Notice of Annual General Meeting 2013

Notice is given that the Annual General Meeting (Meeting) of REA Group Limited ABN 54 068 349 066 (Company) will be held at The Westin Melbourne, Westin Room III, 205 Collins Street, Melbourne, Victoria on Wednesday, 13 November 2013 at 12.00 pm (AEDST) for the purposes of transacting the business set out in this notice.

1. Consideration of Reports

To receive and consider the Company's Financial Report, including the Financial Statements, and the reports of the Directors and Auditors for the year ended 30 June 2013.

2. Remuneration Report

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

"That the Remuneration Report for the year ended 30 June 2013 be adopted."

The Remuneration Report is set out on pages 25 to 31 of the 2013 Annual Report. Please note that the vote on this resolution is advisory only and does not bind the directors or the Company.

3. Re-election of director

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

"That Mr Richard Freudenstein, who retires in accordance with rule 7.1(d) of the Company's Constitution, and being eligible for re-election, be re-elected as a director of the Company."

Mr John Pittard retires under rule 7.1(d) of the Company's constitution and will not be standing for re-election.

4. Increase the maximum aggregate fees payable to non-executive directors

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

"That, in accordance with rule 7.3(a) of the Company's Constitution and Listing Rule 10.17, the maximum aggregate directors' fees payable to non-executive directors per annum be increased by $250,000 from $700,000 to a maximum of $950,000 (inclusive of superannuation guarantee contributions payable to the non-executive directors and any fees which a non-executive director agrees to sacrifice on a pre-tax basis)."

By order of the Board

Rebecca Liatis
Company Secretary
7 October 2013

Voting exclusions

For all resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel (KMP) of the Company (being the resolution in respect of Items 2 and 4), the *Corporations Act 2001 (Cth) (Corporations Act)* restricts KMP and their closely related parties from voting in certain circumstances.

Closely related party is defined in the *Corporations Act* and includes a spouse, dependant and certain other close family Members, as well as any companies controlled by the KMP.

Item 2
Remuneration Report

The Company will disregard any votes cast (in any capacity) on Item 2 by or on behalf of:

- members of the KMP, being the directors and the other KMP named in the Remuneration Report; and
- the KMP's closely related parties,

as well as any votes cast as a proxy on Item 2 by members of the KMP at the date of the Meeting and their closely related parties will be disregarded unless the vote is cast:

- by a person as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit.

Item 4
Increase in the maximum aggregate fees payable to non-executive directors

The Company will disregard any votes cast on Item 4 by or on behalf of the directors and any of their associates, as well as any votes cast as a proxy on Item 4 by a member of KMP at the date of the Meeting and their closely related parties, unless the vote is cast:

- as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chairman of the Meeting as proxy for a person who is entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit and the Chairman's box on the proxy form has been marked.

Proxies and voting

Eligibility to vote

You are eligible to vote at the Meeting if you are registered as a holder of the Company's shares at 12.00pm (AEDST) on Monday 11 November 2013.

Appointing a proxy

If you are entitled to attend and vote at the Meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a shareholder of the Company, and may be an individual or a body corporate. A personalised proxy form is included with this Notice of Meeting. If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you require a second proxy form, please contact the Company's share registry, Computershare Investor Services on 1300 855 080.

You may specify the way in which the proxy is to vote on each resolution (i.e. by marking the boxes 'for', 'against' or 'abstain' next to the applicable resolutions on the proxy form) or you may allow the proxy to vote at his or her discretion. However, the Company's KMP (which includes each of the directors) and their closely related parties will not be able to vote your proxy on Items 2 and 4 unless you direct them how to vote. If you intend to appoint a member of the KMP, other than the Chairman of the Meeting, as proxy, you must ensure the proxy is directed how to vote on Items 2 and 4.

If you intend to appoint the Chairman of the Meeting as proxy (or the Chairman becomes your proxy by default), you can direct him how to vote by marking the appropriate boxes on the proxy form (i.e. 'for', 'against' or 'abstain'). If you do not mark any of the boxes in Step 2, by signing and returning the proxy form and by marking the Chairman's box in Step 1, you are expressly authorising the Chairman of the Meeting to exercise your proxy on Items 2 and 4 as the Chairman sees fit, notwithstanding that each item is connected with the remuneration of the Company's KMP. However, if you do not mark the Chairman's box, the Chairman will not have the express authority to vote undirected proxies on Item 4 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting will cast your proxy in favour of Items 2 and 4.

