

**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 shares in the capital of R.E.A. Holdings plc, please send this document together with, where applicable, the enclosed form of proxy 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 for

the buy-back by R.E.A. Holdings plc of ordinary shares of 25p each in the capital of R.E.A. Holdings plc and the subsequent re-sale of such shares as markets permit

and

the establishment of a long term incentive for Mr Mark Parry

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A notice convening an extraordinary general meeting of R.E.A. Holdings plc for 10.30 am on 11 June 2013 (or so soon after 10.30 am as the annual general meeting of R.E.A. Holdings plc also convened for 11 June 2013 shall have been concluded or adjourned) is set out at the end of this document. A form of proxy for use in connection with such meeting is enclosed with copies of this document sent to shareholders entitled to attend and vote at that meeting. 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 10.30 am on 9 June 2013. Alternatively, appointment of a proxy may be submitted electronically by using either Capita Registrars' share portal service at [www.capitashareportal.com](http://www.capitashareportal.com) (and so that the appointment is received by the service by no later than 10.30 am on 9 June 2013) or, if you are a member of CREST, using the CREST electronic proxy appointment service. Neither completion and return of the form of proxy nor any appointment of a proxy submitted electronically will preclude a shareholder entitled to attend and vote from attending and voting in person at the meeting should such shareholder so wish. Further details are contained in the notes to the notice of extraordinary general meeting.

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## **EXPECTED TIMETABLE**

Circular and form of proxy posted or notified to shareholders	13 May 2013
Latest time and date for receipt of forms of proxy/CREST proxy instructions for use in connection with the extraordinary general meeting	10.30 am on 9 June 2013
Extraordinary general meeting	10.30 am on 11 June 2013
Grant of the proposed long term incentive to Mr Mark Parry	By 28 June 2013

## DEFINITIONS

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

<b>"board"</b>	the board of directors of the company
<b>"Capita Registrars"</b>	a trading name of Capita Registrars Limited
<b>"company"</b>	R.E.A. Holdings plc
<b>"CREST"</b>	the computerised settlement system operated by Euroclear UK & Ireland Limited for the transfer of title to securities held in uncertificated form
<b>"directors"</b>	the directors of the company
<b>"group"</b>	the company and its subsidiaries
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"ordinary shares"</b>	ordinary shares of 25p each in the capital of the company
<b>"preference shares"</b>	9 per cent cumulative preference shares of £1 each in the capital of the company
<b>"proposals"</b>	(i) the share buy-back proposal and (ii) the proposed establishment of a long term incentive for Mr Mark Parry, details of both of which are set out in this document
<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>"remuneration committee"</b>	the remuneration committee of the board
<b>"share buy-back proposal"</b>	the proposal that the company should, when the directors consider it opportune to do so, buy back ordinary shares into treasury with the intention that, once a holding of a reasonable size has been accumulated, that holding be placed with one or more investors, as described in more detail in this document

References in this document 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**

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

*(Registered in England and Wales no 671099)*

*Registered office:*

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

13 May 2013

*To the holders of ordinary shares and, for information only, to the holders of preference shares*

Dear Sir or Madam

### **Introduction**

The purpose of this circular is to advise you of two proposals.

The first proposal is that the company should, when the directors consider it opportune to do so, buy back limited numbers of ordinary shares into treasury with the intention that, once a holding of a reasonable size has been accumulated, that holding be placed with one or more investors.

The second proposal is that a long term incentive should be established for Mr Mark Parry. As shareholders will be aware, Mr Parry was appointed president director of the company's principal operating subsidiary, REA Kaltim, during 2012 and joined the board on 1 January 2013, as an executive director based in Singapore and Jakarta.

Implementation of these two proposals will require certain approvals from shareholders of the company. Accordingly, a notice convening an extraordinary general meeting of the company to be held on 11 June 2013 is set out at the end of this document. The business of that meeting will be to consider and, if thought fit, pass the resolutions necessary to implement the proposals.

### **Background to and reasons for the share buy-back proposal**

The directors are aware that the market in the company's ordinary shares is at times limited, that purchases and sales of small numbers of shares can have a disproportionate effect on the ordinary share price and that the spread between the bid and offer prices of the ordinary shares is often large. The directors believe that there is potential demand for the company's ordinary shares but that this demand comes mainly from investors who wish to have holdings of a certain size and are generally not prepared to spend time accumulating such holdings from the trickle of small offerings that are normally available.

As has been previously announced, the directors intend that in due course, the shares of REA Kaltim should be listed on the Indonesia Stock Exchange in Jakarta and hope that such listing will stimulate better analyst coverage of the company and that this will gradually improve the marketability of the ordinary shares. However, such listing is now not expected to take place until 2014 at the earliest.

Accordingly, to address now what they see as a mismatch between the demand for and the supply of ordinary shares, the directors propose that, as and when appropriate opportunities arise, the company should itself buy back ordinary shares into treasury with the intention that, once a

holding of a reasonable size has been accumulated, that holding be placed with one or more substantial investors on a basis that, to the extent reasonably possible, broadens the spread of substantial shareholders in the company. Save to the extent of that intention, no agreement, arrangement or understanding exists whereby any ordinary shares acquired pursuant to the share buy-back proposal will be transferred to any person.

The continuing development of the group's agricultural operations requires major capital expenditure. As shareholders will be aware, the need to fund this expenditure constrains the rates at which the directors feel that they can prudently declare, or recommend the payment of, dividends in respect of the ordinary shares. While this remains the case, the directors do not believe that it would be right to commit cash to the repurchase and cancellation of ordinary shares. That, however, is not envisaged as part of the share buy-back proposal; the authorisation being sought for the repurchase of the company's shares will be utilised only for the limited purpose of buying back ordinary shares into treasury with the expectation that the shares bought back will be re-sold within a limited period.

### **Further details regarding the share buy-back proposal**

Pursuant to the Companies Act 2006, the company is only entitled to make market purchases of its own shares to the extent so authorised by shareholders. The directors are seeking shareholder authority to purchase up to 5,000,000 ordinary shares, but on terms that the maximum number of ordinary shares that may be bought back and held in treasury at any one time is limited to 400,000 ordinary shares.

The authority being sought is on the basis that the price (exclusive of expenses, if any) that may be paid by the company for each ordinary share purchased by it will be not less than £1.00 and not greater than an amount equal to the higher of (i) 105 per cent of the average of the middle market quotations for the ordinary shares in the capital of the company as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which such share is contracted to be purchased and (ii) that stipulated by article 5(1) of the EU Buyback and Stabilisation Regulation 2003 (namely the higher of the price of the last independent trade and the current highest independent bid on the London Stock Exchange).

Pursuant to the Companies Act 2006, any shareholder authority to make market purchases of own shares must expire no later than 18 months after the date on which the resolution to provide the authority is passed. Accordingly, the directors intend to put to shareholders at the annual general meeting of the company to be held in 2014 a resolution renewing the authority to make market purchases of own shares and may, if it remains appropriate, seek further annual renewals of this authority at subsequent annual general meetings.

Any ordinary shares held in treasury by the company would remain listed and form part of the company's issued ordinary share capital. However, the company would not be entitled to attend meetings of the members of the company, exercise any voting rights attached to such ordinary shares or receive any dividend or other distribution (save for any issue of bonus shares). Sales of shares held in treasury would be made from time to time as investors are found, following which the new legal owners of the ordinary shares would be entitled to exercise the usual rights from time to time attaching to such shares and to receive dividends and other distributions in respect of the ordinary shares.

The consideration payable by the company for any ordinary shares purchased by it would come from the distributable reserves of the company. The proceeds of sale of any ordinary shares purchased by the company would be credited to distributable reserves up to the amount of the purchase price paid by the company for the shares, with any excess over such price being credited to the share premium account of the company. Thus, as regards its impact on both cash resources and distributable reserves, it is intended that the share buy-back proposal would be broadly neutral.

The company will comply with its obligations under the Listing Rules of the Financial Conduct Authority in relation to the timing of any share buy-backs and re-sales of ordinary shares from treasury.

### **Proposed establishment of a long term incentive for Mr Mark Parry**

In 2007 and 2009, the company established long term incentives, linked to increases in the market price of the ordinary shares, for a small number of key senior executives with a view to their participating over the long term in the value that they helped to create for the group. However, no director was eligible to participate in these long term incentives.

Following Mr Mark Parry's assumption of the position of president director of REA Kaltim, he is, and will continue to be, key to the future success of the group. Accordingly, the directors consider that he too should be provided with a long term incentive similar to the long term incentives previously provided. It is therefore proposed that a long term incentive should be established for Mr Parry on the principal terms set out in Part II of this document.

Mr Parry's maximum entitlement would be calculated by reference to a notional number of ordinary shares, such notional number being such number of ordinary shares as has, as at the date of the award of the incentive to Mr Parry, a value (the "**initial award value**"), calculated at the market value of an ordinary share as at the close of business on the dealing date immediately preceding the date of the award, equal to 150 per cent of Mr Parry's then current annual base salary. This would result in Mr Parry becoming entitled to a maximum aggregate cash payment equal to the market value of such notional ordinary shares as at the date of exercise of the incentive, less the initial award value.

Payment under the long term incentive would normally reflect the extent to which three key performance targets are met over the four year period 1 January 2013 to 31 December 2016, with such targets relating to annual total shareholder return per ordinary share, effective annual percentage reduction in cost per tonne of crude palm oil and equivalents produced by the group and average annual extension planting rate achieved by the group (in each case as further detailed in Part II of this document). However, in the event of a takeover or voluntary liquidation of the company or the sale or other disposal of the whole or substantially the whole of the agricultural operations of the group occurring before the expiry of the performance period (a "**relevant event**"), payment under the long term incentive would be determined by reference only to annual total shareholder return per ordinary share over the period from 1 January 2013 to the effective date of the relevant event.

### **Conditions**

Implementation of the share buy-back proposal is conditional upon the passing of the first two resolutions set out in the notice of extraordinary general meeting of the company convened for 11 June 2013.

Mr Parry's participation in the proposed long term incentive arrangement is conditional upon the passing of the third resolution set out in the notice of extraordinary general meeting of the company convened for 11 June 2013.

### **Extraordinary general meeting**

As noted above, an extraordinary general meeting of the company has been convened for 10.30 am on 11 June 2013 (or so soon after 10.30 am as the annual general meeting of the company also convened for 11 June 2013 shall have been concluded or adjourned) to be held at the London offices of the company's solicitors, Ashurst LLP, at Broadwalk House, 5 Appold Street, London EC2A 2HA. Notice of such meeting is set out at the end of this document.

The first resolution set out in the notice of extraordinary general meeting, which will be proposed as an ordinary resolution, authorises the company to make market purchases of its own ordinary shares for the purposes of the share buy-back proposal. Although this resolution authorises the

purchase of up to 5,000,000 ordinary shares (representing 14.25 per cent of the current issued ordinary share capital of the company), as stated above under "Further details regarding the share buy-back proposal", the maximum number of ordinary shares that may be bought back and held in treasury at any one time is limited to 400,000 ordinary shares (representing 1.14 per cent of the current issued ordinary share capital of the company). The maximum and minimum prices at which the company would be authorised to make market purchases of its own ordinary shares are stated in the resolution.

The second resolution set out in the notice of extraordinary general meeting, which will be proposed as a special resolution, disapplies the statutory pre-emption rights conferred by section 561 of the Companies Act 2006 in relation to any re-sale(s) by the company of ordinary shares bought back by the company pursuant to the share buy-back proposal and held by the company as treasury shares. Although this resolution does not expressly state a maximum number of ordinary shares in respect of which the statutory pre-emption rights are disapplied, as it applies only in relation to shares that are bought back by the company pursuant to the first resolution set out in the notice of extraordinary general meeting (as the same may be renewed or varied), the disapplication is in effect limited to the maximum number of ordinary shares bought back. As stated above in respect of the first resolution, 5,000,000 ordinary shares represent 14.25 per cent of the current issued ordinary share capital of the company and 400,000 ordinary shares represent 1.14 per cent of the current issued ordinary share capital of the company.

The third resolution set out in the notice of extraordinary general meeting, which will be proposed as an ordinary resolution, approves the long term incentive for Mr Mark Parry and authorises the directors to do all acts and things that they may consider necessary or desirable to carry the incentive into effect.

### **Action to be taken**

Holders of ordinary shares will find enclosed with this document a form of proxy for use in connection with the extraordinary general meeting convened for 11 June 2013. Whether or not they propose to attend such meeting, holders of ordinary shares are urged to 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 10.30 am on 9 June 2013. Alternatively, appointment of a proxy may be submitted electronically by using either Capita Registrars' share portal service at [www.capitashareportal.com](http://www.capitashareportal.com) (and so that the appointment is received by the service by no later than 10.30 am on 9 June 2013). Alternatively, a holder of ordinary shares who is a member of CREST may register the appointment of a proxy by using the CREST electronic proxy appointment service. The return of a form of proxy, or any appointment of a proxy submitted electronically, will not prevent holders of ordinary shares from attending the meeting and voting in person if they should so wish. Further details are contained in the notes to the notice of extraordinary general meeting.

### **Recommendations**

The board is of the opinion that the share buy-back proposal is in the best interests of the company and its shareholders as a whole. Accordingly, the board recommends that shareholders vote in favour of the first and second resolutions set out in the notice of extraordinary general meeting of the company convened for 11 June 2013 as the directors (and persons connected with them as defined in section 96B(2) of the Financial Services and Markets Act 2000) intend to do in respect of their own holdings comprising 10,483,414 ordinary shares (representing 29.88 per cent of the issued ordinary share capital of the company).

By reason of his personal interest in the proposal, Mr Mark Parry has taken no part in the decisions of the board concerning the proposed long term incentive or the recommendations to be made by the board to shareholders concerning the same. The board, excluding Mr Parry, is of the opinion that the long term incentive proposal is in the best interests of the company and its shareholders as a whole. Accordingly, the board, excluding Mr Parry, recommends that shareholders vote in

favour of the third resolution set out in the notice of extraordinary general meeting of the company convened for 11 June 2013 as those directors (and persons connected with them as defined in section 96B(2) of the Financial Services and Markets Act 2000) intend to do in respect of their own holdings comprising 10,478,326 ordinary shares (representing 29.87 per cent of the issued ordinary share capital of the company).

**Further information**

Your attention is drawn to the further information set out in Parts II and III of this document.

Yours faithfully

**Richard Robinow**  
Chairman



## **PART II: SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED LONG TERM INCENTIVE FOR MR MARK PARRY**

### **1. General**

The long term incentive (the "**LTIP**") will confer on Mr Mark Parry the right to receive a maximum aggregate cash payment equal to the market value of a notional number of ordinary shares as at the date of exercise of the incentive, less a notional purchase price per share equal to the market value of an ordinary share as at the close of business on the dealing day last preceding the date of the award of the incentive to Mr Parry (the "**award price**"). Such notional number of ordinary shares shall be the number of ordinary shares that has, as at the date of the award of the incentive to Mr Parry, an aggregate value, calculated at the award price, equal to 150 per cent of Mr Parry's then current annual base salary.

Payment under the LTIP will be subject to the achievement of performance conditions as described below.

### **2. Timing of and consideration for grant of the LTIP**

If approved by shareholders, the LTIP will be granted shortly after the conclusion of the extraordinary general meeting of the company convened for 11 June 2013. No payment is required for the grant of the LTIP.

### **3. Performance conditions**

Payment under the LTIP will reflect the extent to which three key performance targets are met over the four year period 1 January 2013 to 31 December 2016 (the "**performance period**"):

- up to 50 per cent of the maximum aggregate amount will be payable dependent upon the annual total shareholder return per ordinary share over the performance period, calculated on a compounded basis ("**TSR**");
- up to 25 per cent of the maximum aggregate amount will be payable dependent upon the percentage amount by which the inflation adjusted cost per tonne of crude palm oil and equivalents produced by the group has reduced over the performance period ("**RCPT**"); and
- up to 25 per cent of the maximum aggregate amount will be payable dependent upon the average annual extension planting rate achieved by the group over the performance period ("**AEPR**").

For each performance condition there is a scale:

	<b>TSR</b>	<b>RCPT</b>	<b>AEPR</b>
Threshold	10%	5%	2,500 hectares
Target	15%	10%	3,000 hectares
Maximum	20%	15%	3,500 hectares

For the purpose of calculating TSR, the company's share price shall be averaged over periods of one week expiring at the beginning and at the end of the performance period.

For the purposes of calculating RCPT, inflation means the average annual rate of inflation over the performance period calculated by reference to an internally compiled index

based on a combination of the Indonesian Retail Price Index, inflation in labour rates applicable to the group and inflation in the unit prices of fertilisers used by the group.

If the threshold level of a performance condition is not achieved, the entitlement to the relevant proportion of the maximum payment will lapse. If the threshold level (but no more) of a performance condition is achieved, one third of the relevant proportion of the maximum payment will be payable; if the target level (but no more) of a performance condition is achieved, two thirds of the relevant proportion of the maximum payment will be payable; and if the maximum level of a performance condition (or more) is achieved, the relevant proportion of the maximum payment will be payable in full. Between the threshold and target levels, and the target and maximum levels, the extent to which the relevant proportion of the maximum payment will be made will vary on a straight line basis.

The performance conditions will not be varied or waived unless events occur that cause the remuneration committee to consider that the conditions have ceased to be appropriate, in which case the remuneration committee may vary or waive the conditions, or any of them, provided that any new condition imposed or any variation is in its opinion fair and reasonable and no more easy or difficult to satisfy than the previous condition.

#### **4. Exercise and lapse**

Payment under the LTIP will be triggered by the exercise by Mr Parry, at his discretion, of the LTIP. In normal circumstances, the LTIP will be capable of exercise, in whole or in part, at any time and from time to time between 1 January 2017 and the tenth anniversary of the date of grant of the LTIP to the extent that the performance conditions (as adjusted should such be the case) have been fulfilled or waived.

On exercise, Mr Parry will become entitled to receive a cash payment equal to:

- (a) the aggregate market value, as at the date of exercise, of the notional ordinary shares in respect of which the LTIP is exercised, less
- (b) a notional purchase price per share equal to the award price (adjusted as appropriate pursuant to paragraph 5 below).

To the extent not exercised, the entitlement of Mr Parry under the LTIP will lapse on the tenth anniversary of the date of grant of the LTIP.

#### **5. Alterations of share capital**

In the event of any variation in the share capital of the company, adjustments to the notional number of ordinary shares in respect of which a payment may be made on exercise of the LTIP and to the award price may be made by the remuneration committee in such manner and with effect from such date as the remuneration committee may determine to be appropriate.

#### **6. Cessation of employment**

If Mr Parry ceases to be employed by the group otherwise than by reason of:

- death;
- injury, ill-health or disability;
- redundancy; or
- the company employing Mr Parry ceasing to be a member of the group

then, unless the remuneration committee exercises a discretion to determine otherwise, the entitlement of Mr Parry under the LTIP will lapse.

Where Mr Parry ceases to be employed by the group before the expiry of the performance period and the entitlement of Mr Parry under the LTIP does not lapse, performance will be measured over the performance period and, to the extent that the performance conditions are met, the notional number of ordinary shares in respect of which the LTIP may be exercised will be pro-rated in accordance with the fraction that the length of Mr Parry's service from 1 January 2013 to the date of cessation of his employment bears to the four year performance period. The LTIP will, to this extent, become and remain exercisable for a period of six months from the expiry of the performance period (or 12 months from the expiry of the performance period in the case of his death). If the remuneration committee so determines, performance may be measured over the period from 1 January 2013 to the date of cessation of Mr Parry's employment, and pro-rated in the same way, in which case the LTIP will be exercisable for six months from the date of cessation of Mr Parry's employment (or 12 months from the date of cessation of Mr Parry's employment in the case of his death).

Where Mr Parry ceases to be employed by the group on or after the expiry of the performance period and the entitlement of Mr Parry under the LTIP does not lapse, the LTIP will be exercisable for a period of six months from the date of cessation of his employment (or 12 months in the case of Mr Parry's death), to the extent that the performance conditions have been fulfilled.

To the extent not so exercised, the LTIP will lapse at the expiry of the relevant period specified above. The LTIP will also, and in any event, lapse, to the extent not previously exercised, on the tenth anniversary of the date of grant of the LTIP.

#### **7. Takeover or voluntary winding-up of the company**

In the event of a takeover or the voluntary winding-up of the company occurring before the expiry of the performance period, the LTIP will become exercisable and will remain exercisable for a period of two months from the date that the takeover becomes or is declared unconditional or the date of the relevant resolution approving the winding-up (as applicable) or, in the event of a takeover, until the expiry of any compulsory acquisition period, if earlier. The payment to Mr Parry will, in these circumstances, be determined as to 100 per cent by reference to the annual total shareholder return per ordinary share, calculated on a compounded basis, over the reduced performance period from 1 January 2013 to the date that the takeover becomes or is declared unconditional or the date of the relevant resolution approving the winding-up (as applicable).

In the event of a takeover or the voluntary winding-up of the company occurring on or after the expiry of the performance period, the LTIP will remain exercisable for a period of two months from the date that the takeover becomes or is declared unconditional or the date of the relevant resolution approving the winding-up (as applicable) or, in the event of a takeover, until the expiry of any compulsory acquisition period, if earlier, to the extent that the original three performance conditions have been fulfilled.

In the event of a takeover or the voluntary winding-up of the company, if as at the date of exercise of the LTIP there is no longer a market price for ordinary shares, the last available market price of an ordinary share shall be substituted for the market value of an ordinary share as at the date of exercise of the LTIP and shall also be used to calculate the closing value for TSR.

To the extent not so exercised, the LTIP will lapse at the expiry of the relevant period specified above. The LTIP will also, and in any event, lapse, to the extent not previously exercised, on the tenth anniversary of the date of grant of the LTIP.

Where a takeover occurs as part of an internal reorganisation of the company, with no effective change of control, the LTIP will be exchanged for a new right granted by the acquiring company, unless such a right is not made available by the acquiring company, in which case exercise as set out above will be permitted.

**8. Sale of the agricultural operations of the group**

In the event of a sale or other disposal of the whole or substantially the whole of the agricultural operations of the group occurring before the expiry of the performance period, the LTIP will become exercisable from the date of completion of the sale or other disposal. The payment to Mr Parry will, in these circumstances, be determined as to 100 per cent by reference to the annual total shareholder return per ordinary share, calculated on a compounded basis, over the reduced performance period from 1 January 2013 to the date of completion of the sale or other disposal.

**9. Pension entitlements**

Benefits obtained under the LTIP are not pensionable.

**10. Assignment**

The LTIP is not assignable or transferable.

**11. Administration and amendment**

The operation of the LTIP will be supervised by the remuneration committee.

The remuneration committee may amend the LTIP by resolution provided that prior approval of the company in general meeting will be required for any amendment to the advantage of Mr Parry, including as to the number of ordinary shares notionally subject to the LTIP and the basis for determining his entitlement under the LTIP and as to the adjustment of the LTIP in the event of a variation in capital, except in the case of minor amendments to benefit the administration of the LTIP and amendments to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Mr Parry or for any member of the group.

No amendment may be made which would alter the terms of the LTIP to Mr Parry's disadvantage without his prior written consent.

## **PART III: ADDITIONAL INFORMATION**

### **1. The company**

1.1 The company was incorporated and registered in England and Wales on 27 September 1960 as a private company limited by shares under the Companies Act 1948 with registered number 671099 and was re-registered on 15 February 1982 as a public limited company under the Companies Acts 1948 to 1980. The company is subject to the provisions of the Companies Act 2006. The registered and head office of the company is First Floor, 32-36 Great Portland Street, London W1W 8QX.

1.2 The directors of the company (all being of First Floor, 32-36 Great Portland Street, London W1W 8QX) are as follows:

Richard Michael Robinow (chairman)  
John Clifton Oakley (managing director)  
Mark Alan Parry (executive director)  
David John Blackett (senior independent non-executive director)  
Irene Chia (independent non-executive director)  
David Henry Rothwell Killick (independent non-executive director)

1.3 As at the date of this document, the issued share capital of the company comprises 35,085,269 ordinary shares and 50,000,000 9 per cent cumulative preference shares. No shares of the company are currently held in treasury and the company has no outstanding warrants or options to subscribe equity securities.

### **2. Placing of ordinary shares**

As announced on 3 May 2013, the company on that date entered into a placing agreement with Mirabaud Securities LLP ("**Mirabaud**") pursuant to which Mirabaud agreed to use its reasonable endeavours to procure, on the company's behalf, subscribers for 1,670,724 new ordinary shares at a subscription price of 425p per share, payable in full on allotment. Mirabaud was successful in finding placees for all of such shares, and the placing became unconditional on 10 May 2013 when the placed shares were admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities. Dealings in the placed shares commenced on 10 May 2013.

The placed shares rank *pari passu* in all respects with the existing ordinary shares and, in particular, will entitle the holders thereof to receive the final dividend proposed to be paid in respect of the year ended 31 December 2012 which the directors have recommended should be paid at the rate of 3.5p per ordinary share.

The proceeds from the placing are estimated to amount to £6.8 million (net of expenses of approximately £250,000). These monies will be applied towards reducing the group's short term bank indebtedness. This will leave the group with greater unutilised bank facilities and will provide the group with a cushion, which the directors believe that the group should always have, against the volatility of the crude palm oil market.

### **3. Documents available for inspection**

A copy of the draft of the long term incentive proposed to be made between the company and Mr Mark Parry is available for inspection at the company's registered office during normal business hours from the date of this document until the close of the extraordinary general meeting of the company convened for 11 June 2013 and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

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

Notice is hereby given that an extraordinary general meeting of the company will be held at the London offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA on 11 June 2013 at 10.30 am (or so soon thereafter as the annual general meeting of the company convened for 10.00 am on the same day shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, the first and third of which will be proposed as ordinary resolutions and the second of which will be proposed as a special resolution

### **ORDINARY RESOLUTION**

1. THAT, conditional upon the passing of the second resolution set out in the notice of extraordinary general meeting of the company dated 13 May 2013, the company is generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of any of its ordinary shares on such terms and in such manner as the directors may from time to time determine provided that:

- (a) the maximum number of ordinary shares which may be purchased is 5,000,000 ordinary shares;
- (b) the minimum price (exclusive of expenses, if any) that may be paid for each ordinary share is £1.00;
- (c) the maximum price (exclusive of expenses, if any) that may be paid for each ordinary share is an amount equal to the higher of: (i) 105 per cent of the average of the middle market quotations for the ordinary shares in the capital of the company as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which such share is contracted to be purchased and (ii) that stipulated by article 5(1) of the EU Buyback and Stabilisation Regulation 2003 (No. 2273/2003); and
- (d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the annual general meeting of the company to be held in 2014 (or, if earlier, on 30 November 2014)

provided further that:

- (i) notwithstanding the provisions of paragraph (a) above, the maximum number of ordinary shares that may be bought back and held in treasury at any one time is 400,000 ordinary shares; and
- (ii) notwithstanding the provisions of paragraph (d) above, the company may, before this authority expires, make a contract to purchase ordinary shares that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.

## **SPECIAL RESOLUTION**

2. THAT the directors be and are hereby given power for the purposes of section 573 of the Companies Act 2006 to sell for cash ordinary shares in the capital of the company held by the company as treasury shares as if section 561 of the Companies Act 2006 did not apply to the sale, provided that such power shall be limited to the sale of treasury shares purchased by the company pursuant to the authority conferred pursuant to resolution 1 set out in the notice of extraordinary general meeting of the company dated 13 May 2013 (as the same may be renewed or varied from time to time).

## **ORDINARY RESOLUTION**

3. THAT the proposed agreement for the provision of the long term incentive, as summarised in Part II of the circular to shareholders of the company dated 13 May 2013, and a draft of which is produced to the meeting and, for the purpose of identification only, initialled by the chairman, be and is hereby approved and the directors of the company be and are hereby authorised to do all acts and things that they may consider necessary or desirable to carry the same into effect, including making such minor modifications as they may consider necessary or desirable to take account of the requirements of the UK Listing Authority, best practice or otherwise.

By order of the board  
**R.E.A. Services Limited**  
Secretaries

*Registered office:*  
First Floor  
32-36 Great Portland Street  
London W1W 8QX

13 May 2013

### *Notes*

1. The company specifies that in order to have the right to attend and vote at the above convened extraordinary general meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the company at 6.00 pm on 9 June 2013 or, in the event of any adjournment, at 6.00 pm on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. Only holders of ordinary shares are entitled to attend and vote at the above convened extraordinary general meeting. A holder of ordinary shares may appoint another person as that holder's proxy to exercise all or any of the holder's rights to attend, speak and vote at the meeting. A holder of ordinary shares may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to (a) different share(s) held by the holder. A proxy need not be a member of the company.
3. A form of proxy for the meeting is enclosed. To be valid, forms of proxy and other written instruments appointing a proxy must be received by post or by hand (during normal business hours only) by the company's registrars, Capita Registrars, by no later than 10.30 am on 9 June 2013. Alternatively, appointment of a proxy may be submitted electronically by using either Capita Registrars' share portal service at [www.capitashareportal.com](http://www.capitashareportal.com) (and so that the appointment is received by the service by no later than 10.30 am on 9 June 2013) or the CREST electronic proxy appointment service

as described below. Shareholders who have not already registered for Capita Registrars' share portal service may do so by registering as a new user at [www.capitashareportal.com](http://www.capitashareportal.com) and giving the investor code shown on the enclosed proxy form (as also shown on their share certificate).

4. Completion of a form of proxy, or other written instrument appointing a proxy, or any appointment of a proxy submitted electronically, will not preclude a holder of ordinary shares from attending and voting in person at the extraordinary general meeting if such holder wishes to do so.
5. CREST members may register the appointment of a proxy or proxies for the above convened extraordinary general meeting and any adjournment(s) thereof through the CREST electronic proxy appointment service by using the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment or instruction regarding a proxy appointment made or given using the CREST service to be valid, the appropriate CREST message (a "**CREST proxy instruction**") must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited ("**Euroclear**") and must contain the required information as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The CREST proxy instruction, regardless of whether it constitutes a proxy appointment or an instruction to amend a previous proxy appointment, must, in order to be valid, be transmitted so as to be received by the company's registrars (ID: RA10) by 10.30 am on 9 June 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST applications host) from which the company's registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that such member's CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. The rights of members in relation to the appointment of proxies described above do not apply to persons nominated under section 146 of the Companies Act 2006 to enjoy information rights ("**nominated persons**") but a nominated person may have a right, under an agreement with the member by whom such person was nominated, to be appointed (or to have someone else appointed) as a proxy for the above convened general meeting. If a nominated person has no such right or does not wish to exercise it, such person may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.
9. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.



10. Any member attending the above convened extraordinary general meeting has the right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
11. A copy of this notice, and other information required by section 311A of the Companies Act 2006, may be found on the company's website [www.rea.co.uk](http://www.rea.co.uk).
12. As at the date of this notice, the issued share capital of the company comprises 35,085,269 ordinary shares and 50,000,000 9 per cent cumulative preference shares. As stated above, only holders of ordinary shares (and their proxies) are entitled to attend and vote at the above convened extraordinary general meeting. Accordingly, the voting rights attaching to shares of the company exercisable in respect of each of the resolutions to be proposed at the meeting total 35,085,269 as at the date of this notice.
13. Shareholders may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice (or any other related document including the form of proxy) to communicate with the company for any purposes other than those expressly stated.
14. A copy of the draft agreement proposed to be made between the company and Mr Mark Parry, as referred to in resolution 3 above, is available for inspection at the company's registered office during normal business hours from the date of this notice until the close of the extraordinary general meeting of the company convened for 11 June 2013 and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.