



# SUGAR TERMINALS LIMITED

ABN 17 084 059 601

## NOTICE OF MEETING "M" CLASS SHAREHOLDERS

**30 October 2009**

Notice is hereby given that a meeting of the "M" Class Shareholders 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 Friday, 30 October 2009 commencing at 10.30am (Brisbane time).

### **BUSINESS**

The business to be considered by the meeting is to consider and if thought fit, pass the following resolution as an ordinary resolution:

*"That pursuant to sections 256B and 256C of the Corporations Act 2001 and in accordance with Article 11.2(a) of the Constitution, the Company reduce its share capital by \$12.6 million by a cash distribution of 3.5 cents per share on each of the ordinary voting shares in the Company."*

By Order of the Board

**RB Farquhar**  
**Company Secretary**  
25 September 2009

# 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 Wednesday 28 October 2009 (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 undirected 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. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using the enclosed proxy form, an additional form of proxy is available on request from the share registry. 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 10.30am Wednesday 28 October 2009.**

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.

Shareholders cannot appoint themselves.

## EXPLANATORY NOTES - CANCELLATION OF SHARE CAPITAL

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

### Background

At a meeting of the Board of Directors of Sugar Terminals Limited (STL) held on 22 September 2009, Directors of the Company unanimously resolved, subject to the approval by the "G" class shareholders and the "M" class shareholders to reduce its share capital by \$12.6million by a cash distribution of 3.5 cents per share on each of the ordinary voting shares of STL held by the "G" class and "M" class shareholders.

\$7.6 million of this capital reduction will be sourced from the proceeds from the sale of the Brisbane terminal, and the remaining funds will come from cash surpluses arising during the financial year ended 30 June 2009.

## Directors Recommendation

In recommending the reduction of \$12.6 million of the paid up share capital for the consideration of 3.5 cents per share, Directors of STL advise that in their view:

- It is in the Company's best interests to undertake the capital reduction.
- The capital reduction is fair and reasonable to the shareholders as a whole.
- It does not materially prejudice STL's ability to pay its creditors.

## Source of funds

The proposed capital return will be effected entirely by way of a debit to STL's share capital account. There will be no cancellation of shares as a part of or subsequent to the proposed return of capital. As this is a return of paid up capital, the capital structure in terms of the number of shares on issue and the percentage interest of each shareholder will remain unchanged.

## Effect on balance sheet

The effect on the balance sheet as at 30 June 2009 will be a reduction in cash of \$12.6 million corresponding to the reduction in capital. If the reduction had been undertaken as at 30 June 2009, total assets would have been \$341.7 million (actual FY09: \$354.3) and shareholders equity would have been \$329.3 million (actual FY09: \$341.9).

## Tax consequences

There may be tax consequences to shareholders. Shareholders should seek their own independent taxation and financial advice before deciding how they wish to vote.

## Key dates

The proposed timetable for the capital return is as follows:

|                        |                                    |
|------------------------|------------------------------------|
| Meeting of the members | Friday, 30 October 2009 at 10.30am |
| Ex Date                | 4 November 2009                    |
| Record date            | 10 November 2009                   |
| Payment date           | 25 November 2009                   |



## Sugar Terminals Limited

ABN 17 084 059 601

### LODGE YOUR PROXY



**By mail:**

Sugar Terminals Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



**By fax:** (02) 9287 0309

All enquiries to:



**Telephone:** (02) 8280 7454

### SHARE CLASS MEETING

If you propose to attend and vote at the Share Class Meeting you must bring a completed Member Status Declaration (Millers) with you. To assist in registering your attendance would you also please bring this form with you.



**X99999999999**

## SHAREHOLDER PROXY FORM - "M" CLASS SHAREHOLDER

I/We being a member(s) of Sugar Terminals Limited and entitled to attend and vote hereby appoint:

### STEP 1

#### APPOINT A PROXY

the Chairman  
of the Meeting  
(mark box)

☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote in accordance with the instructions below (or if no instructions have been given, as the proxy sees fit) for me/us on my/our behalf at the Share Class Meeting of the Company to be held at 10:30am (Brisbane time) on Friday, 30 October 2009, at The office of Queensland Sugar Limited, Mincom Building, North Podium Level, 192 Ann Street, Brisbane and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

### STEP 2

#### VOTING DIRECTIONS

##### Resolution 1

Reduction of share capital

For

☐

Against

☐

Abstain\*

☐

**i** \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### STEP 3

#### SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**A COMPLETED MEMBER STATUS DECLARATION (MILLERS) MUST ACCOMPANY THIS FORM**

**SUG PRX901**

