



# SUGAR TERMINALS LIMITED

ABN 17 084 059 601

## NOTICE OF GENERAL MEETING

7 March 2017

Notice is hereby given that a General Meeting of the Members of Sugar Terminals Limited, ABN 17 084 059 601, ("the Company") will be held at the office of Clayton Utz, Level 28, 71 Eagle Street, Brisbane QLD, on Tuesday, 7 March 2017 commencing at 10.30am (Brisbane time).

### BUSINESS

#### Remuneration of Non-Executive Directors

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

"That in accordance with Article 20.1 of the Constitution and for all other purposes, the maximum aggregate amount payable out of the funds of the Company to Non-Executive Directors for their services (inclusive of superannuation) be increased from \$250,000 per annum to \$400,000 per annum".

This resolution is subject to the requirements set out in Article 14.9 of the Constitution as detailed in the Explanatory Notes and the voting exclusions as set out at the end of the Notice of Meeting.

By Order of the Board

**PW Trimble**  
**Company Secretary**  
3 February 2017

## 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 person(s) registered as the holder at 6.00pm (Brisbane time) on Sunday 5 March 2017 (excluding those members to whom a transfer notice has been issued under Article 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 and completed Member Status Declaration. 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 resolution 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 10.30am (Brisbane time) on Sunday 5 March 2017.**

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 business of 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) Tuesday 28 February 2017.

While it is possible 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.

## **Voting Exclusions**

In accordance with the NSX Listing Rules and the *Corporations Act*, the Company will disregard any votes cast on Resolution 1 by any Director of the Company 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. Remuneration of Non-Executive Directors**

Article 20.1 of the Constitution provides that the Non-Executive Directors will be paid not more than the aggregate fixed sum paid out of the funds of the Company by way of remuneration for their services as is determined by an ordinary resolution of the Company.

The current maximum aggregate amount payable of \$250,000 per annum was fixed at the AGM of the Company on 26 October 2012. Since that time, the Directors' aggregate remuneration has been increased annually by the amount of the increase in the Consumer Price Index for the previous year.

Shareholder approval is sought to increase the total aggregate annual remuneration payable to Non-Executive Directors of the Company from \$250,000 to a maximum of \$400,000 (inclusive of superannuation).

In recommending an increase to the Non-Executive Director fee pool, the Board has considered:

- the additional responsibilities and commitments of Directors at both a Board and Committee level, including those arising from industry changes to the Sugar Terminals Limited business which were announced on Tuesday 13 December 2016;
- the need for adequate funding for the appointment of up to 2 additional independent, non-executive Directors to bolster the Board's expertise before the start of the 2017 season, which was also included in the 13 December 2016 announcement; and
- the need to ensure the Company maintains the ability to remunerate competitively and is able to attract and retain independent, non-executive Directors with appropriate skills and experience.

The sum will be payable out of the funds of the Company and divided between the Non-Executive Directors as the board determines. It is not intended that the full amount of the proposed aggregate maximum cap be used immediately, but rather that it be set at a level to allow for growth in Non-Executive Director fees over time.

As the Non-Executive Directors have an interest in the outcome of this Resolution 1, the Board makes no recommendation as to how shareholders should vote in relation to this resolution.

The Company will disregard any votes cast on Resolution 1 by any Director of the Company 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.

#### **Article 14.9 Requirement**

Resolution 1 is subject to the requirements set out in Article 14.9 of the Company's constitution. Resolution 1 proposes a significant increase in the total aggregate annual remuneration payable to Non-Executive Directors of the Company. Article 14.9 of the Company's constitution imposes an additional requirement on voting on ordinary resolutions where the Directors have resolved prior to the general meeting that the matter is of such importance that the additional requirement in Article 14.9 should apply. That additional requirement is that an ordinary resolution passed at a general meeting will not have any effect unless it is also passed by:

1. at least 50% of the Eligible Voters in relation to "G" class shares; and
2. at least 50% of the Eligible Voters in relation to "M" class shares.

Pursuant to the constitution, an 'Eligible Voter', in relation to a general meeting, includes a member present in person or a member present by proxy, attorney or corporate representative.

On 24 January 2017, the Directors resolved that the additional requirement under Article 14.9 should apply to Resolution 1. At the general meeting, this means that the votes of each class of shareholder of the Company must be counted separately in relation to Resolution 1 in order to determine whether the requisite number of votes has been achieved for Resolution 1 to have passed.