REA Finance B.V., a wholly owned subsidiary of the company incorporated as a private company with limited liability under the laws of the Netherlands, being the issuer of the sterling notes
<b>"REA Kaltim"</b>	PT REA Kaltim Plantations, the principal operating subsidiary of the company, incorporated with limited liability under the laws of the Republic of Indonesia
<b>"REA Kaltim loan agreement"</b>	the agreement as to amended and re-stated loan terms and ongoing loan agreement dated 16 August 2007 and made between (1) REA Finance, (2) REA Kaltim and (3) the company (as amended and re-stated from time to time with the sanction of the holders of the sterling notes)
<b>"REA Kaltim loans"</b>	the loans currently owed by REA Kaltim to REA Finance on the terms of the REA Kaltim loan agreement
<b>"REA Services"</b>	R.E.A. Services Limited, a wholly owned subsidiary of the company and a private company limited by shares incorporated in England and Wales
<b>"sterling notes"</b>	the £50,000,000 nominal of 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance and irrevocably and unconditionally guaranteed by the company, £37,000,000 nominal of which are currently in issue
<b>"SYB"</b>	PT Sasan Yudha Bhakti, an operating subsidiary of the company, incorporated with limited liability under the laws of the Republic of Indonesia
<b>"SYB loan agreement"</b>	the loan agreement dated 21 August 2008 made between (1) REA Finance, (2) SYB and (3) the company (as amended and re-stated from time to time with the sanction of the holders of the sterling notes)

**"SYB loans"**

the loans currently owed by SYB to REA Finance on the terms of the SYB loan agreement

**"trust deed"**

the trust deed dated 1 December 2006 made between (1) REA Finance (as issuer), (2) Capita Trust Company Limited (as trustee) and (3) the company (as guarantor), as amended pursuant to a first supplemental trust deed dated 6 August 2007 made between the (1) REA Finance (as issuer), (2) Capita Trust Company Limited (as trustee) and (3) the company (as guarantor) and as further amended and re-stated pursuant to a second supplemental trust deed dated 21 August 2008 made between the (1) REA Finance (as issuer), (2) Capita Trust Company Limited (as trustee) and (3) the company (as guarantor), constituting the sterling notes

References to "dollars" or to "\$" are to the lawful currency of the United States of America. References to "sterling" or to "£" are to the lawful currency of the United Kingdom.

## PART I - LETTER FROM THE CHAIRMAN OF R.E.A. HOLDINGS PLC

### **R.E.A. Holdings plc**

(Registered in England and Wales no 671099)

Registered office:

First Floor  
32-36 Great Portland Street  
London W1W 8QX

12 August 2010

*To the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. and irrevocably and unconditionally guaranteed by R.E.A. Holdings plc*

Dear Sir or Madam

#### **Introduction**

REA Finance (a wholly owned subsidiary of the company) currently has in issue £37,000,000 nominal of 9.5 per cent guaranteed sterling notes 2015/17 which are irrevocably and unconditionally guaranteed by the company. As security for its obligations in respect of the sterling notes, REA Finance has charged its bank account and all of its rights in respect of certain loans owed to it by each of REA Kaltim and SYB.

Following recent changes to Indonesian law, it is proposed that the security in relation to the sterling notes be restructured, including in particular by (i) the assignment by REA Finance to REA Services (another wholly owned subsidiary of the company) of all rights that REA Finance has in relation to the REA Kaltim loans and SYB loans and (ii) the addition of REA Services as a guarantor of the sterling notes (in addition to the company), with the obligations of REA Services in respect of such guarantee being secured by charges over a designated bank account and the loans assigned to it. This would involve, *inter alia*, certain amendments to the trust deed.

It is also proposed that:

- certain amendments be made to the terms of the REA Kaltim loans and the SYB loans following the restructuring of the security for the sterling notes, primarily to simplify the same; and
- a further change be made to the conditions attaching to the sterling notes, in relation to hedging contracts.

Such proposals and amendments will require, *inter alia*, the sanction of the holders of the sterling notes given by way of extraordinary resolution. Accordingly, you will find set out on pages 27 to 29 of this document notice of a meeting of the holders of the sterling notes to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands on 9 September 2010 at 12.00 noon, at which the necessary resolutions will be proposed.

#### **Background**

The proceeds of issue of the sterling notes were applied by REA Finance in meeting the costs of the issue and in funding the oil palm operations of the group. More particularly, REA Finance has lent the net proceeds of issue of the sterling notes to REA Kaltim and SYB (both of which are "qualifying subsidiaries" for the purposes of the sterling notes) on terms, *inter alia*, that the loans are repayable at the gross amount of the proceeds of issue of the sterling notes. REA Finance also

has other loans outstanding to both REA Kaltim and SYB, funded (primarily) by loans from the company.

Historically, REA Kaltim and SYB have withheld tax at 10 per cent. on the interest paid by them to REA Finance in respect of the REA Kaltim loans and the SYB loans. However, Indonesian tax regulations have now changed, such that REA Kaltim and SYB are obliged to withhold tax at 20 per cent. on the interest. This is because the Indonesian tax authorities now take the view that REA Finance does not genuinely have beneficial ownership of the interest that it receives from REA Kaltim and SYB on the bases that REA Finance pays out, by way of interest on the sterling notes and on loans owed by it to the company, almost all of the interest that it receives from SYB and REA Kaltim and that REA Finance has no business other than that of making loans to qualifying subsidiaries.

If the proposals are implemented, Indonesian withholding tax on the restructured REA Kaltim loans and SYB loans, which would then be owed to REA Services rather than to REA Finance, should revert to 10 per cent. That is because REA Services should be regarded as having beneficial ownership of the interest that it receives on the REA Kaltim loans and the SYB loans on the bases that REA Services has an established business of providing administrative and agricultural advisory services to, *inter alia*, the company and its subsidiaries and that REA Services will have no obligation to utilise the major part of its interest and other income in paying interest or otherwise servicing obligations to the company or third parties.

### **Proposed restructuring**

Thus, it is proposed that:

- REA Finance will assign to REA Services all rights which REA Finance has as regards the REA Kaltim loans and the SYB loans (save as regards accrued interest up to the date on which the assignments become effective) for a consideration equal to the face value of such loans, such consideration to be satisfied (a) as to an amount equal to the aggregate of (i) the principal amounts of the REA Kaltim loans and the SYB loans that were originally funded from the proceeds of issue of the sterling notes and (ii) the principal amounts of the REA Kaltim loans and the SYB loans that were originally funded from share premium contributions to REA Finance, by REA Services acknowledging indebtedness to the company in an equivalent amount and (b) as to the balance, by the issue by REA Services to the company of fully paid ordinary shares in the capital of REA Services;
- in consideration of REA Services "paying" the consideration referred to above to the company (rather than to REA Finance), the company will acknowledge indebtedness to REA Finance in an equivalent aggregate amount, provided that an amount equal to the dollar indebtedness currently owed by REA Finance to the company will be set-off against the indebtedness to be owed by the company to REA Finance thereby extinguishing the former;
- the loan that will thus be owed by REA Services to the company (£37,475,000) will be unsecured, will be repayable at par by three equal annual instalments commencing on 20 December 2015 (or earlier in the event of default) and will be interest free; the loan that will thus be owed by the company to REA Finance (again £37,475,000) will also be unsecured and be repayable at par by three equal annual instalments commencing on 20 December 2015 (or earlier in the event of default) but will bear interest at a rate equal to 9.5 per cent. per annum plus an appropriate margin; and
- REA Services will guarantee the sterling notes on a joint and several basis with the company and, as security for its obligations under such guarantee, will charge, in favour of Capita Trust Company Limited as trustee in respect of the sterling notes, (a) all rights that REA Services has in relation to the REA Kaltim loans and the SYB loans assigned to it (as amended and re-stated following the assignment) both by way of an English law charge

over receivables and an Indonesian law fiduciary assignment and (b) a new, separate REA Services bank account by way of an English law charge over bank accounts.

The trust deed would need to be amended to permit/effect the above proposals.

### **Further details as regards the proposed restructuring**

Commercially, there would be no material change to the assets ultimately available as security for the sterling notes, with the principal assets over which security is granted remaining as receivables owed by Indonesian debtor subsidiaries (and, specifically, immediately following implementation of the proposals, the restructured REA Kaltim loans and SYB loans). However, this security would in future be given by REA Services as security for its guarantee of the sterling notes rather than, as now, by REA Finance as direct security for the sterling notes.

Instead of funding interest payments in respect of the sterling notes out of interest received from REA Kaltim and SYB (that is, the interest on the REA Kaltim loans and the SYB loans), REA Finance would, going forward, fund interest payments out of interest received from the company pursuant to the acknowledgement of indebtedness by the company in connection with the consideration paid by REA Services to the company for the assignment of the REA Kaltim loans and the SYB loans to REA Services. The interest receivable by REA Finance from the company would exceed the interest payable by REA Finance in respect of the sterling notes by a small margin.

As noted above under "Proposed restructuring", the loan owed by the company to REA Finance will be matched by a loan owed by REA Services to the company. However, the loan owed by REA Services to the company will be interest free; REA Services will be under no contractual obligation to pass all or any of the interest received by it from REA Kaltim or SYB or any other Indonesian debtor subsidiary to the company, nor to apply repayment monies received by it from REA Kaltim or SYB or any other Indonesian debtor subsidiary in repaying the loan owed by it to the company. The company will fund interest payments due by it to REA Finance out of whatever monies are available to it from time to time, which are likely to include loans and/or dividends from REA Services and may include loans and/or dividends from other group companies.

While it is not proposed that the company charge its rights as regards the loan to be owed to it by REA Services, nor that REA Finance charge its rights as regards the loan to be owed to it by company, as additional security for the sterling notes, it is proposed that the company will covenant to procure that at all times the aggregate principal amount of the loans due by the Indonesian debtor subsidiaries to REA Services does not fall below whichever is the greater of:

- 1½ times the nominal amount of non cash collateralised sterling notes outstanding (meaning for this purpose the principal amount of the sterling notes outstanding less cash balances held by REA Services or REA Finance at bank, in charged accounts, on the day of valuation); and
- £10,000,000

(as is currently covenanted by REA Finance). For these purposes, cash balances and loans by REA Services to the Indonesian debtor subsidiaries will be valued at face value, with any cash balances not retained in sterling translated to sterling at the relevant spot rates on the day of valuation and any loans by REA Services to Indonesian debtor subsidiaries not denominated in sterling being translated to sterling at the spot rate on the date on which the loan is advanced (or, in the case of the dollar denominated REA Kaltim loans assigned by REA Finance to REA Services as part of the proposed restructuring (\$20 million), at the rate of £1=\$1.98147 (being the spot rate on the date of issue of the original tranche of the sterling notes) and, in the case of the dollar denominated SYB loans assigned by REA Finance to REA Services as part of the proposed restructuring (\$26.5 million), at the rate of £1=\$1.6143 (being the average of the spot rates applicable when the loans were originally made to SYB)).

### **Details of the proposed amendments to the trust deed**

Most of the changes proposed to the trust deed are mechanistic in effect. The proceeds of issue of any further sterling notes would remain receivable by the REA Finance but, rather than applying the same in making loans to REA Kaltim, SYB or other qualifying subsidiaries, REA Finance would be permitted to apply the proceeds only in meeting the expenses of the issue and in making loans to the company. The company would be permitted to apply the proceeds of such loans from REA Finance only in making loans to REA Services and, in turn, REA Services would be permitted to apply the proceeds of such loans from the company only in making loans to qualifying subsidiaries. Any monies lent by REA Finance to the company would be required to be paid directly by REA Finance to REA Services, on behalf of the company, into the bank account of REA Services charged as security for its guarantee obligations.

As noted above and as described in more detail below under "Details of the proposed amendments to the terms of the REA Kaltim loans and the SYB loans" below, it is also proposed that the terms of the REA Kaltim loans and the SYB loans be simplified. Thus it is also proposed that going forward, the terms currently prescribed for loans by REA Finance to qualifying subsidiaries should, when in future applied to loans by REA Services to qualifying subsidiaries, be simplified in conformity with the proposed amendments to the terms of the REA Kaltim loans and SYB loans.

Set out in Part II of this document is a copy of conditions that will apply to the sterling notes if the proposed amendments to the trust deed are made, prepared on the assumption that all three extraordinary resolutions set out in the notice of meeting of the holders of the sterling notes set out on pages 27 to 29 of this document are passed.

### **Details of the proposed amendments to the terms of the REA Kaltim and SYB loans**

It is proposed that the terms of the REA Kaltim loans and of the SYB loans be simplified to provide that:

- (a) where the loan is made in dollars, the loan:
    - (i) will be denominated (and repayable) in dollars;
    - (ii) will bear interest at 2.75 per cent. per annum above SIBOR, to be paid semi-annually in arrear on 15 June and 15 December in each year; and
    - (iii) will be repayable on 31 December 2017 (or earlier in the event of default);
  - (b) where the loan is made in sterling, the loan:
    - (i) will be denominated (and repayable) in sterling;
    - (ii) will bear interest at 10.25 per cent. per annum, to be paid semi-annually in arrear on 15 June and 15 December in each year; and
    - (iii) will be repayable:
      - (A) as to one third of the then outstanding principal amount of the loan, on 15 December 2015;
      - (B) as to one half of the then outstanding principal amount of the loan, on 15 December 2016;
      - (C) as to the balance of the then outstanding principal amount of the loan, on 15 December 2017
- (or earlier in the event of default); and



- (c) the borrower may pre-pay the whole or any part of any loan on not less than 30 days notice to REA Services.

The terms currently applicable to the REA Kaltim loans and SYB loans differ from the above principally in that:

- £475,000 of the existing sterling denominated loans carry interest at 9.5 per cent. per annum (rather than the 10.25 per cent. per annum provided for in sub-paragraph (b)(ii) above) and the balance of the loans (comprising \$46,500,000 of dollar denominated loans and £37,000,000 of sterling denominated loans) bear interest at rates that are higher than the rates specified in sub-paragraphs (a)(ii) and (b)(ii) above by 0.1729 per cent. per annum (being a margin determined by Transfer Pricing Associates (an independent company established in Amsterdam and specialising in transfer pricing) as being an arm's length margin reasonably necessary to compensate REA Finance for its equity risks and its involvement in the group's financing activities);
- the dollar denominated SYB loans (in the amount of \$26,500,000) are repayable as and when the cash requirements and covenant obligations of SYB permit and in any event on 31 December 2017 (rather than just on 31 December 2017 as provided for in sub-paragraph (a)(iii) above); and
- prepayments may be made only on interest payment dates (rather than at any time on 30 days' notice as provided by sub-paragraph (c) above).

All future loans by REA Services to REA Kaltim or SYB which would be required to be made in dollars or sterling.

#### **Additional proposal**

In addition, it is proposed that any arrangements pursuant to which REA Services agrees with the relevant counterparties to any derivative financial instrument entered into by any Indonesian debtor subsidiary with a view to hedging against US dollars indebtedness owed by the Indonesian debtor subsidiary in a currency other than US dollars (a "hedging contract") to subordinate (i) any indebtedness owed to REA Services by that Indonesian debtor subsidiary to (ii) the obligations of the Indonesian debtor subsidiary under the hedging contract would not constitute an amendment to any prescribed loan agreement.

This proposal is designed to address the fact that although the existing provisions of the sterling notes permit loans to Indonesian debtor subsidiaries to be subordinated to certain forms of indebtedness of the Indonesian debtor subsidiaries ("permitted indebtedness"), they do not cover subordination in a situation in which an Indonesian debtor subsidiary incurs permitted indebtedness in a currency other than US dollars and wishes to hedge that indebtedness against US dollars.

#### **Further information regarding REA Services**

REA Services is a wholly owned subsidiary of the company that provides management and agricultural advisory services to, *inter alia*, the company and its subsidiaries. Such services include agronomic advice on the cultivation of oil palm and marketing advice on the sale of crude palm oil and other oil palm products. REA Services has a staff of eight and operates from the group's head office at First Floor, 32-36 Great Portland Street, London W1W 8QX.

For the year ended 31 December 2009, REA Services reported profit on ordinary activities before taxation of £290,000 on turnover of £2,164,000 and total shareholders' funds as at 31 December 2009 of £1,042,000 (such figures being extracted without material adjustment from the audited financial statements for the year ended, and as at, 31 December 2009 which were prepared in accordance with UK generally accepted accounting policies). A copy of the audited financial statements of REA Services for the year ended, and as at, 31 December 2009 is available on the company's website, [www.rea.co.uk](http://www.rea.co.uk).

## **Conditions**

Implementation of the proposed restructuring of the security in relation to the sterling notes and the attendant changes to the trust deed is conditional upon:

- the consent of the holders of the sterling notes, given by way of the first extraordinary resolution set out in the notice of meeting of the holders of the sterling notes set out on pages 27 to 29 of this document;
- the receipt by Capita Trust Company Limited, as trustee for the holders of the sterling notes, of English law and Indonesian law legal opinions (each in form and substance satisfactory to Capita Trust Company Limited); and
- the consent of PT Rabobank International Indonesia, PT ANZ Panin Bank and PT Bank CIMB Niaga Tbk (as Indonesian bankers to REA Kaltim) and PT Bank DBS Indonesia (as Indonesian bankers to SYB).

Implementation of the proposed amendments to the terms of the REA Kaltim loans and SYB loans, and to the terms prescribed for loans by REA Services to qualifying subsidiaries is conditional upon:

- the passing of the first extraordinary resolution set out in the notice of meeting of the holders of the sterling notes set out on pages 27 to 29 of this document;
- the consent of the holders of the sterling notes, given by way of the second extraordinary resolution set out in the notice of meeting of the holders of the sterling notes set out on pages 27 to 29 of this document;
- the receipt by Capita Trust Company Limited, as trustee for the holders of the sterling notes, of English law and Indonesian law legal opinions (each in form and substance satisfactory to Capita Trust Company Limited); and
- the consent of PT Rabobank International Indonesia, PT ANZ Panin Bank and PT Bank CIMB Niaga Tbk (as Indonesian bankers to REA Kaltim) and PT Bank DBS Indonesia (as Indonesian bankers to SYB).

Implementation of the proposed amendment to the trust deed as referred to under "Additional proposal" above as regards hedging contracts is conditional upon the consent of the holders of the sterling notes, given by way of the third extraordinary resolution set out in the notice of meeting of the holders of the sterling notes set out on pages 27 to 29 of this document.

## **Meeting of the holders of sterling notes**

As noted above, a meeting of the holders of the sterling notes has been convened for 12.00 noon on 9 September 2010 to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands. Notice of such meeting is set out on pages 27 to 29 of this document.

Three resolutions will be proposed as extraordinary resolutions at such meeting as described under "Conditions" above.

## **Action to be taken**

You will find enclosed with this document (as the last page) a detachable form of proxy for use in connection with the meeting convened for 9 September 2010 (as detailed under "Meeting of the holders of sterling notes" above). Whether or not you propose to attend such meeting, you are urged to detach and complete such form of proxy in accordance with the instructions printed thereon and to return the same by post to Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible but in any event by no later than 12.00 noon on 7 September 2010. A reply paid envelope is enclosed for this purpose. The return

of a form of proxy will not prevent you from attending the meeting and voting in person if you should so wish.

### **Recommendation**

The board of directors of the company is of the opinion that the proposals detailed above are all in the best interests of the company and of the holders of sterling notes as a whole.

Accordingly, the board of directors of the company recommends that holders of sterling notes vote in favour of all three resolutions set out in the notice of meeting of the holders of sterling notes convened for 9 September 2010. The sole director of REA Finance endorses such recommendation.

### **Documents on display**

A copy of this document and of the following documents will be available for inspection during normal business hours at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA until the conclusion of the meeting of the holders of sterling notes convened for 9 September 2010:

- (a) the trust deed, together with the two Dutch law deeds of pledge and two Indonesian law fiduciary assignments of receivables creating the current security in relation to the sterling notes;
- (b) a draft of the third supplemental trust deed effecting the proposed amendments to and re-statement of the trust deed (including, as the schedule thereto, the form of the proposed amended and re-stated trust deed as it would be if all three of the extraordinary resolutions set out in the notice of meeting of the holders of the sterling notes set out on pages 27 to 29 of this document are passed), together with drafts of (i) the English law charge over account, (ii) the English law charge over receivables and (iii) the Indonesian law fiduciary assignment of receivables creating the proposed new security for the guarantee obligations of REA Services;
- (c) a draft of the deed of assignment proposed to be made between (1) REA Finance, (2) REA Services, (3) the company and (4) REA Kaltim, assigning all of the rights of REA Finance in relation to the REA Kaltim loans to REA Services;
- (d) a draft of the deed of assignment proposed to be made between (1) REA Finance, (2) REA Services, (3) the company and (4) SYB, assigning all of the rights of REA Finance in relation to the SYB loans to REA Services;
- (e) a draft of the loan agreement proposed to be made between (1) the company (as lender) and (2) REA Services (as borrower);
- (f) a draft of the loan agreement proposed to be made between (1) REA Finance (as lender) and (2) the company (as borrower);
- (g) the REA Kaltim loan agreement, together with a draft of the loan agreement proposed to be made between (1) REA Services (as lender), (2) REA Kaltim (as borrower) and (3) the company, replacing the REA Kaltim loan agreement;
- (h) the SYB loan agreement, together with a draft of the loan agreement proposed to be made between (1) REA Services (as lender), (2) SYB (as borrower) and (3) the company, replacing the SYB loan agreement;
- (i) a copy of the audited financial statements of REA Services for the year ended, and as at, 31 December 2009.

## **Trustee**

Capita Trust Company Limited, as trustee for the holders of the sterling notes, has not been involved in the formulation of nor approved the proposals outlined in this document and, in accordance with normal practice, expresses no opinion as to the merits of the passing of the extraordinary resolutions set out in the notice convening the meeting of the holders of sterling notes. Nothing in this document should be construed as a recommendation from Capita Trust Company Limited to holders of sterling notes to vote in favour of, or against, the extraordinary resolutions set out in this document. Capita Trust Company Limited is not responsible for the accuracy, completeness, validity, correctness of or any omissions from the statements made, documents referred to or opinions expressed in this document. Capita Trust Company Limited has, however, authorised it to be stated that on the basis of the information contained in this document and the terms of the extraordinary resolutions set out in the notice convening the meeting of holders of sterling notes, it has given consent to the issue of such notice, and of this document of which the notice forms a part, to the holders of the sterling notes, and has no objection to the contents thereof being presented to the holders of the sterling notes for their consideration. Holders of sterling notes should take their own advice on the merits and/or the consequences of voting in favour of the extraordinary resolutions, including any tax consequences.

Yours faithfully

**Richard Robinow**  
Chairman

## PART II – PROPOSED AMENDED TERMS AND CONDITIONS ATTACHING TO THE STERLING NOTES

The following is a copy of the terms and conditions that will apply to the sterling notes if the proposed amendments to the trust deed are made, prepared on the assumption that all of the resolutions set out in the notice of meeting of the holders of the sterling notes set out on pages 27 to 29 of this document are passed.

The £50,000,000 9.5 per cent. guaranteed sterling notes 2015/17 (the "**Notes**", which expression shall in these terms and conditions (the "**Conditions**"), unless the context otherwise requires, include any further notes issued pursuant to Condition 15 and forming a single series with the Notes) of REA Finance B.V. (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated [date] 2010 made between the Issuer, R.E.A. Holdings plc (the "**Guarantor**"), R.E.A. Services Limited (the "**Co-Guarantor**") and Capita Trust Company Limited (the "**Trustee**") as trustee for the holders of the Notes (the "**Noteholders**"). The issue of the Notes was authorised pursuant to resolutions of the board of directors of the Guarantor passed on 8 November 2006 and 23 July 2008 and resolutions of the sole managing director of the Issuer passed on 27 November 2006 and 12 August 2008. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed are available for inspection during normal business hours by the Noteholders at the principal office for the time being of the Trustee, being as at the date of issue of this certificate at [7<sup>th</sup> Floor, Phoenix House, 18 King William Street, London EC4N 7HE]. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed.

### 1. Definitions

In these Conditions, except to the extent that the context otherwise requires:

**"business day"** means a day (other than a Saturday or a Sunday) on which banks are generally open for business in the City of London, in Amsterdam and in Jakarta;

**"Extraordinary Resolution"** means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions contained in schedule 3 to the Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded then by a majority consisting of not less than three-fourths of the votes given on such a poll;

**"Indonesian Debtor Subsidiary"** means any Qualifying Subsidiary which is indebted to the Co-Guarantor, for so long as such Qualifying Subsidiary is so indebted;

**"Interest Payment Date"** means 30 June and 31 December in each year;

**"Interest Period"** means the period commencing on (and including) the date of issue of the relevant notes and ending on (and including) as respects Notes issued on or prior to 30 June 2007, that date and, as respects all other Notes, the next following Interest Payment Date and thereafter each successive period commencing on (and including) the day following an Interest Payment Date and ending on (and including) the next following Interest Payment Date;

**"Prescribed Loan Agreement"** means any loan agreement made between the Co-Guarantor and any Qualifying Subsidiary pursuant to which the Co-Guarantor lends monies to such subsidiary (as amended and/or re-stated from time to time with the sanction of the Noteholders);

**"Prescribed Terms"** means:

- (i) as respects any loan by the Co-Guarantor to REA Kaltim, the terms set out in the REA Kaltim loan agreement;
- (ii) as respects any loan by the Co-Guarantor to SYB, the terms set out in the SYB loan agreement; and
- (iii) as respects any loan by the Co-Guarantor to any other Qualifying Subsidiary, the terms set out in the pro forma loan agreement included at schedule 5 to the Trust Deed, subject to any amendment(s) to which the Trustee has agreed in writing (which agreement the Trustee shall not withhold where the Guarantor has certified (by way of providing a certificate signed by two directors of the Guarantor on behalf of the Guarantor) that (i) the amendment(s) is/are necessary as a consequence of any change in a law, regulation or other legal requirement on or after the date of the Trust Deed and (ii) the amendment(s) is/are not materially adverse or detrimental to the security for the Notes);

**"Qualifying Subsidiary"** means any subsidiary of the Guarantor incorporated in Indonesia and engaged in the cultivation of oil palms and/or the processing of oil palm fruit;

**"REA Kaltim"** means PT REA Kaltim Plantations, a subsidiary of the Guarantor incorporated in Indonesia and engaged in the cultivation of oil palms and/or the processing of oil palm fruit;

**"REA Kaltim loan agreement"** means the loan agreement dated [date] 2010 made between (1) the Co-Guarantor (as lender), (2) REA Kaltim (as borrower) and (3) the Guarantor (as amended and/or re-stated from time to time with the sanction of the Noteholders);

**"Redemption Date"** means 31 December in each of the three years commencing 31 December 2015;

**"relevant spot rate"** means, for any day, the spot rate shown by the Financial Times of that day as the closing spot rate on the preceding business day or, if the board of directors of the Guarantor so elects, the spot rate in London quoted at or about 11.00 am on that day (or on the preceding business day) by a London clearing bank, approved by the board of directors of the Guarantor, as being the rate for the purchase by the Co-Guarantor or an Indonesian Debtor Subsidiary (as the case requires) of sterling or dollars (as applicable) for the currency and amount in question;

**"subsidiary"** has the meaning given thereto in section 1159 of the Companies Act 2006 of the United Kingdom;

**"SYB"** means PT Sasana Yudha Bhakti, a subsidiary of the Guarantor incorporated in Indonesia and engaged in the cultivation of oil palms and/or the processing of oil palm fruit; and

**"SYB loan agreement"** means the loan agreement dated [date] 2010 made between (1) the Co-Guarantor (as lender), (2) SYB (as borrower) and (3) the Guarantor (as amended and/or re-stated from time to time with the sanction of the Noteholders).

References to **"dollars"** or to **"\$"** are to the lawful currency of the United States of America. References to **"sterling"** or to **"£"** are the lawful currency of the United Kingdom.

## 2. Form, status and transfer

### (A) Form and denomination

The Notes are issued in registered form in amounts and integral multiples of £1,000.

The Issuer, the Guarantor, the Co-Guarantor and the Trustee may (to the fullest extent permitted by applicable law) deem and treat the registered holder of any Notes as the absolute owner for all purposes, notwithstanding any notice to the contrary, including any notice of ownership, trust or any interest in it and no person shall be liable for so treating the registered holder.

### (B) Status

The Notes are direct and unconditional secured obligations of the Issuer and rank equally and without any preference among themselves.

### (C) Transfer

The Notes are transferable in amounts or integral multiples of £1,000 by instrument in writing in the usual common form applicable to UK securities or in any other form which the board of managing directors (or, if applicable, the sole managing director) of the Issuer may approve.

In the case of Notes held in uncertificated form, title to the Notes may be transferred by means of a relevant system (as defined in the Uncertificated Securities Regulations 2001 (the **"Regulations"**)), in which event, the Conditions shall not apply to the Notes to the extent that they are inconsistent with:

- (i) the holding of Notes in uncertificated form;
- (ii) the transfer of title to the Notes by means of a relevant system;
- (iii) any provision of the Regulations,

and the provisions of the Regulations shall apply in respect of the Notes and these Conditions.

## 3. Use of proceeds

The proceeds of issue of the Notes shall be receivable by the Issuer and shall be applied solely in meeting the expenses of the issue of the same and in making loans to the Guarantor, such loans to be applied by the Guarantor solely in making loans to the Co-Guarantor provided that any monies lent by the Issuer to the Guarantor shall be paid directly by the Issuer to the Co-Guarantor, on behalf of the Guarantor, into the bank account of the Co-Guarantor charged in accordance with Condition 12(C)(v). The Co-Guarantor shall apply the loans made to it by the Guarantor solely in making loans to Qualifying Subsidiaries provided that the Co-Guarantor and each such subsidiary shall have

first entered into a loan agreement in respect of such loan on the Prescribed Terms. Pending the making by the Issuer of any such loans as are referred to above, the Issuer shall retain the proceeds of issue of the Notes (net of any expenses of the issue of the same) on deposit with Fortis Bank (Netherlands) N.V. or such other bank or banks as the Trustee may from time to time approve (in accordance with Condition 12(B)(iv)).

#### 4. **Guarantee**

The payment of the interest and principal and any other monies payable by the Issuer on or in respect of the Notes is irrevocably and unconditionally guaranteed by the Guarantor and the Co-Guarantor. The full terms of the guarantee are set out in the Trust Deed.

