



# Company Announcement

GrainCorp Limited ABN 60 057 186 035

Date: 16 November, 2012  
To: The Manager - Announcements  
Company Announcements Office  
Australian Securities Exchange  
20 Bridge Street, Sydney

Via On-Line Lodgement.

## GRAINCORP LIMITED ("GNC")

### AGM NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

We attach the Notice of Meeting and Explanatory Memorandum for the **GrainCorp Limited Annual General Meeting to be held at 2pm on Thursday 20 December 2012 at the Pullman Hotel, 36 College Street, Sydney NSW** which were posted to all shareholders today.

A handwritten signature in black ink, appearing to read "A. Horne", written over a light grey horizontal line.

**Andrew Horne**  
**Company Secretary**

GrainCorp Limited  
Level 26, 175 Liverpool Street, Sydney NSW 2000  
PO Box A268, Sydney South NSW 1235  
Telephone: (02) 9325 9100 Facsimile: (02) 9325 9180  
[www.graincorp.com.au](http://www.graincorp.com.au)



# Notice of Annual General Meeting



**GrainCorp**

ACN 057 186 035

**16 November 2012**

Dear Shareholder,

I am pleased to invite you to this year's Annual General Meeting (**AGM**) of GrainCorp Limited (the **Company** or **GrainCorp**) to be held on Thursday, 20 December 2012, in the Ibis Room at the Pullman Hotel, 36 College Street SYDNEY NSW 2010, commencing at 2.00pm. Registration of attendees will commence at 1.00pm.

Please find enclosed a Notice of Meeting and Explanatory Memorandum detailing the business to be dealt with at the AGM.

This year's AGM will involve the business of receiving and considering the accounts, adopting the Remuneration Report, the election of three Non-executive Directors, and approving the amendments of the terms of rights under the GrainCorp employee equity plans to allow the Board to issue shares to participants upon vesting of those rights in accordance with their terms.

The AGM Resolutions also include a Special Resolution which is required to satisfy the Corporations Act concerning the proposal to grant financial assistance in connection with the acquisition of the Gardner Smith Group on 2 October 2012. Approval of the GrainCorp Limited shareholders is required before the now 100% owned Gardner Smith Group is permitted to join the GrainCorp Limited Group Finance Agreements.

In light of current takeover speculation and share price volatility, the Board is not seeking a resolution for the grant of performance share rights for the Managing Director & CEO for the financial year 2013 under the Long Term Incentive Plan. Instead, as outlined in the Remuneration Report, we intend to make a deferred cash grant to the Managing Director & CEO for this year only, under the same performance and vesting conditions as currently apply to the Long Term Incentive Plan, with the intention to pro-rate this grant with respect to time in the case of a change of control. The Board considers that this approach continues to align the interests of shareholders and Executives, without the challenges of issuing new equity grants at this time.

The Board recommends that you consider voting by direct vote at the AGM in respect of all proposed resolutions. Direct voting enables shareholders to vote directly on resolutions considered at the meeting without attending the meeting or appointing a proxy. If you are unable to attend the AGM, I encourage you to lodge your vote directly or appoint a proxy to vote on your behalf. You may also lodge your direct vote or appoint a proxy online. If attending, please bring this letter and the voting form with you to facilitate your registration on the day.

A copy of the 2012 Annual Report and the 2012 Shareholder Review, which provide full details of the Company's activities for the year, are available on the GrainCorp website ([www.graincorp.com.au](http://www.graincorp.com.au)) or by calling the GrainCorp Investor Relations Manager, David Akers on **+61 2 9266 9217**.

Thank you for your continued investment and support.

Yours sincerely

**Don Taylor**  
Chairman

# Notice of Annual General Meeting

The Annual General Meeting of the Company will be held:

**Venue**

The Ibis Room,  
**Pullman Hotel**  
36 College Street  
SYDNEY NSW 2010

**Date**

Thursday 20 December 2012

**Time**

2.00pm  
(Registration will commence from 1.00pm)

## Business

### 1. Consideration of Financial Statements and Reports

To receive and consider the Financial Statements and the Reports of the Directors and Auditor for the year ended 30 September 2012.

(See the Explanatory Notes with regard to a shareholder's right to submit written questions to the Auditor in connection with the Auditor's Report or the conduct of the audit.)

