



SUGAR TERMINALS LIMITED

ABN 17 084 059 601

NOTICE OF ANNUAL GENERAL MEETING

29 October 2010

Notice is hereby given that the Annual General Meeting of the Members of Sugar Terminals Limited, ABN 17 084 059 601, ("the Company") will be held at the office of McCullough Robertson, Level 11, Central Plaza Two, 66 Eagle Street, Brisbane QLD, on Friday, 29 October 2010 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 financial year ended 30 June 2010.

Remuneration Report

2. To consider the Remuneration Report as it appears on pages 8 to 10 of the Annual Report for the financial year ended 30 June 2010, and if thought fit, to pass the following non-binding resolution in accordance with section 250R of the Corporations Act (*Refer to Explanatory Notes*):

"That the Company's Remuneration Report as it appears on pages 8 to 10 of the Director's Report for the financial year ended 30 June 2010 be adopted."

Retirement of Independent Director

3. Mr Michael Brown retires by rotation and is not eligible for re-election. His vacated position will not be filled at the meeting.

Election of a Miller Director

4. Mr James Hesp retires by rotation and does not offer himself for re-election.

A nomination for the position of Miller Director has been received nominating the following person:

Mr Andrew Capello

An election will be held at the meeting to elect a Miller Director in accordance with section 18.5 of the Constitution.

SPECIAL BUSINESS

Amendment to Constitution -

Changes to dividend law

5. To consider and, if thought fit, to pass the following resolution as a special resolution:

That the Constitution is amended by:

1. Article 27.1 is amended to read:

27.1 Proportional distribution

- (a) Subject to:

- (i) any special rights or restrictions for the time being attaching to any Shares;
- (ii) Articles 6.8 and 26.1; and
- (iii) the Corporations Act or other applicable law,

any share capital Paid Up on a Share during the period in respect of which a dividend is determined to be paid will only entitle the holder of such Share to an apportioned amount of that dividend from the date of payment, unless the terms of issue otherwise provide.

- (b) A determination by the Directors as to the amount available for dividend is conclusive.

2. Article 27.2 is amended to read:

27.2 Directors determine dividends

- (a) The Directors (without the sanction of a general meeting) may determine that a dividend, whether interim or final, is payable to the Members and those Members will be entitled to participate in accordance with Article 27.1 and this Article 27.2.

- (b) The Directors may fix:

- (i) the amount of a dividend;
- (ii) the time and date for determining entitlements to, and for payment of, a dividend;
- (iii) the method of payment of a dividend; and
- (iv) whether the dividend is franked, the franking percentage and the franking class;

- (c) The persons entitled to be paid a dividend will be persons whose names are entered on the Register as the holders of the Shares at the Record Date for that dividend.

- (d) Without limiting the generality of their powers under Articles 27.2(a) and 27.2(b), the Directors may pay any preferential dividends on Shares issued on

terms that preferential dividends are payable on those Shares, whether on fixed dates or otherwise.

Amendment to Constitution -

Changes to the Corporations Legislation

6. To consider and, if thought fit, to pass the following resolution as a special resolution:

That the Constitution is amended by:

1. All references to the term "Corporations Law" wherever occurring are replaced by the term "Corporations Act".
2. The definition of "Officer" in Article 1.1 is amended to read:
Officer has the meaning given in section 9 of the Corporations Act.
3. 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.
4. 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.

Amendment to Constitution -

Definition of Inactive Grower

7. To consider and, if thought fit, to pass the following resolution as a special resolution:

That the Constitution is amended by amending the definition of Inactive Grower as follows:

1. Paragraph (a) of the definition of Inactive Grower is amended to read:
 - (a) a Grower who is not an Active Grower or, subject to paragraph (b) of this definition, an Exempt Active Grower;.
2. Paragraph (c) of the definition of Inactive Grower is deleted in its entirety, and paragraph (d) and (e) are renumbered (c) and (d) respectively.

By Order of the Board

RB Farquhar
Company Secretary
24 September 2010

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 27 October 2010 (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 (Brisbane time) Wednesday 27 October 2010.**

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.

Questions and Comments by Shareholders at the Meeting

The Chairman of the meeting will allow a reasonable opportunity for 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 (Brisbane time) Wednesday 27 October 2010.

While it is likely that not all the questions can be addressed in the time available at the meeting, the more frequently asked questions will be addressed to the extent possible. The Chairman will exercise his discretion to determine whether a particular question will be answered at the meeting, having regard to whether it is an appropriate question for that forum.

Members will also be given a reasonable opportunity at the meeting to ask the Company's auditor, PricewaterhouseCoopers, questions about the audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2010, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of PricewaterhouseCoopers in relation to the conduct of the audit. Members may submit written questions to PricewaterhouseCoopers to be answered at the meeting, providing the question is relevant to the content of PricewaterhouseCooper's audit report or the conduct of its audit of the Company's financial statements for the year ended 30 June 2010.

Any written questions addressed to PricewaterhouseCoopers can be sent to the share registry at the address above not later than 10.00am (Brisbane time) Wednesday 27 October 2010.

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 2010 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. 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 8 to 10 of the Company's Annual Report 2010.

3. Retirement of Independent Director

Mr Michael Brown retires by rotation at the conclusion of the Annual General Meeting and is not eligible for re-election. Mr Brown has been a Director since 2000.

As Mr Brown has served the Company as an Independent Director and Chairman, the position vacated by his the retirement is not required to be, and will not be filled at this meeting. This is due to the fact that under Article 18.5 of the Constitution, if a position is vacated by the retirement of an Independent Director at an annual general meeting, then the position may only be filled by the Directors electing a person to that office at the next Directors' meeting following that annual general meeting.

Mr Stuart Gregory was appointed as an Independent Director on 13 August 2010 and it is proposed that he will be appointed as Chairman at the next Directors' meeting.

4. Election of a Miller Director

Clause 18.2 of the 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 Constitution and, does not offer himself for re-election. Mr Hesp has been a Miller Director since October 2004.

A nomination for the position of Miller Director has been received nominating the following person:

Mr Andrew Capello

An election will be held at the meeting for the Miller Director position vacated by the retirement of Mr James Hesp in accordance with section 18.5 of the Constitution.

Brief details of the qualifications and experience of the person who has been nominated for the Miller Director position are as follows:

Mr Andrew Capello

- Elected to the Board of Mackay Sugar in 2001, and appointed Chairman in February 2010. Member of the Board Remuneration, Finance and Audit Committees.
- Director of ASMC and Queensland Co-operative Federation, and a member of the Australian Institute of Company Directors.
- Elected Chairman of Pioneer Valley Water Board in 2000
- Queensland representative on the Australian National Committee for irrigation and drainage for five years.

SPECIAL BUSINESS

The resolutions noted in Items 5 to 7 propose 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 the resolutions noted in Items 5 to 7 at the meeting in order to determine whether the requisite number of votes has been achieved for the resolutions to have passed.

5. Updating the Constitution for changes to dividend law

The resolution proposes to make changes to various Articles of the Constitution so as to comply with recent amendments made to section 245T of the Corporations Act. This section previously provided that a company's dividends were to be paid out of profits. The Constitution currently reflects that any dividends must be paid out of profits.

The amendments to section 245T of the Corporations Act replace the previous "profits-based" test for company dividends contained in section 254T, with a new "solvency-based" test.

Under the new section 254T, a company will not be able to declare a dividend unless:

- its assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the dividend payment;
- the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

Assets and liabilities are to be calculated in accordance with the accounting standards in force at the time the dividend is declared.

The amendments effectively mean that a company's dividends may now be paid from profits and capital, providing greater flexibility to a company to distribute dividends to shareholders. This is especially relevant to the Company given the nature of distributions.

The resolution proposes to change Articles 27.1 and 27.2 of the Constitution, which deal with distribution of dividends, to provide the maximum flexibility to the Company in declaring dividends allowed under section 245T of the Corporations Act. Specifically, the revised wording removes reference to the word "profits".

6. Updating the Constitution for changes to the Corporations Legislation

The resolution proposes to update the Constitution by correcting or replacing outdated references to the old Corporations 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.

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.

7. Definition of Inactive Grower

The resolution proposes to make two changes to the definition of Inactive Grower to remove ambiguity and correct drafting errors in the definition. In particular:

1. The revised wording of paragraph (a) of the definition will remove the ambiguity of the current paragraph by removing the reference to any time period, providing simply that an Inactive Grower is a Grower who is not an Active Grower or, subject to the application of paragraph (b) of the definition, an Exempt Active Grower.
2. Paragraph (c) of the definition refers to an old test of who is an "Active Grower" that has previously been deleted from the Constitution. Paragraph (c) therefore has no operation and should be deleted to avoid confusion.



Sugar Terminals Limited
ABN 17 084 059 601

LODGE YOUR VOTE

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

By fax: (02) 9287 0309

ANNUAL GENERAL MEETING

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

All enquiries to: Telephone: (02) 8280 7454



X99999999999

SHAREHOLDER VOTING FORM - "G" 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 for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00am on Friday, 29 October 2010, at the office of McCullough Robertson, Level 11, Central Plaza Two, 66 Eagle Street, Brisbane QLD 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

ORDINARY BUSINESS

Resolution 2
Remuneration Report

For

☐

Against

☐

Abstain*

☐

SPECIAL BUSINESS

Resolution 5
Amendment to Constitution - Changes to dividend law

For

☐

Against

☐

Abstain*

☐

Resolution 6
Amendment to Constitution - Changes to the Corporations Legislation

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Resolution 7
Amendment to Constitution - Definition of Inactive Grower

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* 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 (GROWERS) MUST ACCOMPANY THIS FORM

SUG PRX005



Member Status Declaration (Growers)

Name:

SRN:

Address:

Telephone (Home):

Telephone Work:

Fax Number:

Email Address:

I/We declare as follows:

1 I/We grow Sugar Cane as:

Trustee
Executor
Personal Representative
Partner in a partnership
Party to a sharefarming agreement

Please Tick whichever is applicable:

☐
☐
☐
☐
☐

2. I am/we are an "Active Grower", as that term is defined in the Constitution of Sugar Terminals Limited as I/we have delivered or will deliver Sugar Cane to

.....(please specify Mill)
under a cane supply contract during the current year's Production Season¹

- 3 I/we acknowledge that I am/we are aware of the restriction that even if I/we hold more than 5% of the "G" class shares on issue, I/we may not vote more than the number of votes equal to 5% of the total number of "G" class shares;

4. I/we represent and acknowledge that all statements made by me/us in this form are complete and accurate.

.....
(All shareholders must sign)

.....
Date

.....
Company Seal (if applicable)

.....
Date

NOTE

1. Production Season means the period in any calendar year for each Mill area in which Sugar Cane is delivered to a Mill for processing or crushing.



SUGAR TERMINALS LIMITED

ABN 17 084 059 601

2010 Annual General Meeting Question Form

Person to whom question(s) directed

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.....

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Question(s)

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Name:

Signature:

Date: