



## NOTICE OF ANNUAL GENERAL MEETING

**25 October 2007**

Notice is hereby given that the Annual General Meeting of Members of Sugar Terminals Limited, ABN 17 084 059 601, ("the Company") will be held at the office of Queensland Sugar Limited, Mincom Building, North Podium Level, 192 Ann Street, Brisbane, on Thursday, 25 October 2007 commencing at 10.00am (Brisbane time).

### **BUSINESS**

#### **Financial Statements and Reports**

1. To receive and consider the financial report, directors' report and auditor's report for the Company for the year ended 30 June 2007.

#### **Remuneration Report**

2. To consider and, if thought fit, to pass the following ordinary resolution:  
That the Remuneration Report for the year ended 30 June 2007 be adopted.

*(Note: The Remuneration Report is set out on pages 9 to 11 of the 2007 annual report. The vote on this resolution is advisory only and does not bind the directors or the Company.)*

#### **Re-election of a Miller Director**

3. Mr James Hesp retires by rotation and, being eligible, offers himself for re-election.  
An election will be held at the meeting.

### **SPECIAL BUSINESS**

#### **Amendments to Constitution**

- 4 To consider and, if thought fit, to pass the following resolution as a special resolution:  
That the Constitution is amended by:

#### **Voting limitation in respect of "G" class shares**

1. Inserting the following new definitions in alphabetical order in Article 1.1:

**Control** has the meaning given in section 50AA of the Corporations Law.

**Related Member** (a) Members in respect of which the same person has any of:  
(i) Voting Power above 20%; or  
(ii) Control; or

- (b) both Members where one of the Members has:
  - (i) Voting Power of above 20%; or
  - (ii) Control,in respect of the other Member.

**Voting Power** has the meaning given in section 610 of the Corporations Law.

2. Article 3.2(b)(ii) is amended to read as follows:

- (ii) On a poll at a meeting of Members, the maximum number of votes cast by a holder of "G" Class Shares, being present in person, or by proxy or attorney or by Representative, that will be counted in respect of the poll will be the number (rounded down to the nearest whole number) calculated by the formula:

$$\frac{V}{VRM} \times 5\%G$$

where:

- "V" is the number of votes cast on the poll by the relevant holder of "G" Class Shares.
- "VRM" is the sum total of the number of votes cast on the poll by the relevant holder of "G" Class Shares and all of that holder's Related Members.
- "5%G" is the number of votes equal to 5% of the total number of "G" Class Shares.

3. Inserting a new Article 3.2(c) immediately after Article 3.2(b) as follows:

- (c) For all purposes of this Constitution:
  - (i) except in Article 3.2(b), in determining the number of votes that were cast on a poll, all votes not counted as a consequence of the application of Article 3.2(b) are deemed to have not been cast; and
  - (ii) in determining the number of votes that may be cast on a poll in relation to "G" Class Shares, the sum total of the number of votes that may be cast on the poll by a holder of "G" Class Shares and all of that holder's Related Members is deemed to not be more than the number of votes equal to 5% of the total number of "G" Class Shares.

### **Updating the Constitution for changes to the Corporations Legislation**

- 4. All references to the term "Corporations Law" wherever occurring are replaced by the term "Corporations Act".
- 5. The definition of "Officer" in Article 1.1 is amended to read:

**Officer** has the meaning given in section 9 of the Corporations Act

6. Article 1.3(a) is amended to read:

- (a) an expression used in this Constitution has the same meaning as it has in the Corporations Act;

7. Article 1.3(d) is amended to read:

- (d) this Constitution is to be interpreted subject to the Corporations Act. If at any time any provision of this Constitution is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, then that does not affect or impair:
  - (i) the legality, validity or enforceability in that jurisdiction of any other provision of this Constitution; or
  - (ii) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Constitution.

By Order of the Board

**RB Farquhar**  
**Company Secretary**

24 September 2007

## VOTING AND PROXIES

### Eligibility to Vote

For the purposes of determining entitlements to vote at the meeting, shares will be taken to be held by the people registered as holders at 7.00pm (Brisbane time) on Tuesday 23 October 2007 (excluding those members to whom a transfer notice has been issued under Clause 3.6 of the Constitution).

**A member is not entitled to vote on any resolution, whether on a show of hands or on a poll, unless the member has executed and provided to the Company a Member Status Declaration.** A Member Status Declaration accompanies this Notice. If you are attending in person you must bring with you a completed Member Status Declaration. If you will be voting by proxy, the completed Member Status Declaration must be returned to the share registry with the proxy appointment form. If you are attending the meeting please bring with you your personalised proxy form. The bar code at the top of the form will help you register.

### Proxies

A member entitled to attend and vote is entitled to appoint a person as the member's proxy and vote in his/her stead. A proxy need not be a member of the Company. If a member does not complete the section of the form directing his or her proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting. Unless instructed to the contrary, the Chairman intends to vote proxies in favour of the resolutions before the meeting.

If a member is entitled to cast 2 or more votes at the meeting, that member may appoint 2 proxies. Where a member appoints 2 proxies, each proxy may be appointed to represent a specified proportion of the member's voting rights and the member must fill in the proportion of voting rights allotted to each proxy. Failure to specify the proportion of voting rights will mean that each proxy may exercise one half of that member's votes.

To be effective the completed proxy form and a completed Member Status Declaration and, if applicable, the powers of attorney under which they are signed must be received by the share registry, Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, or alternatively faxed to Link Market Services on (02) 9287 0309 **not later than 10.00am Tuesday 23 October 2007**.

A representative appointed by a corporation, pursuant to Section 250D of the *Corporations Act*, to vote on its behalf should bring to the meeting a duly executed certificate of appointment for presentation and Member Status Declaration and register at the registration desk on the day of the meeting. The certificate of appointment must be executed in accordance with the relevant company constitution, or as permitted by the Corporations Act. The certificate of appointment must be available for inspection at the meeting.

### Questions and Comments by Shareholders at the Meeting

At the conclusion of the business of the AGM, a reasonable opportunity will be given to members at the meeting to ask questions about, or make comments on, the management of the Company and the reports presented at the meeting. To facilitate answering questions from members, the enclosed form can be sent to the share registry at the address above not later than 10.00am 23 October 2007.

## EXPLANATORY NOTES

These explanatory notes have been prepared to assist members to understand the business to be put to members at the meeting.

### BUSINESS

#### 1. Financial Report, Directors' Report and Auditor's Report

The financial report, directors' report and auditor's report for the year ended 30 June 2007 will be laid before the meeting. If you have requested a printed copy of the Annual Report, it has been provided to you with the Notice of Annual General Meeting of the Company. If not, the Annual Report is available for download on the company's website [www.sugarterminals.com.au](http://www.sugarterminals.com.au). There is no requirement for members to vote on, approve or adopt these reports however members will have a reasonable opportunity at the meeting to ask questions of the

Directors and the Auditor in relation to these reports and to make comments on these reports and on the management of the Company.

## **2. Remuneration Report**

This resolution is a requirement of Section 250R of the Corporations Act.

Section 250R of the Corporations Act requires that the members vote on whether or not the remuneration report should be adopted. The vote on this resolution is advisory only and does not bind the Directors or the Company. Prior to the holding of this vote, the chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about the remuneration report.

The Remuneration Report is set out on pages 9 to 11 of the Company's Annual Report 2007.

## **3. Re-election of a Miller Director**

Clause 18.2 of the Company's Constitution requires one third of all the Directors to retire from office at each annual general meeting. Provided such retiring director has not served more than 2 consecutive terms, the retiring director is eligible for re-election.

Mr James Hesp, a Miller Director, retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election. Mr Hesp has been a Miller Director since October 2004.

## **SPECIAL BUSINESS**

Resolution 4 proposes to amend the Constitution. In order for a resolution to amend the Constitution to be passed, Article 14.7 of the Constitution provides that the resolution must be passed by at least:

1. 75% of the votes cast by "M" class shareholders; and
2. 75% of the votes cast by "G" class shareholders; and
3. the holders of at least 20% of "G" class shares.

This means that the votes of each class of shareholder must be counted separately for resolution 4 at the meeting in order to determine whether the requisite number of votes has been achieved for the resolution to have passed.

If resolution 4 is passed at the meeting, then a separate meeting of "G" class shareholders is also required given that amendments 1 to 3 specifically affect the rights of "G" class shareholders. Article 12.1 of the Constitution requires a special resolution to be passed at a separate class meeting of the holders of that class of share, where the rights attached to that class of share are to be varied or cancelled.

The special meeting for "G" class shareholders to approve resolution 4 will not be necessary if resolution 4 is not passed at the meeting in accordance with the above voting requirements.

### **Voting limitation in respect of "G" class shares**

The Constitution currently provides, at Article 3.2 (b)(ii), that on a poll at a meeting of Members no holder of "G" class shares may vote more than the number of votes equal to 5% of the total number of "G" class shares.

The purpose of that rule is to ensure that voting by Grower shareholders in respect of the company's affairs fairly represents their views, and cannot be dominated by one or two holders of large numbers of "G" class shares.

Article 3.2(b)(ii) is however deficient in that it does not extend to the situation where a single person controls more than one holder of "G" class shares.

It would for example be possible for someone to establish four companies or trusts, make each an Active Grower, and then acquire up to 20% of the "G" class shares and with them control of voting power of 20% in

Sugar Terminals Limited, because each of the four companies or trusts could vote up to 5% of the total number of G class shares.

Any such arrangement would breach the spirit and intent of the 5% voting limit, but not the letter of Article 3.2(b)(ii).

There are two circumstances in which a person may control the casting of more than 5% of the votes attaching to "G" class shares:

- where one person controls two or more holders of "G" class shares.
- where one holder of "G" class shares controls another holder of "G" class shares.

