



SUGAR TERMINALS LIMITED

ABN 17 084 059 601

NOTICE OF ANNUAL GENERAL MEETING

21 October 2014

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 Tuesday, 21 October 2014 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 2014.

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 2014, and if thought fit, to pass the following non-binding resolution in accordance with section 250R of the Corporations Act:

"That the Company's Remuneration Report as it appears on pages 8 to 10 of the Directors' Report for the financial year ended 30 June 2014 be adopted."

This resolution is subject to voting exclusions as set out at the end of the Notice of Meeting.

Note: If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution ("a spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must be put forward for re-election.

Election of Miller Director

3. Mr Shayne William Rutherford retires by rotation and, being eligible, offers himself for re-election.

No other nominations for the position of Miller Director have been received.

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

Election of Grower Director

4. Mr Donald Andrew Watson retires by rotation and, being eligible, offers himself for re-election.
- No other nominations for the position of Grower Director have been received.
- An election will be held at the meeting to elect a Grower Director in accordance with clause 18.5 of the Constitution.

Modification of Company Constitution

5. To consider and, if thought fit, pass the following resolution as special resolution:
- "That:
- a) for the purposes of section 136 of the Corporations Act, 2001 and for all other purposes; and
 - b) subject to the approval requirements set out in Clause 14.7 which requires that the resolution is also passed by:
 - (i) 75% of the votes cast by Eligible Voters in relation to "G" Class Shares and provided that that 75% of votes has been cast by Eligible Voters representing the holders of at least 20% of the "G" Class Shares; and
 - (ii) 75% of the votes cast by Eligible Voters in relation to "M" Class Shares.

the Company modify the constitution of the Company by:

- 1. deleting the definition of ASTC in Clause 1.1 and inserting the following:
"ASTC means ASX Settlement Corporation Limited";
- 2. deleting the definition of NSX in Clause 1.1 and inserting the following definition:
"NSX means the National Stock Exchange of Australia";
- 3. deleting the number "10" in Clause 14.3(a)(i) and in inserting in its place the number "2"; and
- 4. deleting the number "3" in Clause 14.3(a)(ii) and in inserting in its place the number "2".

By Order of the Board

RB Farquhar
Company Secretary
19 September 2014

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 6.00pm (Brisbane time) on Sunday 19 October 2014 (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) Sunday 19 October 2014.**

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 as their own proxy.

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) Friday 17 October 2014.

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 2014, 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 2014.

Any written questions addressed to PricewaterhouseCoopers can be sent to the share registry at the address above not later than 10.00am (Brisbane time) Friday 17 October 2014.

Voting Exclusions

In accordance with the NSX Listing Rules and the *Corporations Act*, the Company will disregard any votes cast on item 2 by any key management personnel and any of their closely related parties, unless the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Important Note

Please note that if you appoint a person who is excluded from voting on any resolution as your proxy and you do not direct them on how to vote in respect to any resolution on which they cannot personally vote, then a vote cast by them on that resolution will not be counted. If you appoint any such excluded person as your proxy, we strongly urge you to direct them how to vote on the resolution they are excluded from voting on. Alternatively, we suggest that you appoint someone else (such as the Chairman) as your proxy.

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 2014 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 2014.

Pursuant to amendments made to the Corporations Act with effect from 1 July 2011, if 25% or more of votes that are cast on Item 2 (Remuneration Report) are cast against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution ("a spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must be put forward for re-election.

The Company will disregard any votes cast on Item 2 by any member of the key management personnel and any of their closely related parties, unless the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

3. 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 Shayne William Rutherford, a Miller Director, retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

No other nominations for the position of Miller Director have been received.

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

4. Election of a Grower 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 Donald Andrew Watson, a Grower Director, retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

No other nominations for the position of Grower Director have been received.

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

5. Modification of company constitution

Definition Amendments

The previously named ASX Settlement & Transfer Corporation Pty Limited (**ASTC**) provides settlement services in relation to products traded on ASX's market. ASTC has changed its name to ASX Settlement Corporation Limited.

The previously named Newcastle Stock Exchange (**NSX**) is the exchange on which the Company's G-Class shares are traded. The NSX has changed its name to "National Stock Exchange of Australia".

As a result, the definitions of these entities set out in the Constitution are out of date. It is proposed the Company Constitution be amended to reflect the updated names.

Quorum Amendments

Under the Corporations Act, the Company is required to hold an Annual General Meeting (**AGM**) with a quorum of members each year. Under the current constitution a quorum of members consists of:

1. 10 "G" Class shareholders; and
2. 3 "M" Class shareholders.

In recent years, the Company has been in situations where it has been doubtful whether a quorum would actually attend the AGM. As is the general custom, many shareholders give a proxy to the Chairman and the Chairman's attendance only counts as one attendee for the purpose of the quorum requirements.

Failure to achieve a quorum is costly to the Company, as the meeting must then be rescheduled. It also means that no business can be transacted at the first meeting which causes delays. Therefore, the directors have determined to seek approval to reduce the number of shareholders of each class of shares required to constitute a quorum for Company meetings.

It is proposed that 2 members of each class is sufficient for a quorum at Company meetings. This will help ensure that the AGM and other Shareholders meetings can take place with less members physically present at those meetings. It will also allow the Company to avoid the further costs associated with the rescheduling of Company meetings due to insufficient attendees and avoid delays due to the failure to pass resolutions.

The directors believe the proposed quorum is appropriate given the reduced number of shareholders attending meetings. Many other publicly listed companies have a quorum of 2 for Shareholder meetings including Bank of Queensland Limited and Qantas Airways Limited.

The result of the amendments to Clause 14.3(a) set out in the resolution is that:

1. 2 "G" Class shareholders; and

2. 2 "M" Class shareholders,

together will be considered a quorum for the purposes of Shareholder meetings.

Under section 136 of the Corporations Act 2001, a Company must have member approval by a special resolution to modify its constitution.

Pursuant to Clause 14.7 of the Company constitution, a special resolution to modify the Company's constitution does not have any effect unless, in addition to being passed as special resolution for the purposes of the Corporations Act, it also is passed by:

1. 75% of the votes cast by Eligible Voters in relation to "G" Class Shares and provided that that 75% of votes has been cast by Eligible Voters representing the holders of at least 20% of the "G" Class Shares; and
2. 75% of the votes cast by Eligible Voters in relation to "M" Class Shares.