The obligations of the Guarantor in respect of such guarantee are unsecured and, except as may be provided by applicable legislation or judicial order, will rank equally and without preference with all other unsecured and unsubordinated obligations of the Guarantor. The obligations of the Co-Guarantor in respect of such guarantee are secured by way of a first charge in favour of the Trustee (on behalf of Noteholders) over:

- (i) a designated bank account of the Co-Guarantor; and
- (ii) the Co-Guarantor's rights in respect of all monies owed to it from time to time by any Indonesian Debtor Subsidiary.

Any demand under such guarantee must be in writing, signed by the Trustee and received by the Guarantor or the Co-Guarantor at its address for service of notices in accordance with Condition 18 on or before 28 February 2018 or, if earlier, in the event of the Trustee giving valid notice under Condition 10 to the Issuer and the Guarantor and the Co-Guarantor that the Notes are, in accordance with Condition 10, due and payable, on or before the expiry of three months from the date of the said notice from the Trustee.

#### 5. **Security**

In addition to the security referred to at Condition 4 in respect of the Co-Guarantor's obligations in respect of its guarantee of the notes, payment of interest and principal and all other monies payable by the Issuer on or in respect of the Notes is secured by way of a first charge in favour of the Trustee (on behalf of Noteholders) over the bank account(s) of the Issuer.

#### 6. **Interest**

The Issuer shall pay interest on the principal amount of the Notes at the rate of 9.5 per cent. per annum payable semi-annually in arrear in equal instalments on each Interest Payment Date to those persons who are registered as Noteholders at the close of business on the relevant record date (notwithstanding any intermediate transfer or transmission of any Notes), save that in respect of the first Interest Period following the date of issue of any tranche of Notes issued after 30 June 2007, interest will be calculated and paid as if interest had accrued (at the rate of 9.5 per cent. per annum) on the Notes comprised in that tranche with effect from (and including) the day following the most recent Interest Payment Date. For this purpose, the "**record date**" shall mean the thirtieth day before the relevant Interest Payment Date or, if such day is not a business day, then the next following business day. Each Note will cease to bear interest from (and including) the due date for redemption unless payment of principal in respect of the Note is improperly withheld or refused.

If it should be necessary to compute an amount of interest in respect of any Notes for a period shorter than a complete Interest Period, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the day following the most recent Interest Payment Date to (and including) the final day of the relevant period divided by the actual number of days in the period from (and including) the day following the most recent Interest Payment Date to (and including) the next Interest Payment Date.

Interest will be paid in sterling.

#### 7. **Redemption, purchases and cancellation**

##### (A) **Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, the Issuer shall redeem the Notes in sterling at their principal amount by three (as nearly as possible) equal annual instalments commencing 31 December 2015. If Notes are purchased and cancelled by the Issuer, the amount of Notes that the Issuer will be obliged to redeem on any given redemption date will be reduced by the nominal amount of Notes purchased and cancelled prior to that redemption date (save in so far as such Notes were purchased and cancelled prior to a previous redemption date and taken into account in reducing the amount of Notes otherwise due to be redeemed in relation to that redemption date). Redemptions will be made *pro rata* to holdings with the amount to be applied in redemption of each holding being rounded down to the nearest integral multiple of £1,000 and then utilised to redeem in full an appropriate proportion of the Notes comprised in that holding.

(B) Purchases

The Issuer, any parent company of the Issuer (including the Guarantor) and any subsidiary of the Issuer or of the Guarantor may at any time purchase Notes in any manner and at any price.

(C) Cancellation

All Notes redeemed or purchased by the Issuer will be cancelled forthwith and such Notes may not be reissued. Notes purchased by any subsidiary of the Issuer, or by the Guarantor or any subsidiary of the Guarantor (other than the Issuer) may be held and/or resold.

**8. Payments, unclaimed monies and prescription**

Any interest, principal and other monies payable by the Issuer, the Guarantor, the Co-Guarantor or the Trustee on or in respect of the Notes shall be paid by cheque made payable to the order of and sent through the post to the registered address of the holder or person entitled thereto or in the case of joint holders made payable to the order of and sent through the post to the registered address of that one of the joint holders who is first named in the register in respect of the Notes or made payable to the order of such person and sent to such address as the holder or joint holders may in writing direct. Payment of any such cheque shall be a satisfaction of the monies represented thereby. Every such cheque shall be sent at the risk of the person(s) entitled to the monies represented thereby. If several persons are entered in the register as joint holders of any Notes, then without prejudice to the foregoing provisions of this Condition 8, the payment to any of such persons of the monies in question shall be as effective a discharge to the Issuer, the Guarantor, the Co-Guarantor and the Trustee as if the person to whom the payment is made was the sole registered holder of such Notes.

If any monies should remain due to any Noteholder in respect of any Notes after the due date because any cheque in respect of such monies has not been presented, then after the expiry of six months from such due date (or at such earlier time as the Trustee may agree), the Issuer or the Guarantor or the Co-Guarantor (as applicable) may pay to the Trustee the amount due to such Noteholder and upon such payment being made the interest due on the Notes which the Issuer is ready to redeem (as the case may be) shall be deemed to have been paid or redeemed. The Trustee shall place any such monies so received by it on deposit in the name of the Trustee in such bank as it may think fit and thereafter the Trustee shall not be responsible for the safe custody of such monies or for interest thereon. Any payment made to the Trustee as described in this Condition 8 shall be held by the Trustee on trust for the holder of the relevant Notes provided that the Trustee may amalgamate any such monies with any other monies for the time being held by the Trustee for which it is accountable to any other Noteholder or to the holders of any stock or security (whether or not of the Issuer) for which it is or was the trustee under provisions equivalent to or similar to these provisions. Any monies which remain unclaimed after ten years (in the case of principal) or five years (in the case of interest), and any interest thereon, will be forfeit and will revert to the Issuer.

**9. Taxation**

All payments of interest and principal and any other monies payable by the Issuer, the Guarantor, the Co-Guarantor or the Trustee on or in respect of the Notes will be made free and clear of, and without withholding of or deduction for, or on account of, any taxes imposed or levied by the Netherlands or the United Kingdom or any political sub-division thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes is required by law.

**10. Events of Default and change of control**

(A) Events of Default

The Trustee at its discretion may and, if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to being indemnified and/or secured to its satisfaction) (but, in the case of the happening of any of the events mentioned in sub-paragraphs (ii), (iii), (vi), (viii) or (ix) below, only if the Trustee shall have certified in writing that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice to the Issuer, the Guarantor and the Co-Guarantor that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest, in any of the following events (each an "**Event of Default**"):

- (i) if default should be made in the payment on the due date of any principal monies or for a period of 14 days in the payment of any interest which ought to be paid in accordance with these Conditions;
- (ii) if default should be made by the Issuer, the Guarantor or the Co-Guarantor in the performance or observance of any covenant, condition or provision binding on it under the Trust Deed or the Notes (other than a covenant, condition or provision for payment of principal or interest) and (except in circumstances where the Trustee certifies that delay would in its opinion place the interests of the Noteholders in jeopardy)



the same (if capable of remedy) is not remedied to the satisfaction of the Trustee within one calendar month after notice in writing of such default has been given to the Issuer, the Guarantor or the Co-Guarantor (as applicable) by the Trustee;

- (iii) if the Issuer, the Guarantor or the Co-Guarantor should stop or threaten by notice to its creditors generally to stop payment of its debts generally or if the Issuer, the Guarantor or the Co-Guarantor should cease or threaten to cease to carry on business or substantially the whole of its business;
  - (iv) if:
    - (I) the Issuer should be unable to pay its debts within the meaning section 1 of the Dutch Insolvency Act (*Faillissementswet*) or section 123 of the Insolvency Act 1986,
    - (II) the Issuer has been granted suspension of payments (*surseance van betaling*), on a temporary basis or otherwise (within the meaning of section 214 of the Dutch Insolvency Act) or has become subject to any other similar regulation (including but not limited to emergency proceedings (*noodregeling*)), or has, wholly or partly, lost the free management or disposal of its property in any other way, the foregoing irrespective of whether that situation is irrevocable, or
    - (III) the Issuer should propose to its creditors any composition as regards the debts owed by the Issuer to them, whether under the laws of the Netherlands or elsewhere and whether within or outside the scope of the insolvency proceedings referred to under (II);
  - (v) if:
    - (I) the Guarantor or the Co-Guarantor should be unable to pay its debts within the meaning section 123 of the Insolvency Act 1986 of the United Kingdom, or
    - (II) any voluntary arrangement should be proposed under section 1 of the Insolvency Act 1986 of the United Kingdom in respect of the Guarantor or the Co-Guarantor;
  - (vi) if any indebtedness in the nature of borrowings of the Guarantor or the Co-Guarantor should become repayable by reason of default by the Guarantor or the Co-Guarantor (respectively) or if any guarantee or indemnity given by the Guarantor or the Co-Guarantor is not honoured when due and called upon and, in either case, steps are taken to enforce payment;
  - (vii) if an order should be made or a resolution passed for the winding up of the Issuer, the Guarantor or the Co-Guarantor (except for a voluntary members' winding up approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders);
  - (viii) if any security interest created by the Guarantor, the Co-Guarantor, the Issuer or any Indonesian Debtor Subsidiary, other than any customary retention of title provision, should become enforceable and steps are taken to enforce the same;
  - (ix) if any Indonesian Debtor Subsidiary should incur or have outstanding for more than 10 business days following the date on which it becomes an Indonesian Debtor Subsidiary any indebtedness in the nature of borrowings owed to the Guarantor or any of its subsidiaries (other than the Co-Guarantor or any other Indonesian Debtor Subsidiary); or
  - (x) if the Guarantor should cease to be the owner (directly or indirectly) of more than 50 per cent. of the issued ordinary share capital of the Co Guarantor or any Indonesian Debtor Subsidiary.
- (B) Change of control of the Guarantor

If any person (or group of persons acting in concert within the meaning of the City Code on Takeovers and Mergers of the United Kingdom) should obtain the right to exercise more than 50 per cent. of the votes which may generally be cast at a general meeting of the Guarantor, the Guarantor shall promptly give notice of such event (a "**change of control**"). Each Noteholder at its discretion may, following a change of control, give notice to the Issuer and the Guarantor that the Notes held by that Noteholder are, and they shall accordingly forthwith become, immediately due and repayable at an amount equal to 101 per cent. of their principal amount, together with accrued interest provided that any such notice to the Issuer and the Guarantor shall only be effective if received by the Guarantor prior to the expiry of 60 days from the date of the notification by the Guarantor as to the change of control as referred to above.

## 11. Limitation on borrowing

For so long as any of the Notes remain outstanding, except with the sanction of an Extraordinary Resolution of the Noteholders, the combined Borrowings (as defined below) of the Issuer and the Indonesian Debtor Subsidiaries shall

not, at any time, exceed an amount equal to 2.5 times the earnings before interest, tax, depreciation, amortisation and gain or loss on biological assets of REA Kaltim for the preceding financial period (expressed in dollars and calculated using figures derived from the consolidation schedules used to prepare the audited consolidated financial statements of the Guarantor for the relevant financial period) or, if more, the limit on the combined Borrowings of the Issuer and the Indonesian Debtor Subsidiaries applicable for the previous financial period (such amount being the "**Permitted Maximum**").

For these purposes, "**Borrowings**" means:

- (a) all indebtedness in the nature of borrowings owed by the Issuer to any person other than to the Guarantor, net of any cash balances deposited at a bank in the name of the Issuer; and
- (b) all indebtedness in the nature of borrowings owed by the Indonesian Debtor Subsidiaries other than indebtedness in the nature of borrowings owed to the Co-Guarantor or owed by one Indonesian Debtor Subsidiary to another, net of any cash balances deposited at a bank in the name of an Indonesian Debtor Subsidiary

and "**indebtedness in the nature of borrowings owed by the Indonesian Debtor Subsidiaries**" includes:

- (I) the principal amount raised by any Indonesian Debtor Subsidiary by acceptances or under any acceptance credit opened on its behalf by any bank or accepting house other than acceptances relating to the purchase of goods in the ordinary course of trading and outstanding for not more than ninety days;
- (II) the principal amount outstanding in respect of any finance leases entered into by any Indonesian Debtor Subsidiary; and
- (III) save where the principal obligor is another Indonesian Debtor Subsidiary, the principal amount of any monies borrowed or other indebtedness, the redemption or repayment of which is guaranteed or secured by, or is the subject of an indemnity given by, any Indonesian Debtor Subsidiary

but Borrowings shall not include amounts not exceeding \$10,000,000 in aggregate of any monies borrowed by any Indonesian Debtor Subsidiary for the purpose of repaying the whole or any part (with or without premium) of any monies borrowed by that Indonesian Debtor Subsidiary then outstanding and so to be applied by that Indonesian Debtor Subsidiary within eighteen months of being so borrowed pending their application for such purpose within such periods (as to which, a certificate as to the purpose of the borrowing in question signed by any two directors of the Guarantor on behalf of the Guarantor shall be conclusive evidence as to such purpose for the purposes of this Condition 11).

Where the amount of any indebtedness required to be taken into account for the purposes of this Condition 11 is denominated or repayable (or repayable at the option of any person other than the Issuer or an Indonesian Debtor Subsidiary) in a currency other than dollars, such amount shall be translated, for the purpose of calculating the dollar equivalent, at the relevant spot rate on the day in question (provided that the "day in question", for the purposes of the Notes, shall be taken to be the date on which the issue of the relevant Notes becomes unconditional).

A certificate or report by the auditors for the time being of the Guarantor as to the amount of the Permitted Maximum referred to above in this Condition 11 and/or the aggregate amount of the combined Borrowings of the Issuer and the Indonesian Debtor Subsidiaries at any time shall be conclusive evidence of such amount for the purposes of this Condition 11.

## 12. **Other covenants**

- (A) Covenants by the Guarantor

The Guarantor covenants with the Trustee that for so long as any of the Notes remain outstanding the Guarantor will:

- (i) carry on and conduct its businesses and affairs in a proper and efficient manner and duly comply with all obligations imposed on it by the Companies Act 2006;
- (ii) keep proper books of account and therein make true and proper entries of all dealings and transactions of and in relation to its business; keep the said books of account and all other documents relating to its affairs at its registered office or such other place or places where such books of account and other documents ought in the ordinary course to be kept and allow the Trustee or any person or persons nominated by the Trustee in writing (not being a person or persons to whom the Guarantor may reasonably object) at all reasonable times to have access to such books of account and other documents to the extent relevant for the purposes of the Notes;

- (iii) give to the Trustee or any person or persons nominated by the Trustee in writing (not being a person or persons to whom the Guarantor may reasonably object) such information as they may reasonably require, in such form as they may reasonably require, as to all matters relating to the business, assets and affairs of the Guarantor, the Co-Guarantor and its subsidiaries;
- (iv) furnish to the Trustee two copies of every report, balance sheet, profit and loss account, circular or notice issued by the Guarantor to its members, in each case at the same time as the same are despatched to members of the Guarantor;
- (v) send to the Noteholders a copy of (I) the annual report of the Guarantor (incorporating those reports and audited accounts required by law or the rules of the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (or any successor body) to be incorporated therein) and (II) each published interim report of the Guarantor, in each case at the same time as the same are despatched to members of the Guarantor;
- (vi) use its best endeavours (I) to maintain the listing of the Notes on the Official List of the Financial Services Authority (or any successor body) and their admission to trading on the London Stock Exchange's regulated market for listed securities (being a regulated market for the purposes of Directive 2004/39/EC (The Markets in Financial Instruments Directive)) or, if it is unable to do so having used such best endeavours or if the maintenance of such listing and admission to trading is agreed by the Trustee to be unduly onerous, use its best endeavours to obtain and maintain the quotation and listing of the Notes on such other stock exchange and by such other listing authority, where applicable, as it may (with the prior written approval of the Trustee) decide and (II) to procure that there will at all times be furnished to any stock exchange and listing authority, where applicable, on which and by which the Notes are for the time being traded and listed, on the application of the Issuer, such information as such stock exchange and listing authority, where applicable, may require in accordance with its normal requirements or in accordance with any arrangements for the time being made with any such stock exchange and listing authority, where applicable;
- (vii) use all reasonable endeavours to procure that its auditors furnish to the Trustee such certificates, reports or other information as the Trustee may from time to time reasonably require and in such form as the Trustee may reasonably require in connection with any calculation or matter arising under the Trust Deed or these Conditions;
- (viii) execute all such further documents and carry out all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of the Trust Deed and these Conditions;
- (ix) give immediate notice in writing to the Trustee upon the Guarantor becoming aware of the happening of any such event as is mentioned in Condition 10;
- (x) deliver to the Trustee (I) within 14 days of request therefor from time to time by the Trustee and (II) without the need for any such demand, within 14 days of the date on which the audited accounts for each financial year of the Guarantor are despatched to the members of the Guarantor (or, if earlier, not later than 180 days after the end of the financial year to which such audited accounts relate) a certificate signed by two directors of the Guarantor on behalf of the Guarantor certifying that, so far as the Guarantor is aware, having made all proper enquiries and except as set out in the relevant certificate, as at the date of such certificate and throughout the period from and including the date of the last such certificate (or, in the case of the first such certificate, the date of the Trust Deed) to and including the date of the certificate (or throughout any other period specified by the Trustee):
  - (a) none of the Guarantor, the Co-Guarantor and the Issuer is, or has been, in breach of the provisions of the Trust Deed; and
  - (b) none of the events specified in Condition 10 has occurred;
- (xi) deliver to the Trustee within 14 days of the date on which the audited accounts for each financial year of the Guarantor are despatched to the members of the Guarantor (or, if earlier, not later than 180 days after the end of the financial year to which such audited accounts relate) a certificate signed by two directors of the Guarantor on behalf of the Guarantor certifying the outstanding amounts of all loans made by the Co-Guarantor to (and repaid to the Co-Guarantor by) any Qualifying Subsidiary, and of the interest rate and repayment provisions applicable to each such loan, in each case as at the preceding accounting reference date of the Co-Guarantor;
- (xii) not change its accounting reference date;
- (xiii) procure that the borrowing restriction set out in Condition 11 is not breached;

(xiv) procure that no Indonesian Debtor Subsidiary permits to subsist and/or creates security interest(s) in respect of any of its assets, other than customary retention of title provisions or any security interest(s) arising by operation of law, such that, at any time while there exist any Indonesian Debtor Subsidiaries, the Indonesian Debtor Subsidiaries together have secured borrowings of more than \$55,000,000 in aggregate;

(xv) procure that:

(I) in any financial period of the Guarantor when the Indonesian Debtor Subsidiaries did not together have, as at the beginning of the relevant financial period, fixed assets with an aggregate book value (expressed in dollars and calculated using figures derived from the consolidation schedules used to prepare the audited consolidated balance sheet of the Guarantor as at the end of the immediately preceding financial period) of more than three times the Permitted Maximum (as defined in Condition 11), the Indonesian Debtor Subsidiaries do not dispose (whether by way of sale, lease, transfer or otherwise) of fixed assets having an aggregate book value (expressed in dollars and calculated as provided above) of more than \$2,000,000; or

(II) in any financial period of the Guarantor when the Indonesian Debtor Subsidiaries together had, as at the beginning of the relevant financial period, fixed assets with an aggregate book value (expressed in dollars and calculated using figures derived from the consolidation schedules used to prepare the audited consolidated balance sheet of the Guarantor as at the end of the immediately preceding financial period) of more than three times the Permitted Maximum (as defined in Condition 11), the Indonesian Debtor Subsidiaries do not dispose (whether by way of sale, lease, transfer or otherwise) of fixed assets having an aggregate book value (expressed in dollars and calculated as provided above) of more than the amount by which the book value of the fixed assets of the Indonesian Debtor Subsidiaries as at the beginning of the relevant financial period (expressed in dollars and calculated as provided above) exceeded three times the Permitted Maximum

provided that for the purposes of this sub-paragraph (xv):

(a) any disposal of assets by one Indonesian Debtor Subsidiary to another;

(b) any disposal of assets for cash where the proceeds of the disposal are applied within one month of the date of the disposal, in or towards repaying borrowings owed to the Issuer and the Issuer thereafter retains the proceeds of such repayment in cash or applies the proceeds in purchasing Notes;

(c) any disposal of assets for cash where the proceeds of the disposal are applied within twelve months of the date of the disposal in acquiring, or any exchange of assets for, assets of a similar nature; and

(d) any creation of any security interest in respect of any assets

shall be deemed not to constitute a "**disposal**" and "**fixed assets**" shall mean biological assets and property, plant and equipment that are treated as non-current assets in accordance with International Financial Reporting Standards applicable on 4 December 2006;

(xvi) procure that each of the Issuer and the Co-Guarantor complies with its covenants under the Trust Deed (including these Conditions);

(xvii) as soon as practicable after the first occasion on which the Co-Guarantor makes a loan to a Qualifying Subsidiary that is not immediately prior to the making of the loan an Indonesian Debtor Subsidiary (and in any event within five business days thereof), furnish to the Trustee:

(I) a certified copy of the loan agreement in respect of the new loan;

(II) an opinion from Ali Budiardjo, Nugroho, Reksodiputro (Counsellors at Law, Jakarta) (or such other firm of Indonesian lawyers as the Trustee may approve) addressed to the Trustee in relation to the relevant Qualifying Subsidiary in substantially the form of the opinion issued by Ali Budiardjo, Nugroho, Reksodiputro to Capita Trust Company Limited on 1 December 2006 (subject to any amendment(s) to which the Trustee has agreed in writing);

(III) notifications, and acknowledgements of notification, of the charge over receivables and the fiduciary assignment of receivables referred to in clause 9.2 of the Trust Deed in the form set out in the schedules to such charge over receivables and fiduciary assignment, duly executed by the Co-Guarantor and the relevant Qualifying Subsidiary, as applicable; and

(IV) a certificate signed by two directors of the Guarantor, on behalf of the Guarantor, certifying that:

- (a) the loan agreement in respect of the new loan has been duly executed by the Co-Guarantor and the relevant Qualifying Subsidiary and is enforceable in accordance with its terms;
  - (b) the loan agreement in respect of the new loan is on the Prescribed Terms; and
  - (c) the Issuer is in compliance with Condition 12;
- (xviii) not agree to amend, and procure that neither the Co-Guarantor nor any Indonesian Debtor Subsidiary agrees to amend, the terms of any Prescribed Loan Agreement provided that, for the avoidance of doubt, none of:
- (I) the subordination agreement dated [date] 2010 and made between (1) the Co-Guarantor (as subordinated creditor), (2) REA Kaltim (as debtor) and (3) PT Bank Rabobank Indonesia and others (as senior creditors);
  - (II) the subordination agreement dated [date] 2010 and made between (1) the Co-Guarantor (as subordinated creditor), (2) SYB (as debtor) and (3) PT Bank DBS Indonesia (as senior creditor);
  - (III) any further or other arrangements pursuant to which the Co-Guarantor agrees with commercial lenders to an Indonesian Debtor Subsidiary to subordinate (a) any indebtedness owed to the Co-Guarantor by that Indonesian Debtor Subsidiary to (b) indebtedness of the Indonesian Debtor Subsidiary falling due for repayment on or before 31 December 2015 (provided that such further or other arrangements are on like or substantially similar terms to those included in the subordination agreements to which reference is made at (I) and (II) above); and
  - (IV) any arrangements pursuant to which the Co-Guarantor agrees with the relevant counterparties to any derivative financial instrument entered into by any Indonesian Debtor Subsidiary with a view to hedging against US dollars indebtedness owed by the Indonesian Debtor Subsidiary in a currency other than US dollars (a "**hedging contract**") to subordinate (a) any indebtedness owed to the Co-Guarantor by that Indonesian Debtor Subsidiary to (b) the obligations of the Indonesian Debtor Subsidiary under the hedging contract

will constitute an amendment for the purposes of this sub-paragraph (xviii);

- (xix) apply the proceeds of any loans made to it by the Issuer as provided in Condition 3 only as stipulated in Condition 3; and
- (xx) procure that the aggregate value of the assets subject to the security referred to at Conditions 4 and 5 at all times equals or exceeds an amount equal to the principal amount of the Notes outstanding from time to time plus, to the extent that the cash held by the Issuer or the Co-Guarantor at bank (and charged as security as referred to at Condition 4 or 5) is less than the principal amount of the Notes outstanding, the greater of (a) 50 per cent. of the amount by which the principal amount of the Notes outstanding exceeds the cash so held and (b) £10,000,000 and, for this purpose, cash on deposit and any loans by the Co-Guarantor to any Indonesian Debtor Subsidiary shall be valued at face value, with any cash deposits not retained in sterling translated to sterling at the relevant spot rates on the day of valuation and any loans by the Co-Guarantor to any Indonesian Debtor Subsidiary not made in sterling translated to sterling at the relevant spot rate(s) on the day or days on which such loans were first advanced (or, in the case of the loan of \$20,000,000 owed by REA Kaltim and assigned by the Issuer to the Co-Guarantor on [date] 2010, at £1 = \$1.98147 and, in the case of the loan of \$26,500,000 owed by SYB and assigned by the Issuer to the Co-Guarantor on [date] 2010, at the rate of £1=\$1.6143) provided that, for the purposes of this sub-paragraph (xx), monies in the course of being transferred by the Issuer (from an account charged as required pursuant to Condition 5) to the Co-Guarantor (to an account charged as required pursuant to Condition 4), and *vice versa*, including transfers from the Issuer to the Co-Guarantor at the direction of the Guarantor and *vice versa*, shall be deemed to remain charged during the course of such transfer.

(B) Covenants by the Issuer

The Issuer covenants with the Trustee that for so long as any of the Notes remain outstanding the Issuer will:

- (i) carry on and conduct its businesses and affairs in a proper and efficient manner and duly comply with all obligations imposed on it by its articles of association (*statuten*) and by Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*);
- (ii) keep proper books of account and therein make true and proper entries of all dealings and transactions of and in relation to its business; keep the said books of account and all other documents relating to its affairs at its registered office or such other place or places where such books of account and other documents ought in the ordinary course to be kept and allow the Trustee or any person or persons nominated by the Trustee in writing (not being a person or persons to whom the Issuer may reasonably object) at all reasonable times

to have access to such books of account and other documents to the extent relevant for the purposes of the Notes;

- (iii) give to the Trustee or any person or persons nominated by the Trustee in writing (not being a person or persons to whom the Issuer may reasonably object) such information as they may reasonably require, in such form as they may reasonably require, as to all matters relating to the business, assets and affairs of the Issuer;
- (iv) not open any bank account (other than its account with Fortis Bank (Netherlands) N.V.) without:
  - (I) the same first being approved by the Trustee; and
  - (II) creating, in favour of the Trustee (on behalf of Noteholders) a charge over the same on terms to be approved by the Trustee with the highest possible ranking as security for the payment of interest in respect of the Notes and repayment of the principal amount of the Notes and for its obligations under the Trust Deed;
- (v) apply the proceeds of issue of the Notes only as stipulated in Condition 3;
- (vi) apply any monies lent by it to the Guarantor and subsequently repaid only:
  - (I) in meeting costs and expenses in the ordinary course of its business; and/or
  - (II) in making loans to the Guarantor

provided that this shall not preclude the depositing of monies in a bank account as permitted under the terms of the Trust Deed;
- (vii) not lend monies to any person other than the Guarantor provided that this shall not preclude the depositing of monies in a bank account as permitted under the terms of the Trust Deed;
- (viii) not incur any indebtedness in the nature of borrowings, other than:
  - (I) in respect of the Notes; or
  - (II) in respect of unsecured loans due to the Guarantor,

and in any event not incur any indebtedness in the nature of borrowings where to do so would result in a breach, on the date on which the borrowing would be incurred, of the borrowing restriction set out in Condition 11;
- (ix) not create any security interest in respect of any of its assets, other than customary retention of title provisions or any security interests arising by operation of law and other than as envisaged at Condition 5;
- (x) not change its financial year end;
- (xi) give immediate notice in writing to the Trustee upon the Issuer becoming aware of the happening of any such event as is mentioned in Condition 10;
- (xii) execute all such further documents and carry out all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the Trust Deed and these Conditions; and
- (xiii) comply with the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and implementing regulations as amended from time to time.
- (C) Covenants by the Co-Guarantor

The Co-Guarantor covenants with the Trustee that for so long as any of the Notes remain outstanding the Co-Guarantor will:

- (i) carry on and conduct its businesses and affairs in a proper and efficient manner and duly comply with all obligations imposed on it by the Companies Act 2006;
- (ii) keep proper books of account and therein make true and proper entries of all dealings and transactions of and in relation to its business; keep the said books of account and all other documents relating to its affairs at its registered office or such other place or places where such books of account and other documents ought in the ordinary course to be kept and allow the Trustee or any person or persons nominated by the Trustee

in writing (not being a person or persons to whom the Co-Guarantor may reasonably object) at all reasonable times to have access to such books of account and other documents to the extent relevant for the purposes of the Notes;

- (iii) without prejudice to sub-paragraph (ii) above, keep proper records of all amounts lent by it to (and repaid or prepaid to it by) any Qualifying Subsidiary, and of the interest rate and repayment provisions applicable to each such loan, and notify the Trustee promptly (and in any event within five business days) upon (I) any new loan being made by it to a Qualifying Subsidiary (giving details of the amount of the loan and of the interest rate and repayment provisions applicable to it) and (II) any loan made by it to a Qualifying Subsidiary being repaid or prepaid in full or in part (giving details of the amount repaid or prepaid);
- (iv) give to the Trustee or any person or persons nominated by the Trustee in writing (not being a person or persons to whom the Co-Guarantor may reasonably object) such information as they may reasonably require, in such form as they may reasonably require, as to all matters relating to the business, assets and affairs of the Co-Guarantor;
- (v) at all times maintain a bank account with a bank approved by the Trustee and charged in favour of the Trustee (on behalf of Noteholders) on terms approved by the Trustee with the highest possible ranking as security for its guarantee in respect of the Notes (provided that, for the avoidance of doubt, the Co-Guarantor shall be at liberty to maintain such other, uncharged, bank accounts as it considers appropriate);
- (vi) apply the proceeds of any loans made to it by the Guarantor as provided in Condition 3 only as stipulated in to Condition 3;
- (vii) apply any monies lent by it to a Qualifying Subsidiary and subsequently repaid only:
  - (I) in making one or more cash deposits into the bank account of the Co-Guarantor charged in accordance with Condition 12(C)(v);
  - (II) in making one or more loans to any Qualifying Subsidiary on the Prescribed Terms;
  - (III) in repaying amounts owed to the Guarantor;
  - (IV) in making one or more loans to the Guarantor on such terms as may be agreed from time to time between the Co-Guarantor and the Guarantor; and/or
  - (V) in paying dividends;
- (viii) lend monies:
  - (I) to REA Kaltim only in accordance with the terms of the REA Kaltim loan agreement;
  - (II) to SYB only in accordance with the terms of the SYB loan agreement;
  - (III) to any other Qualifying Subsidiary only in accordance with the terms of a loan agreement made between the Co-Guarantor and the Qualifying Subsidiary on the Prescribed Terms;
- (ix) not agree to amend the terms of any Prescribed Loan Agreement provided that, for the avoidance of doubt, none of:
  - (I) the subordination agreement dated [**date**] and made between (1) the Co-Guarantor (as subordinated creditor), (2) REA Kaltim (as debtor) and (3) PT Bank Rabobank Indonesia and others (as senior creditors);
  - (II) the subordination agreement dated [**date**] 2010 and made between (1) the Co-Guarantor (as subordinated creditor), (2) SYB (as debtor) and (3) PT Bank DBS Indonesia (as senior creditor);
  - (III) any further or other arrangements pursuant to which the Co-Guarantor agrees with commercial lenders to an Indonesian Debtor Subsidiary to subordinate (a) any indebtedness owed to the Co-Guarantor by that Indonesian Debtor Subsidiary to (b) indebtedness of the Indonesian Debtor Subsidiary falling due for repayment on or before 31 December 2015 (provided that such further or other arrangements are on like or substantially similar terms to those included in the subordination agreements to which reference is made at (I) and (II) above); and
  - (IV) any arrangements pursuant to which the Co-Guarantor agrees with the relevant counterparties to any derivative financial instrument entered into by any Indonesian Debtor Subsidiary with a view to hedging against US dollars indebtedness owed by the Indonesian Debtor Subsidiary in a currency

other than US dollars (a "**hedging contract**") to subordinate (a) any indebtedness owed to the Co-Guarantor by that Indonesian Debtor Subsidiary to (b) the obligations of the Indonesian Debtor Subsidiary under the hedging contract

will constitute an amendment for the purposes of this sub-paragraph (ix);

- (x) furnish the Trustee with a certified copy of any subordination or hedging agreement as is referred to at sub-paragraphs (ix)(III) and (vii)(IV) above as soon as practicable after such agreement is entered into;
- (xi) not change its financial year end;
- (xii) give immediate notice in writing to the Trustee upon the Issuer becoming aware of the happening of any such event as is mentioned in Condition 10; and
- (xiii) execute all such further documents and carry out all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the Trust Deed and these Conditions.

**The Trust Deed does not contain any provisions limiting the borrowings of the Guarantor or any of its subsidiaries, other than the Issuer and the Indonesian Debtor Subsidiaries, nor any provisions restricting or prohibiting the granting of security by the Guarantor or any of its subsidiaries, other than the Issuer and the Indonesian Debtor Subsidiaries.**

### 13. Enforcement of rights

#### (A) Enforcement by the Trustee

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor and/or the Co-Guarantor as it may think fit to enforce the provisions of the Trust Deed or the Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Notes unless (i) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding and (ii) it has been indemnified or secured to its satisfaction.

#### (B) Enforcement by the Noteholders

No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

### 14. Meetings of Noteholders, modification and waiver

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing at least one third of the principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes for the time being outstanding so held or represented. An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting.

The Trustee may agree, without the consent of the Noteholders, to any modification (subject to certain exceptions) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed which is not, in the opinion, of the Trustee, materially prejudicial to the interests of the Noteholders or to any modification which is, in the opinion of the Trustee, of a formal, minor or technical nature or which is made to correct a manifest or proven error. Any such modification, waiver or authorisation shall be binding on the Noteholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 17.

### 15. Further issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes or bonds either ranking *pari passu* in all respects (save for the first payment of interest thereon) and (in the case of notes) so that the same shall be consolidated and form a single series with the Notes or upon such terms as to ranking, interest, premium, redemption and otherwise as the Issuer may at the time of the issue thereof determine. Any such notes or bonds, if they are to form a single series with the Notes, shall be constituted by a deed supplemental to the Trust Deed and in any other case in such manner as the Trustee may agree. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes or bonds of other series for the purpose of passing an Extraordinary Resolution in certain circumstances where the Trustee so decides.



## 16. Replacement of certificates

If any certificate in respect of Notes be worn out or defaced then, upon production of such certificate to the Issuer, the Issuer shall cancel the same and shall issue a new certificate in lieu thereof to the person(s) entitled to such worn out or defaced certificate. If any such certificate be lost or destroyed then, upon proof thereof to the satisfaction of the Issuer and on such terms as to evidence and indemnity as the Issuer may deem adequate being given, the Issuer shall issue a new certificate in lieu thereof to the person(s) entitled to such lost or destroyed certificate. An entry as to the issue of the new certificate and indemnity (if any) shall be made in the register of Noteholders.

## 17. Notices to Noteholders

Any notice may be given to or served on any Noteholder either personally or by sending it by first class or airmail post in a prepaid envelope addressed to him at his registered address or (if he desires that notices shall be sent to some other person or address) to the person at the address supplied by him to the Issuer for the giving of notices or sending of other documents to him. In the case of joint registered holders of any Notes, a notice given to the Noteholder whose name stands first in the register in respect of such Notes shall be sufficient notice to all the joint holders. Any notice or other document duly served on or delivered to any Noteholder as provided above shall, notwithstanding that such Noteholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event, be deemed to have been duly served or delivered in respect of any Notes registered in the name of such Noteholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the register as the holder of the Notes, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Notes.

Any notice given or document served by post shall be deemed to have been given or served on the day following that on which the same is posted and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice of the document or the notice or document itself was properly addressed stamped and posted. Any notice given or document served by delivery otherwise than by post shall be deemed to have been given or served at the time it is delivered to the address hereinbefore specified.

A Noteholder who, having no registered address within the European Union, has not supplied to the Issuer an address within the European Union for the service of notices shall not be entitled to receive notices from the Issuer. The Issuer may, at its discretion, give notices to such Noteholder by advertisement (to Noteholders generally) in a national newspaper published in the Netherlands and a national newspaper published in the United Kingdom, and any such notices shall be deemed to be effective on the date of such publication.

If at any time the Issuer is unable to give notice by post as a result of the suspension or curtailment of postal services in the Netherlands and/or the United Kingdom, notice may be given to Noteholders by advertisement in a national newspaper published in the Netherlands and a national newspaper published in the United Kingdom. In any such case, the Issuer shall send confirmatory copies of the notice by post as soon as practicable after normal postal services throughout the Netherlands or the United Kingdom (as applicable) are restored.

## 18. Notices to the Issuer, to the Guarantor and to the Co-Guarantor

Any notice, demand or other document may be served:

- (i) on the Issuer by sending the same by post in a prepaid letter to the registered office of the Issuer marked for the attention of The Managing Trustee, or to such other address in the Netherlands and/or addressee as the Issuer may from time to time notify to the Trustee and to Noteholders;
- (ii) on the Guarantor or the Co-Guarantor by sending the same by post in a prepaid letter to the registered office of the Guarantor or the Co-Guarantor (as applicable) marked for the attention of The Company Secretary, or to such other address in England and/or addressee as the Guarantor may from time to time notify to the Trustee and to Noteholders.

Any notice, demand or other document served on the Issuer shall be copied to the Guarantor in accordance with subparagraph (ii) above.

## 19. Trustee

Capita Trust Company Limited, whose principal office is [*7<sup>th</sup> Floor, Phoenix House, 18 King William Street, London EC4N 7HE*], has agreed to act as trustee of the Noteholders in respect of the Notes.

The statutory power of appointing new trustees shall be vested in the Issuer but a new trustee so appointed must in the first place be approved by the Noteholders by an Extraordinary Resolution. At least one trustee must be a trust corporation and a trust corporation may be a sole trustee. Whenever there are more than two trustees, a majority of

trustees shall be competent to exercise all the powers, authorities and discretions vested in the Trustee under the Trust Deed or by law, provided always that a trust corporation is included in such majority.

Any trustee may at any time on the expiry of not less than three months' written notice to that effect given to the Issuer retire without assigning any reason and without being responsible for any expense thereby occasioned.

As between the Trustee and the Noteholders, the Trustee shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and the Notes and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind all Noteholders.

The Issuer will pay to the Trustee by way of remuneration for its services as trustee such sum as may from time to time be agreed between them, together with any amount of value added tax or similar tax in respect thereof. The Issuer shall also reimburse all costs, charges, liabilities and expenses reasonably incurred by the Trustee in relation to the carrying out of its functions as trustee, together with any amount of value added tax or similar tax in respect thereof.

#### **20. Indemnity in favour of the Trustee and contracts between the Trustee and the Issuer and/or the Guarantor**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (a) to enter into business transactions with the Issuer and/or the Guarantor and/or the Co-Guarantor and/or any of their respective subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Guarantor and/or the Co-Guarantor and/or any of their respective subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

#### **21. Exercise of functions by the Trustee**

In connection with the exercise of any of its trusts, powers or discretions (including but not limited to those relating to any proposed modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interest arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. The Trustee shall not be entitled to require, nor shall any Noteholder, in connection with any such modification, waiver, authorisation or substitution, be entitled to claim from the Issuer or any other person any indemnification or payment in respect of any tax or other consequence thereof upon individual Noteholders.

#### **22. Governing law and submission to jurisdiction**

The Trust Deed and the Notes are governed by, and shall be construed in accordance with, English law. The Issuer, the Guarantor and the Co-Guarantor have irrevocably agreed, and each Noteholder is deemed to have irrevocably agreed, that only the courts of England and those of the Netherlands have jurisdiction to hear and decide any suit, action or proceedings, and to settle any dispute, controversy or claim, which may in either case arise out of or in any way relate to the Trust Deed or the Notes.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you are not so resident, another appropriately authorised independent financial adviser.**

## **REA Finance B.V.**

(a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and registered with the trade registry of the Chamber of Commerce and Industries in Amsterdam with number 34259527)

### **NOTICE OF MEETING OF THE HOLDERS OF THE 9.5 PER CENT GUARANTEED STERLING NOTES 2015/17 ISSUED BY REA FINANCE B.V. AND IRREVOCABLY AND UNCONDITIONALLY GUARANTEED BY R.E.A. HOLDINGS PLC**

NOTICE is hereby given that a meeting of the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. will be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands on 9 September 2010 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as extraordinary resolutions

#### **EXTRAORDINARY RESOLUTIONS**

1. THAT the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. ("**REA Finance**") and unconditionally and irrevocably guaranteed by R.E.A. Holdings plc ("**REAH**") (the "**sterling notes**") hereby sanction the proposed:
  - (a) restructuring of the security in relation to the sterling notes, including in particular by (i) the assignment by REA Finance to R.E.A. Services Limited ("**REA Services**") of all rights that REA Finance has in relation to the loans owed to REA Finance by each of PT REA Kaltim Plantations and PT Sasan Yudha Bhakti (respectively the "**REA Kaltim loans**" and the "**SYB loans**") and (ii) the addition of REA Services as a guarantor of the sterling notes (in addition to REAH), with the obligations of REA Services in respect of such guarantee being secured by charges over a designated bank account and the loans assigned to it; and
  - (b) the consequential amendments to and re-statement of the original trust deed dated 1 December 2006 (as amended and re-stated) constituting the sterling notes (the "**trust deed**")

in each case as detailed in the circular dated 12 August 2010 from REAH to holders of the sterling notes and authorise and request the trustee of the sterling notes to enter into a third supplemental trust deed for the purpose of effecting such amendments to and re-statement of the trust deed:

- (i) if the second and third extraordinary resolutions set out in the notice of meeting of the holders of the sterling notes dated 12 August 2010 (the "**notice**") are passed, in the form made available for inspection at the meeting and marked "A";
- (ii) if the second extraordinary resolution set out in the notice is passed but the third extraordinary resolution set out in the notice is not passed, in the form made available for inspection at the meeting and marked "B"; or
- (iii) if the second extraordinary resolution set out in the notice is not passed but the third extraordinary resolution set out in the notice is passed, in the form made available for inspection at the meeting and marked "C".

2. THAT the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. ("**REA Finance**") and unconditionally and irrevocably guaranteed by R.E.A. Holdings plc ("**REAH**") (the "**sterling notes**") hereby sanction the proposed:
- (a) amendments to the terms of the loans owed to REA Finance by each of PT REA Kaltim Plantations and PT Sasan Yudha Bhakti (respectively the "**REA Kaltim loans**" and the "**SYB loans**") following the assignment of the same to R.E.A. Services Limited; and
  - (b) amendments to the terms currently prescribed for loans by REA Finance to qualifying subsidiaries, when in future applied to loans by REA Services to qualifying subsidiaries, be simplified in conformity with the proposed amendments to the terms of the REA Kaltim loans and SYB loans

in each case as detailed in the circular dated 12 August 2010 from REAH to holders of the sterling notes and authorise and request the trustee of the sterling notes to enter into a third supplemental trust deed for the purpose of effecting such amendments and re-stating the original trust deed dated 1 December 2006 (as amended and re-stated) constituting the sterling notes:

- (i) if the first and third extraordinary resolutions set out in the notice of meeting of the holders of the sterling notes dated 12 August 2010 (the "**notice**") are passed, in the form made available for inspection at the meeting and marked "A"; or
  - (ii) if the first extraordinary resolution set out in the notice is passed but the third extraordinary resolution set out in the notice is not passed, in the form made available for inspection at the meeting and marked "C".
3. THAT the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. and unconditionally and irrevocably guaranteed by R.E.A. Holdings plc ("**REAH**") (the "**sterling notes**") hereby sanction the proposed amendment to the original trust deed dated 1 December 2006 (as amended and re-stated) constituting the sterling notes (the "**trust deed**") as regards hedging contracts as detailed in the circular dated 12 August 2010 from REAH to holders of the sterling notes and authorise and request the trustee of the sterling notes to enter into a third supplemental trust deed for the purpose of effecting such amendments and, where applicable, re-stating the trust deed:
- (i) if the first and second extraordinary resolutions set out in the notice of meeting of the holders of the sterling notes dated 12 August 2010 (the "**notice**") are passed, in the form made available for inspection at the meeting and marked "A";
  - (ii) if the first extraordinary resolution set out in the notice is passed but the second extraordinary resolution set out in the notice is not passed, in the form made available for inspection at the meeting and marked "D"; or
  - (iii) if only this third extraordinary resolution set out in the notice is passed, in the form made available for inspection at the meeting and marked "E".

By order of the board  
**Intertrust (Netherlands) B.V.**  
Managing Director

12 August 2010

*Registered office*  
Prins Bernhardplein 200  
1097 JB Amsterdam  
The Netherlands

**Capita Trust Company Limited, as trustee for the holders of the sterling notes, has not been involved in the formulation of nor approved the proposals outlined in the circular dated 12 August 2010 from R.E.A. Holdings plc to holders of sterling notes (of which this notice forms**

a part) (the "circular") and, in accordance with normal practice, expresses no opinion as to the merits of the passing of the extraordinary resolutions set out in the notice convening the meeting of the holders of sterling notes. Nothing in the circular should be construed as a recommendation from Capita Trust Company Limited to holders of sterling notes to vote in favour of, or against, the extraordinary resolutions set out in the above notice. Capita Trust Company Limited is not responsible for the accuracy, completeness, validity, correctness of or any omissions from the statements made, documents referred to or opinions expressed in the circular. Capita Trust Company Limited has, however, authorised it to be stated that on the basis of the information contained in the circular and the terms of the extraordinary resolutions set out in the notice convening the meeting of holders of sterling notes, it has given consent to the issue of such notice, and of the circular, to the holders of the sterling notes, and has no objection to the contents thereof being presented to the holders of the sterling notes for their consideration. Holders of sterling notes should take their own advice on the merits and/or the consequences of voting in favour of the extraordinary resolutions, including any tax consequences.

#### Notes

1. *The proposals to restructure the security and guarantee arrangements in relation to the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. and unconditionally and irrevocably guaranteed by R.E.A. Holdings plc, including in particular by (i) the assignment by REA Finance B.V. to R.E.A. Services Limited of all rights that REA Finance B.V. has in relation to the loans owed to REA Finance B.V. by each of PT REA Kaltim Plantations and PT Sasan Yudha Bhakti and (ii) the addition of R.E.A. Services Limited as a guarantor of the sterling notes (in addition to R.E.A. Holdings plc), with the obligations of R.E.A. Services Limited in respect of such guarantee being secured by charges over a designated bank account and the loans assigned to it as detailed in the circular, require the sanction of holders of sterling notes given by extraordinary resolution of the holders of sterling notes.*

2. *The quorum required for a meeting of holders of sterling notes is one or more persons holding or representing by proxy one-third in nominal amount of the sterling notes for the time being outstanding. An extraordinary resolution as referred to in this notice is a resolution passed at a meeting of the holders of sterling notes by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded then by a majority consisting of not less than three-fourths of the votes given on such a poll. An extraordinary resolution passed at a meeting of the holders of sterling notes duly convened and held is binding upon all holders of sterling notes whether or not present at the meeting.*

3. *On a show of hands every holder of sterling notes who is present in person shall have one vote and on a poll every holder of sterling notes who is present in person or by proxy shall have one vote for every £1,000 in nominal amount of sterling notes of which he is the holder. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall have a casting vote in addition to any vote or votes to which he may be entitled as a holder of sterling notes.*

4. *Every resolution submitted to a meeting of holders of sterling notes will be decided in the first instance by a show of hands. Unless before or on the declaration of the result of the show of hands a poll is demanded by the chairman, the trustee or by at least three holders of sterling notes present in person or by proxy or by one or more persons holding or representing by proxy at least one-twentieth part in nominal amount of the sterling notes in issue, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time or date as the chairman may direct. The demand for a poll may be withdrawn.*

5. *A holder of sterling notes entitled to attend and vote at the meeting convened by the above notice may appoint a proxy to attend and, on a poll, vote instead of him or her. A proxy need not be a holder of sterling notes. To be valid, the instrument appointing a proxy must be deposited with Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 12.00 noon on 7 September 2010. A reply paid envelope is enclosed for this purpose. The appointment of a proxy will not prevent a holder of sterling notes from attending and voting at the meeting should such holder wish to do so.*

PLEASE  
DETACH



## REA Finance B.V.

(a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and registered with the trade registry of the Chamber of Commerce and Industries in Amsterdam with number 34259527)

### Form of proxy for use at the meeting of the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands on 9 September 2010 at 12.00 noon.

I/We, the undersigned, being (a) holder(s) of 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V., hereby appoint the chairman of the meeting/..... (see note 1) to act as my/our proxy for the meeting of the holders of 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. ("**sterling notes**") to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands on 9 September 2010 at 12.00 noon and at any adjournment thereof.

Extraordinary resolutions	For	Against	Vote withheld
1. To sanction the proposed restructuring of the security in relation to the sterling notes and consequential amendments to and re-statement of the trust deed constituting the sterling notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To sanction the proposed amendments to the terms of the REA Kaltim loans and the SYB loans and to the terms of prescribed for loans by REA Services to qualifying subsidiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To sanction the proposed amendment to the trust deed constituting the sterling notes as regards hedging contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE  
USE  
BLOCK  
CAPITALS

Signature: ..... Date: ..... 2010  
 Name: .....  
 Address: .....  
 .....  
 .....

**Notes:**

(1) If you wish to appoint any person other than the chairman to act as a proxy, insert the name of the other person (who need not be a holder of sterling notes), delete the words "the chairman of the meeting" and initial the change.

(2) Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If the form is returned without any indication as to how the proxy should vote, the proxy will vote or abstain as he thinks fit.

(3) Completion and return of a form of proxy will not prevent you from attending the meeting and voting in person if you so wish.

(4) For the appointment of a proxy to be valid, this form of proxy must be delivered to Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 12.00 noon on 7 September 2010.