The Company encourages all shareholders who submit proxies to direct their proxy how to vote on each item of business.

If you appoint a proxy and direct them how to vote, and your proxy does not attend the Meeting or does not vote if a poll is called on an item of business, your directed proxies will automatically default to the Chairman of the Meeting, who is required to vote proxies as directed on a poll.

Lodging your proxy form

You can lodge your completed proxy form with the Company's share registry, Computershare Investor Services, by post, personal delivery, electronically or by fax to:

REA Group Limited
c/- Computershare Investor Services

Personal delivery address
452 Johnston Street Abbotsford VIC 3067

Postal address
GPO Box 242 Melbourne VIC 3001

Fax
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

Electronically
www.investorvote.com.au

For intermediary Online subscribers only (custodians) www.intermediaryonline.com

Your completed proxy form must be received by Computershare Investor Services no later than 12.00 pm (AEDST) on Monday 11 November 2013, being 48 hours before the commencement of the Meeting. If the proxy form is signed by an attorney, the original power of attorney under which the proxy form was signed (or a certified copy) must also be received by Computershare Investor Services by 12.00 pm (AEDST) on Monday 11 November 2013, unless it has been previously provided to Computershare Investor Services.

If you appoint a proxy you may still attend the Meeting. The appointment of a proxy is not revoked by attending and taking part in the Meeting, however if you vote on a resolution, the proxy is not entitled to vote, and must not vote, as proxy on the resolution.

Attending the Meeting

If you attend the Meeting, please bring your personalised proxy form with you. The bar code at the top of the form will help you to register. If you do not bring your form with you, you will still be able to attend the Meeting but representatives from Computershare Investor Services will need to verify your identification.

Corporate shareholders

Corporate shareholders who wish to appoint a representative to attend the Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the company's representative. Shareholders can download and fill out an "Appointment of Corporate Representative" form from the Computershare website: www.investorcentre.com

Questions for the Auditor

Shareholders may submit questions to the Company's Auditor, Ernst and Young, if the question is relevant to the content of Ernst & Young's audit report for the year ended 30 June 2013 or the conduct of its audit of the Company's Financial Report for the year ended 30 June 2013.

If you wish to submit a question to the Auditor in writing, it must be received by the Company no later than Wednesday 6 November 2013. You may submit any written questions for the Auditor with the Company's share registry, Computershare Investor Services, by post, personal delivery, electronically or by fax to:

REA Group Limited
c/- Computershare Investor Services

Personal delivery address
452 Johnston Street Abbotsford VIC 3067

Postal address
GPO Box 242, Melbourne VIC 3001

Fax
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only (custodians) www.intermediaryonline.com

A list of written questions will be made available to shareholders attending the

Meeting. If written answers are tabled at the Meeting, they will be made available to shareholders as soon as practicable after the Meeting.

Explanatory Notes

Item 1
Consideration of the Financial Statements and Report

In accordance with section 317 of the *Corporations Act 2001 (Cth) ("Corporations Act")*, the Company is required to lay before the Annual General Meeting:

- the reports of the Directors and Auditors, for the fiscal year ended 30 June 2013; and
- the Financial Report, including the Financial Statements of the Company, for the fiscal year ended 30 June 2013.

Neither the *Corporations Act* nor the Company Constitution require a vote of members on the reports or statements. However, shareholders will be given a reasonable opportunity to ask questions about or make comments on the management of the Company.

Also, a reasonable opportunity will be given to members as a whole at the Meeting to ask the Company's Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor in relation to the conduct of the audit.

Item 2
Remuneration Report

In accordance with section 250R(2) of the *Corporations Act*, the Company is required to present to shareholders its Remuneration Report as disclosed in the Company's 2013 Annual Report and shareholders will be asked to vote on this item. The vote is advisory only and is not binding on the directors or the Company. However the directors will have regard to the outcome of the vote and the discussion at the Meeting when determining the Company's remuneration policy.

The Remuneration Report is presented within the Directors' Report on pages 21 to 31 of the REA Group Limited 2013 Annual Report and is also available on the Company's corporate website (www.rea-group.com).

The Remuneration Report sets out the remuneration policy for the Company and explains the remuneration arrangements in place for its executives and directors.

A voting exclusion statement applies to this item of business, as set out in the Notice of Meeting.

The Board recommends that shareholders vote in favour of Item 2.

The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.

Item 3
Re-election of director

The Board's policy on board composition is to ensure that at all times there will be an appropriate mix of skills and experience in order to provide the necessary knowledge required to meet the Company's objectives.