### 2. Adoption of the Remuneration Report

To consider and, if thought appropriate, pass the following ordinary resolution:

***"That the Remuneration Report (which forms part of the Directors' Report) of GrainCorp Limited for the financial year ended 30 September 2012 set out on pages 24 to 46 of the 2012 Annual Report be adopted."***

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

### 3. Election of Directors

3.1 To consider and, if thought appropriate, pass the following ordinary resolutions:

***"That for the purposes of ASX Listing Rule 14.4, article 11.3(a) of the Constitution and for all other purposes, Mr Don Taylor, retiring by rotation, being eligible and offering himself for re-election, be re-elected as a Director of the Company."***

3.2 To consider and, if thought appropriate, pass the following ordinary resolution:

***"That for the purposes of ASX Listing Rule 14.4, article 11.3(a) of the Constitution and for all other purposes, Mr David Trebeck, retiring by rotation, being eligible and offering himself for election, be re-elected as a Director of the Company."***

3.3 To consider and, if thought appropriate, pass the following ordinary resolution:

***"That for the purposes of ASX Listing Rule 14.4, article 11.3(a) of the Constitution and for all other purposes, Mr Donald McGauchie, retiring by rotation, being eligible and offering himself for election, be re-elected as a Director of the Company."***

### 4. Long Term Incentive Plan and Deferred Equity Plan – amendment to allow the Board to issue shares to satisfy vested rights

To consider and, if thought fit, pass the following ordinary resolution:

**"That the following be approved:**

- for the purpose of listing rule 6.23.4, the amendment of the terms of the GrainCorp Long Term Incentive (LTI) Plan and Deferred Equity Plan (DEP), and any rights issued under those plans, to allow the Board to issue shares to participants upon vesting of those rights in accordance with their terms; and
- for the purpose of listing rule 7.9, the issue of up to 732,570 shares upon vesting of existing rights held under the LTIP and the DEP in accordance with their terms; and
- for the purpose of listing rule 10.14, the issue of up to 38,281 shares to Ms Alison Watkins, the Managing Director & CEO, upon vesting of existing rights held under the DEP in accordance with their terms,

**each as described in the Explanatory Notes."**

## 5. Financial Assistance

To consider and, if thought fit, pass the following special resolution:

*“That, in accordance with section 260A and section 260B(2) of the Corporations Act 2001 (Cth), approval is given for the provision of financial assistance proposed to be given by:*

- (a) *Gardner Smith (Holdings) Pty Ltd  
ACN 000 013 123 (the **Target**);*
- (b) *Gardner Smith Pty Limited  
ACN 107 971 095;*
- (c) *Pacific Terminals (Australia) Pty Ltd  
ACN 001 849 805;*
- (d) *Riverland Oilseeds Pty Ltd  
ACN 006 772 578;*
- (e) *GSEST Pty Ltd  
ACN 121 770 232;*
- (f) *Auscol Pty Ltd  
ACN 000 863 730; and*
- (g) *any other subsidiary of the Target which grants financial assistance under or in connection with the Acquisition (as defined below) for the purposes of section 260A of the Corporations Act),*

*(the **Acquired Companies**)*

*to assist the acquisition by GrainCorp Operations Limited ACN 003 875 401 of all of the issued shares in the Acquired Companies, or the holding company of the relevant Acquired Company (the **Acquisition**), and all elements of that transaction and any other transactions that may constitute financial assistance by the Acquired Companies for the purposes of section 260A of the Corporations Act 2001 (Cth) in connection with the Acquisition, as described in Item 5 of the Explanatory Notes accompanying and forming part of this Notice of Meeting”.*

## EXPLANATORY NOTES

### Item 1 – Financial Statements and Reports

The *Corporations Act 2001 (Cth)* (**Corporations Act**) requires that the Report of the Directors, the Report of the Auditor and the Financial Reports be presented at the AGM. The 2012 Financial Statements have been previously made available to shareholders and can be found on the Company’s website ([www.graincorp.com.au](http://www.graincorp.com.au)). Neither the Corporations Act nor the Company’s Constitution requires a vote of shareholders at the AGM on such reports and statements. However, shareholders will be given a reasonable opportunity to raise questions at the AGM with both the Chairman and the Company’s Auditor, PricewaterhouseCoopers (**PwC**), with respect to these reports and statements.

In addition to asking questions at the AGM, shareholders may address written questions to the Chairman about the management of the Company. Similarly, a reasonable opportunity will be given to shareholders to ask the Company’s Auditor, PwC, questions relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor’s Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

Shareholders who are unable to attend the AGM or who may prefer to register questions in advance of the AGM are invited to do so by using the form “**Questions From Shareholders**” enclosed with this Notice of Meeting.

Any shareholder who wishes to submit a question to the Company’s Auditor on these matters must submit that question in writing to the **Company Secretary, PO Box A268, Sydney South, NSW, 1235 no later than Wednesday 12 December 2012**, using the form enclosed with this Notice of Meeting titled “**Questions From Shareholders**”. The Company will then pass the questions on to the Auditor for consideration.

A list of questions that the Auditor considers relevant to the matters outlined above will be made available to shareholders at the meeting.

A representative of the Company’s Auditor will attend the meeting.

# Notice of Annual General Meeting

## Item 2 – Adoption of the Remuneration Report

### *Resolution to adopt the Remuneration Report*

The Remuneration Report for the financial year ended 30 September 2012 is set out on pages 24 to 46 of the 2012 Annual Report.

Shareholders entitled to vote at the AGM are entitled to vote on the adoption of the Remuneration Report set out in the Report of the Directors. In accordance with Section 250R(3) of the Corporations Act, the vote on the resolution is advisory only and does not bind the Directors or the Company, however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

A reasonable opportunity will be provided to shareholders to ask questions about or to make comments on the Remuneration Report at the AGM. Shareholders who are unable to attend the AGM or who may prefer to register questions in advance of the AGM are invited to do so by using the form enclosed with this Notice of Meeting titled “**Questions From Shareholders**”.

The Board considers that GrainCorp’s remuneration framework is working as intended and is aligned with long term shareholder value and rewards and retains high performing Directors and Executives.

The 2012 Remuneration Report details the link between GrainCorp’s business performance over the year and reward outcomes for Directors and Executives. This includes information on the target setting approach, achievements against targets, short term incentive outcomes for Executives, information on the ROE component of the long term incentive and the results of market benchmarking and intended remuneration approach for financial year 2013.

### **Voting exclusions**

The Company will disregard any votes on Item 2 by, or on behalf of:

- members of the Key Management Personnel whose Remuneration is disclosed in the Remuneration Report; and
- their closely related parties,

unless the vote is cast:

- as a proxy for a person entitled to vote in accordance with a direction on the proxy form, or
- by the person chairing the Meeting as a proxy for a person entitled to vote where the proxy expressly authorises the chair to vote as the chair sees fit.

The Remuneration Report identifies GrainCorp’s Key Management Personnel for the financial year to 30 September 2012. Their closely related parties are

defined in the Corporations Act, and include certain family members, dependants and companies they control.

The Chairman of the Meeting intends to vote any undirected proxies in favour of the resolutions in Item 2.

## Item 3 – Election of Directors

In accordance with the three year rotation cycle under ASX Listing Rule 14.4 and article 11.3(a) of the Constitution, Messrs Don Taylor, David Trebeck and Donald McGauchie are scheduled to retire at this AGM.

The Board have conducted an assessment of the performance of these Directors, without them being present, and the Nominations and Corporate Governance Committee of the Board has reviewed the skills, knowledge, experience and diversity represented on the Board.

The Board recommends to shareholders the re-election, respectively, of:

- (a) Mr Don Taylor;
- (b) Mr David Trebeck; and
- (c) Mr Donald McGauchie,

as Non-executive Directors of the Company. The following are profiles of each of the Directors:

### **Don C Taylor BCom, CA, GradCertRurSc, FAICD** (Chairman and Non-executive Director)

Don Taylor joined the GrainCorp Board in October 2003 and has been Chairman since December 2005. He has overseen a substantial transformation of the Company over that time. Mr Taylor is a member of the Human Resources Committee and the Business Risk Committee as well as attending all meetings of the Board Audit Committee and the Nominations and Corporate Governance Committee.

Don has built a strong career grounded in commercial and agricultural fields. He started his business career in Arthur Andersen, where he spent seven and a half years working in the Sydney, Brisbane and Singapore offices in both the audit and tax divisions. He subsequently spent over 30 years combining agricultural pursuits with advising government and commercial interests on a range of industry issues such as deregulation of the Australian grains industry, privatisation and consolidation of agricultural businesses, review of statutory grain marketing of barley in Queensland and operation of the Queensland grain industry hail insurance scheme.

Mr Taylor was formerly Executive Chairman of Grainco Australia Limited, Director of Forest Enterprises Australia Limited, Chairman of Carrington Cotton Limited (formerly listed on Australian Securities Exchange) and Director of Queensland Oil Crushers Pty Ltd. As well as these roles, Don participates in the AICD Chairman’s Mentoring Program.

**David B Trebeck BScAgr(Hons), MEc, FAICD**  
(Non-executive Director)

David Trebeck is Chairman of the Nominations and Corporate Governance Committee and a member of the Human Resources Committee. Mr Trebeck joined the Board in February 2002. Mr Trebeck is currently Chairman of Penrice Soda Holdings Limited, a Director of PrimeAg Australia Ltd and an adviser to and former director of Maersk Australia Pty Ltd. He is also an ACT divisional Councillor of the Australian Institute of Company Directors. Mr Trebeck was formerly a Commissioner of the National Water Commission, and Principal, Managing Director and co-founder of economic consultancy ACIL Consulting Pty Ltd (now ACIL Tasman Pty Ltd).

**Donald G McGauchie AO, FAICD**  
(Non-executive Director)

Donald McGauchie is Chairman of the Human Resources Committee. Mr McGauchie joined the Board in December 2009. Mr McGauchie is currently a Director of James Hardie SE, