

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in R.E.A. Holdings plc, please forward this document and the accompanying form of proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

A form of proxy for the extraordinary general meeting is enclosed. Whether or not you intend to be present at the meeting, please complete the form of proxy and return it in accordance with the instructions printed on it so as to reach the Company's registrar no later than 10.30 a.m. on Tuesday 9 June 2015. Alternatively, you can register your proxy vote electronically, either by means of a website provided by the Company's registrar or, if you are a CREST member, by using the service provided by Euroclear. Further details are given in the notes to this document on pages 9 and 10. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting in person, should you so wish.

R.E.A. Holdings plc

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

NOTICE of EXTRAORDINARY GENERAL MEETING

to be held on 11 June 2015 at 10.30 a.m.

(or as soon thereafter as the Annual General Meeting of R.E.A. Holdings plc convened for the same day and place shall have been concluded or adjourned)

relating to a proposal to establish a Long-Term Incentive Plan

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

7 May 2015

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 an extraordinary general meeting (the "**EGM**"), to follow on immediately after the close of the Annual General Meeting of R.E.A. Holdings plc (the "**Company**") on 11 June 2015. The sole subject matter of the EGM is a proposal to establish The R.E.A Holdings 2015 Long-Term Incentive Plan (the "**LTIP**").

Implementation of the proposal requires the approval of shareholders of the Company. A notice convening the EGM is set out at the end of this document.

The LTIP

It has been the Company's past practice to enter into individual long term incentive agreements with its senior managers, providing for cash payments to be made on achievement of certain conditions. At present, the only outstanding long term incentive of this nature is that approved by shareholders in 2013 and held by Mr Mark Parry.

Following a review of the Company's use of long-term incentives, and the expansion of its operations in Indonesia and Singapore, the remuneration committee of the board (the "**Committee**") has concluded that it would be preferable to establish a plan, in the form of the LTIP, with general application across the group. This will allow for the grant of awards by the Committee to directors and senior managers on a more efficient and consistent basis.

It is therefore proposed that the LTIP should be established on the principal terms set out in Part II of this document. Vesting of awards would be subject to achievement of key performance targets. In relation to the first such awards, and in accordance with the Company's approved remuneration policy for directors, the key performance targets are intended to relate to total shareholder return, cost per tonne of crude palm oil produced and annual planting rate achieved (as further detailed in Part II of this document).

The grant of awards under the LTIP to directors of the Company will require revisions to the directors' remuneration policy approved by shareholders at the Company's 2014 annual general meeting. These revisions will have been considered and, if thought fit, approved at the Company's 2015 annual general meeting that will immediately precede the EGM. The LTIP nonetheless requires shareholders' approval under the Listing Rules of the London Stock Exchange. Its establishment is therefore conditional upon the passing of the resolution set out in the notice of EGM.

It is intended that Mr Parry will be offered the opportunity to surrender, without obligation, (in whole or part) his existing individual long term incentive and to participate in the LTIP on a basis that reflects such surrender and conforms with the revised directors' remuneration policy. It is not proposed that any award under the LTIP will be made to any other current director.

As noted in the revised directors' remuneration policy, where arrangements have been agreed with a director within existing policies on remuneration, such arrangements shall be deemed to be arrangements falling within the revised policy. For the avoidance of doubt, this includes the satisfaction of entitlements under Mr Parry's individual long term incentive scheme.

Extraordinary general meeting

As noted above, an extraordinary general meeting of the Company has been convened for 10.30 am on 11 June 2015 (or as soon after 10.30 am as the annual general meeting of the Company also convened for 11 June 2015 shall have been concluded or adjourned) to be held at the London offices of 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 resolution set out in the notice of extraordinary general meeting, which will be proposed as an ordinary resolution, approves the LTIP and authorises the directors to do all acts and things that they may consider necessary or desirable to carry the LTIP 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 10.30 a.m. on Thursday, 11 June 2015. 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 Tuesday 9 June 2015. The return of a form of proxy will not prevent holders of ordinary shares from attending the meeting and voting in person if they should so wish. Alternatively, you can register your proxy vote electronically, either by means of a website provided by the Company's registrar or, if you are a CREST member, by using the service provided by Euroclear.

Recommendation

The directors believe that the proposed resolution is in the best interests of the Company and its shareholders as a whole. Accordingly, the directors unanimously recommend that shareholders vote in favour of the resolution set out in the notice of the extraordinary general meeting of the Company convened for 11 June 2015, as they intend to do in respect of their own beneficial holdings.

Further information

Your attention is drawn to the summary of principal terms of the LTIP set out in Part II of this document.

Yours faithfully

Richard Robinow
Chairman

PART II: SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED R.E.A. HOLDINGS 2015 LONG-TERM INCENTIVE PLAN (THE "LTIP")

1. General

The operation of the LTIP will be delegated to the remuneration committee of the Board (the "**Remuneration Committee**").

2. Eligibility

Awards may be granted to any employee (including an executive director) of the Company or any member of the Group.

3. Awards

An award may take one of three forms:

- (a) a "**Conditional Award**", meaning a conditional award of a specified number of ordinary shares in the Company ("**Shares**");
- (b) a "**Nil-Cost Option**", meaning a right to acquire Shares at no exercise price; or
- (c) a "**Market Value Option**" meaning a right to acquire Shares at an exercise price no less than the prevailing market price of the Shares at the date of grant.

Participants may be granted any combination of awards, whether in a single grant or pursuant to a series of grants. The Remuneration Committee may also determine to grant phantom (i.e. cash only) awards as an alternative to share based awards.

No payment is required for the grant of an award.

Awards may normally only be granted within 42 days after the approval of the LTIP by the Company in general meeting or within 42 days after the announcement of the Company's annual or half-yearly results, and at any other time at which the Remuneration Committee determines that there are exceptional circumstances which justify the grant of an award. No award may be granted more than ten years after the LTIP is approved by the Company in general meeting nor at any time at which a dealing would not be permitted under the Model Code.

Subject to the limit set out in paragraph 5 below, awards may be satisfied by the issue of new shares or by the transfer of existing shares, either from treasury or otherwise. An employee benefit trust may be established to facilitate the use of existing shares. The Remuneration Committee may also make awards to be satisfied, or, at the option of the Remuneration Committee to be satisfied with a cash alternative payment.

4. Performance Conditions

An award may be granted subject to such performance condition or conditions as the Remuneration Committee in its discretion determines (the "**Performance Condition(s)**") which must be satisfied before the award may vest. Performance will be measured over a period determined by the Remuneration Committee (the "**Performance Period**"); the intention of the Remuneration Committee is for the Performance Period to be a period of four years. There will be no provision for re-testing.

If the Remuneration Committee determines that, as the result of events or circumstances, the Performance Condition(s) have ceased to be appropriate, it may in its discretion vary or waive the condition(s) provided that any new condition(s) imposed (or any variation) are in its opinion fair, reasonable and materially no more nor less difficult to satisfy than the previous condition(s).

For the initial awards to be made to executive directors and senior executives after the LTIP has been approved by shareholders, the intended Performance Conditions to be achieved over a four year Performance Period from 1 January 2015 to 31 December 2018 inclusive are:

- up to 50 per cent of the maximum award will vest 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 award will vest dependent upon the percentage amount by which the inflation adjusted cost per tonne of crude palm oil equivalents produced by the group has reduced over the performance period ("**RCPT**"); and
- up to 25 per cent of the maximum award will vest 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:

	TSR	RCPT	AEPR
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 between 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.

The Remuneration Committee will regularly monitor the continuing suitability of the Performance Condition(s) and may impose different conditions for future awards. In doing so, it will ensure that the chosen performance conditions are challenging and appropriate for the Company.

5. **Individual Limit**

The aggregate market value of the Shares committed to be issued or transferred (or by reference to which a payment may be made) pursuant to all unvested awards held by any individual participant under the LTIP, measured as at the date of grant of each such award, may not exceed 150 per cent of the participant's base salary (or, if the Remuneration Committee determines that exceptional circumstances apply, 200 per cent of base salary).

6. **Dilution Limits**

No award may be granted on any day if, as a result, the aggregate number of Shares issued or issuable (including transfers from treasury) pursuant to the award and all other awards made during the previous ten years under the LTIP and all other employee share schemes established by the Company would exceed ten per cent of the issued ordinary share capital of the Company on that date.

No award may be granted on any day if, as a result, the aggregate number of Shares issued or issuable (including transfers from treasury) pursuant to the award and all other awards made during the previous ten years under the LTIP and all other discretionary employee share schemes established by the Company, would exceed five per cent of the issued ordinary share capital of the Company on that date.

7. **Exercise and lapse**

In normal circumstances, an award may not vest or become exercisable, as the case may be, unless the Performance Condition(s) have been satisfied at the end of the Performance Period and the participant remains employed by the Group and has not given or received notice of termination of employment.

If a participant ceases to be employed within the Group before the expiry of the Performance Period by reason of:

- death;
- injury, ill-health or disability;
- redundancy;
- retirement;
- the company employing the participant ceasing to be, or the business to which the participant's office or employment relates being transferred to a person who is not, a member of the Group; or
- any other reason (apart from dishonesty, fraud, misconduct or any other circumstances justifying summary dismissal) and the Remuneration Committee in its discretion permits exercise or vesting,

then, unless the Remuneration Committee determines otherwise, performance will be measured over the original Performance Period and, to the extent that the Performance Conditions are met, the number of Shares in respect of which an award then vests or becomes exercisable will be pro-rated according to the length of service from grant compared to the original Performance Period.

Awards in the form of options will, to this extent, become and remain exercisable for a period of 12 months. If the Remuneration Committee so determines, performance will be measured over the period to the date of cessation and pro-rated in the same way, in which case awards in the form of options will be exercisable for 12 months from the date

of cessation (or, in the case of death, the longer of 12 months from death and three months from the grant of representation).

If a participant ceases to be employed within the Group for one of the reasons set out above on or after the expiry of the Performance Period, awards in the form of options may be exercised for a period of 12 months (or, in the case of death, the longer of 12 months from death and three months from the grant of representation) to the extent that the Performance Condition(s) were already fulfilled.

An award will lapse no later than the tenth anniversary of its date of grant, if not previously vested or exercised.

8. Malus and clawback

Where the Remuneration Committee determines that circumstances justify it, it may cause unvested or unexercised awards to lapse, it may delay the vesting or exercise of an award to facilitate an ongoing investigation into the existence of exceptional circumstances and it may seek to recover the value, net of any irrecoverable tax liability, of previously vested awards. For this purpose, the circumstances that would justify such action include a material misstatement of the Company's financial results, or those of any business unit within the Group, and a finding that a participant has engaged in misconduct. The ability to recover a previously vested award will lapse if recovery has not commenced within six years from the vesting date of the award or before the death of the participant if earlier.

9. Takeover and liquidation

In the event of a takeover or the voluntary winding-up of the Company occurring before the expiry of the Performance Period, a Conditional Award will vest and awards in the forms of options will become exercisable and remain exercisable for a period of three months or until the expiry of any compulsory acquisition period, if earlier. The number of Shares which vest or over which options are exercisable will, in these circumstances, be determined by reference to the extent to which the Performance Condition(s) have been fulfilled over the reduced Performance Period and will then be pro-rated according to the length of the reduced Performance Period when compared to the original Performance Period, unless the Remuneration Committee resolves otherwise.

If such an event takes place on or after the expiry of the Performance Period, a subsisting option may be exercised for a period of three months to the extent that the Performance Condition(s) have been fulfilled.

In the case of a reorganisation involving no material change in the ultimate ownership of the Company and its Group, subsisting awards will be exchanged for new awards granted by the acquiring company unless such awards are not offered by the acquiring company, in which case exercise will be permitted as set out above.

10. Variation of share capital

In the event of any variation in the share capital of the Company, such adjustments to the number of Shares subject to awards and the price at which they may be acquired may be made by the Remuneration Committee as it may determine to be appropriate.

11. Voting, dividend and other rights

Until awards vest and are exercised, participants have no voting or other rights in respect of the Shares subject to those awards.

Shares issued or transferred pursuant to the LTIP will rank *pari passu* in all respects with Shares already in issue except that they will not rank for any dividend or other distribution

paid or made by reference to a record date falling prior to the date of exercise or vesting of the relevant award.

Benefits obtained under the LTIP shall not be pensionable.

Awards are not assignable or transferable.

12. Administration and amendment

The operation of the LTIP will be supervised by the Remuneration Committee which may amend the LTIP by resolution provided that:

- (a) prior approval of the Company in general meeting will be required for any amendment to the advantage of participants to those provisions of the LTIP relating to eligibility, the limitations on the number of Shares, cash or other benefits subject to the LTIP, a participant's maximum entitlement or to the basis for determining a participant's entitlement under the LTIP and the adjustment thereof 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 participants or for any member of the Group, and
- (b) no amendment may be made which would alter to the disadvantage of participants any rights already acquired by them under the LTIP without the prior approval of 75 per cent of the affected participants, or the approval of those affected participants entitled to 75 per cent of the Shares subject to awards under the LTIP.

13. Overseas LTIP

The Board may establish further plans in overseas territories, any such plan to be similar to the LTIP but modified to take account of local tax, exchange control or securities laws, regulation or practice. Awards made under any such plan would count against the limits on individual participation in the LTIP, and newly issued Shares or Shares transferred from treasury would count against the overall dilution limits.

14. Termination

The LTIP may be terminated at any time by resolution of the Board or of the Company in general meeting and in any event will terminate after ten years. Termination will not affect the outstanding rights of participants.

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 R.E.A. Holdings plc (the "**Company**") will be held at the London offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA on 11 June 2015 at 10.30 a.m. (or as soon thereafter as the annual general meeting of the Company convened for the same day and place shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an ordinary resolution.

ORDINARY RESOLUTION

THAT

- (i) The R.E.A. Holdings 2015 Long Term Incentive Plan, summarised in Part II of the circular to shareholders of R.E.A. Holdings plc (the "**Company**") dated 7 May 2015, 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
- (ii) the directors of the Company be and are hereby authorised to do all acts and things that they may consider necessary or desirable to establish and 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 any regulatory body, best practice or otherwise.

By order of the board
R.E.A. Services Limited
Company Secretary

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

7 May 2015

Registered in England and Wales No. 671099

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 Tuesday 9 June 2015 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. A form of proxy for the meeting is, where applicable, enclosed. To be valid, forms of proxy or other instrument appointing a proxy must be received by post or by hand (during normal business hours only) by the Company's registrars, Capita Registrars, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or at www.capitashareportal.com in each case by no later than 10.30 a.m. on Tuesday, 9 June 2015.

3. Completion of a form of proxy or other instrument appointing a proxy, or any appointment of a proxy submitted electronically through the CREST electronic proxy appointment service as described below, will not preclude a holder of ordinary shares from attending and voting in person at the meeting if such holder wishes to do so.
4. 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, and to the address, described in the CREST Manual (available via www.euroclear.com/CREST), subject to the provisions of the Company's articles of association. 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.
5. 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). 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 a.m. on Tuesday, 9 June 2015. 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. 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.
6. 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.
7. 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 extraordinary 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.

8. 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.
9. 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.
10. 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.
11. As at the date of this notice, the issued share capital of the Company comprises 35,085,269 ordinary shares and 59,420,232 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 the resolution to be proposed at the meeting total 35,085,269 as at the date of this notice.
12. 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.
13. Copies of a draft of the rules of the LTIP and this document are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the London offices of Ashurst LLP, at Broadwalk House, 5 Appold Street, London EC2A 2HA from the date of this notice until the close of the extraordinary general meeting of the Company convened for 11 June 2015 and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.