Mr Richard Freudenstein is retiring from office and is eligible to stand for re-election. His expertise and experience is set out below.

Mr Richard J Freudenstein BEc, LLB (Hons).

Non-executive director appointed 21 November 2006. Age 48

Mr Freudenstein is the Chief Executive Officer of FOXTEL and was formerly the CEO of News Digital Media (the digital division of News Limited) and The Australian newspaper. Mr Freudenstein previously held the position of Non-Executive Chairman of REA Group Limited (April 2007 to April 2012) and is currently a director of Astra, MCN, ESPN Star Sports and The Bell Shakespeare Company. Mr Freudenstein returned to Australia in August 2006 after seven years at British Sky Broadcasting, the last six as Chief Operating Officer.

Board and Committee membership: N/A

The Board (other than Mr Freudenstein) recommends that shareholders vote in favour of Item 3.

The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.

Item 4
Increase the maximum aggregate fees payable to non-executive directors

In accordance with rule 7.3(a) of the Company Constitution and Listing Rule 10.17, the limit on total aggregate remuneration that may be paid to non-executive directors is fixed by ordinary resolution of a general meeting of shareholders.

The Company's current maximum amount available for payment of non-executive directors' fees in aggregate each year is $700,000. This amount was approved at the Company's Annual General Meeting held in November 2011.

Non-executive directors' fees are reviewed annually and set and approved by the Board based on advice received from external remuneration consultants (via the Human Resources Committee). The latest review was conducted in June 2013. In the past, the Chairman was an employee of the majority shareholder and was remunerated by the majority shareholder. The Company did not pay a Chairman's fee. The Chairman is no longer an employee of the majority shareholder and the Board has determined that it is appropriate to pay him a Chairman's fee. This will result in an increase in the total fees paid to the Directors as a whole. Currently the total fees per annum paid to all Company non-executive directors equal approximately $605,000. The remuneration of each director for the year ended 30 June 2013 is detailed in the Company's 2013 Annual Report.

The Board wishes to increase the maximum aggregate amount of fees that may be paid to non-executive directors by $250,000 from $700,000 to a maximum of $950,000 (inclusive of superannuation guarantee contributions payable to non-executive directors and any fees which a non-executive director agrees to sacrifice on a pre-tax basis).

The Board considers that it is reasonable and appropriate at this time to see an increase in the remuneration pool for non-executive directors for the following reasons:

- introduction of payment of a Chairman's fee has resulted in an increase in the current fees paid to non-executive directors;
- to provide flexibility in planning the Board's structure, including the capacity to accommodate an increase in the number of independent directors, should the Board identify that this is appropriate in giving effect to its Board composition policies;
- to provide for the expected growth of the Company and increased responsibilities for non-executive directors;
- to allow for the future growth of non-executive directors' fees to ensure that they remain competitive with the fees paid in comparable sized organisations; and
- to attract new directors (if appropriate) of a calibre required to effectively guide and monitor the business of the Company.

It is not intended to fully utilise the increased aggregate fees in the immediate future.

A voting exclusion statement applies to this item of business, as set out in the Notice of Meeting.

The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.

The Board recommends that shareholders vote in favour of Item 4.

REA Group®

www.rea-group.com
REA Group Limited ABN 54 068 349 066

REA Group™

ABN 54 068 349 066

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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(within Australia) 1300 855 080
(outside Australia) +61 3 9415 4000

000001 000 REA
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

Vote and view the annual report online

Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 **PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 12.00 pm (AEDST) on Monday 11 November 2013

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

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Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of REA Group Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ______________________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of REA Group Limited to be held at The Westin Melbourne, Westin Room III, 205 Collins Street, Melbourne Victoria on Wednesday, 13 November 2013 at 12.00 pm (AEDST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2 and 4 (except where I/we have indicated a different voting intention below) even though Items 2 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Item 4, this express authority is also subject to you marking the box in the section below. If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2 and 4 by marking the appropriate box in step 2 below.

Important for Item 4: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Item 4 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Item 4, the Chairman of the Meeting will not cast your votes on Item 4 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 4 of business.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Item 4 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 2	Remuneration Report	☐	☐	☐
Item 3	Re-election of Mr Richard Freudenstein as a director of the Company	☐	☐	☐
Item 4	Increase the maximum aggregate fees payable to non-executive directors	☐	☐	☐

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ______________________ **Contact Daytime Telephone** ______________________ **Date** ____ / ____ / ____