The proposed amendment to Article 3.2(b)(ii) will ensure that where one person controls the casting of more than 5% of the total number of votes in respect of "G" class shares, that person will be subject to the 5% limit in Article 3.2(b)(ii) even if the shares are held in a number of different entities.

The proposed amendment will not affect the current position regarding voting by a show of hands, the ability of members to require the convening of a meeting of members, the determination of a quorum at meetings or the ability to demand the conduct of a poll.

The particular amendments to be made are:

1. Three new definitions will be added to Article 1.1 of the Constitution.

The definition of "Related Member" will deem two or more members to be "Related Members" if either:

- (a) the same person, company or trust has "Voting Power" above 20% in, or has "Control" over, each those members; or
- (b) one of the members has "Voting Power" of above 20% in, or has "Control" over, the other member.

"Voting Power" and "Control" both defined in the Corporations Act.

A person's "Voting Power" is the percentage the person holds of all the votes attaching to a company's voting shares. This definition means that a person having above a 20% shareholding in a member will be deemed to control the member for the purposes of Article 3.2(b)(ii). That threshold is the same as the one specified in the Corporations Act in relation to the takeover provisions regulating the change in control of public companies.

"Control" of an entity is defined in the Corporations Act as the practical capacity to determine the outcome of decisions about the entity's financial and operating policies, even if the capacity is not the result of legally enforceable rights.

2. The new Article 3.2(b)(ii) uses a formula to calculate the maximum number of votes cast by a holder of "G" class shares that will be counted on a poll.

If a holder of "G" class shares is not a Related Member as defined the formula will set the maximum number at 5% of the total number of "G" class shares, as is the case with the current Article 3.2(b)(ii).

If however the holder is a Related Member the formula will:

- ensure that the maximum number of votes of the Related Member and all its Related Members in total that will be counted on a poll is no more than 5% of the total number of "G" class shares; and

- limit the maximum number of votes cast by each of the relevant Related Members that will be counted on a poll to that proportion of the 5% aggregate limit that their holding of "G" class shares represents of the total number of "G" class shares held by all the relevant Related Members, thereby ensuring equity between those Related Members.
3. The new Article 3.2(b)(ii) necessarily operates on the basis of the maximum number of votes that will be counted on a poll, rather than the maximum number of votes that may be cast on a poll as provided by the current Article.

The result is that the provisions of the Constitution that operate on the basis of the number of votes that are cast, or may be cast, in relation to "G" class shares on a poll need instead to operate on the basis of the number of votes counted, or the maximum that may be counted, on a poll.

Articles that operate on the basis of the numbers of votes cast on a poll include:

- Article 14.7: changes to the Constitution require approval by at least 75% of the votes cast in each class of shares.
- Article 14.8: a proposal for disposal of a substantial proportion of the company's assets requires approval by at least 75% of the votes cast in each class of shares.
- Article 14.9: in certain circumstances an ordinary resolution requires approval by at least 50% of the votes cast in each class of shares.
- Article 17.4: a resolution to remove a Grower Director or a Miller Director must be approved by at least 50% of the votes cast by holders of the relevant class of shares.

Articles that operate on the basis of the number of votes that may be cast on a poll include:

- Article 12.1: variation to class rights can be approved in writing only by the holders of at least 75% of the votes that may be cast in respect of shares of the relevant class.
- Article 14.12: the chairperson must adjourn a general meeting if members with a majority of votes that may be cast in each class direct the chairperson to do so.

Proposed new Article 3.2(c) will ensure that these provisions operate on the number of votes counted, or the maximum number that may be counted, in respect of the relevant resolution. As noted the proposed amendment will not affect the current position regarding voting by a show of hands, the ability of members to require the convening of a meeting of members, the determination of a quorum at meetings or the ability to demand the conduct of a poll.

## **Updating the Constitution for changes to the Corporations Legislation**

The Constitution contains incorrect and outdated references to the old Corporations Law. The proposed amendments correct or replace these references with the appropriate references under the current law.

The changes are:

1. All references in the Constitution to the "Corporations Law" will be changed to the "Corporations Act". "Corporations Law" is the old name for the legislation governing companies in Australia. The legislation is now called the "Corporations Act".  
  
This change will modernise the terminology used in the Constitution, but not have any substantive effect because the "Corporations Law" is already defined in the Constitution to mean the Corporations Act.
2. The definition of "Officer" in Article 1.1 of the Constitution refers to sections in the old Corporations Law that no longer exist. The definition of Officer is now located in section 9 of the Corporations Act. The definition has not changed in any material way from that in the old Corporations Law.

3. Articles 1.3(a) and 1.3(d) of the Constitution refer to a number of sections of the old Corporations Law that ceased to exist when the Corporations Law was replaced by the Corporations Act in 2001. Those sections were not carried over into the Corporations Act, with the result that the operation of Articles 1.3(a) and 1.3(d) is uncertain.
4. The proposed amendments will address this uncertainty by replacing Articles 1.3(a) and 1.3(d) with wording from the relevant sections of the old Corporations Law, thereby ensuring that Articles 1.3(a) and 1.3(d) have their intended operation and effect.