



## NOTICE OF ANNUAL MEETING

Notice is given that the Annual Meeting of the shareholders of Rural Equities Limited (the Company) will be held in The Cushing Foyer, Hawke's Bay Opera House, 107 Hastings Street South, Hastings on Friday, 27 November 2009 commencing at 3.30pm.

### Ordinary Business

- 1 To receive and consider the Company's financial statements for the year ending 30 June 2009 with the reports of the Directors and the Auditor.
- 2 Appointment of Directors:
  - (a) To consider and, if thought fit, to re-elect Sir Ronald Carter as a Director of the Company.
  - (b) To consider and, if thought fit, to elect Rodger Finlay as a Director of the Company.
  - (c) To consider and, if thought fit, to elect John Green as a Director of the Company.
  - (d) To consider and, if thought fit, to elect Andrew Train as a Director of the Company.(See Explanatory Note 1)
- 3 To record the re-appointment of Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration for the ensuing year.

### Special Business

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

"Subject to the unitholders of the New Zealand Rural Property Trust (NZRPT) approving the merger by extraordinary resolution, the shareholders authorise the issue of up to 15,489,379 ordinary shares in the Company to unitholders in NZRPT (other than the Company) in proportion to the units held by those unitholders, for 1.15 units in NZRPT for 1 share in the Company."

(See Explanatory Note 2)

### General Business

The Chairman will invite shareholders to raise any other issues relating to the Company for discussion.

**James Wright**

CHIEF OPERATING OFFICER

## INVITATION

Shareholders are cordially invited to join the Directors for refreshments at the conclusion of the Meeting.

## EXPLANATORY NOTE 1

### Appointment of Directors

- 1 In accordance with clause 13.8 of the Company's constitution Sir Ronald Carter retires by rotation. Sir Ronald Carter is seeking re-election.
- 2 Rodger Finlay, John Green and Andrew Train were appointed Directors of the Company by the Board to fill casual vacancies. In accordance with clause 13.5 of the Company's constitution, Rodger Finlay, John Green and Andrew Train retire and each are seeking election as Directors by the shareholders.

## EXPLANATORY NOTE 2

### Proposed merger of the Company with NZRPT

- 3 The Company currently holds 62.76% of the units on issue in NZRPT. It is proposed that the Company and NZRPT merge. The merger is intended to be effected by all unitholders in NZRPT (other than the Company) exchanging their units in NZRPT for ordinary shares in the Company at the exchange value of 1 share in the Company for every 1.15 units in NZRPT.
- 4 The merger will result in:
  - (a) all unitholders (other than the Company) holding shares in the Company (by exchanging their units in NZRPT for shares in the Company); and
  - (b) the Company holding all the units on issue in NZRPT.
- 5 The purpose of the special business of this meeting is to approve the Company issuing shares to unitholders in NZRPT to effect the merger.

### How was the exchange value determined?

- 6 The exchange value of 1 share in the Company for 1.15 units in NZRPT has been determined by the Company after having regard to a report dated 10 September 2009 prepared for The New Zealand Guardian Trust Company Limited (as trustee of NZRPT) and the Company by PricewaterhouseCoopers (the Valuation Report). A copy of this Valuation Report accompanies this notice.

### Merger is conditional

- 7 The merger is conditional on:
  - (a) the unitholders of NZRPT approving the merger by extraordinary resolution; and
  - (b) the shareholders of the Company, by ordinary resolution, authorising the issuing of shares in the Company to unitholders in accordance with the exchange value of 1 share in the Company for every 1.15 units in NZRPT.
- 8 The meeting of unitholders of NZRPT to approve the merger is scheduled to be held on 24 November 2009. The resolution to issue shares to unitholders to

effect the merger will only be put to the Company's shareholders at the Annual Meeting if the merger has been approved by the unitholders of NZRPT by extraordinary resolution.

### What further information can I obtain?

- 9 In addition to the Valuation Report referred to in paragraph 6, a copy of the combined investment statement and prospectus of the Company relating to the offer to unitholders of shares in the Company in exchange for units in NZRPT is available on the Company's website [www.ruralequities.co.nz](http://www.ruralequities.co.nz).

### Quorum

- 10 A quorum for a meeting of shareholders is present if:
  - (a) five or more shareholders or representatives of shareholders are present; or
  - (b) if shareholders or representatives of shareholders who between them hold 5% or more of the shares in the Company carrying voting rights are present.

### Eligibility to vote

- 11 All shareholders are entitled to attend the meeting and vote on the resolutions either in person or by proxy.

### Proxies

- 12 A proxy form accompanies this Notice of Meeting. A shareholder entitled to vote at the meeting but who cannot attend is entitled to appoint a proxy or, in the case of corporate shareholders, a representative, to attend the meeting and vote on their behalf. A proxy or representative need not be a shareholder in the Company.
- 13 To be valid, a completed proxy form (and any certificate of appointment of a corporate representative or power of attorney - refer to the notes on the proxy form) must be deposited at the registered office of the Company (First Floor, 120 Karamu Road North, PO Box 783, Hastings, New Zealand) or posted to the Company's Share Registrar, Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna (Private Bag 92 199) Auckland 1020, to be received no later than 3.30pm on 25 November 2009.

### Ordinary resolutions

- 14 The resolutions to be considered at the meeting are ordinary resolutions which require a simple majority of the votes of those shareholders entitled to vote on that resolution.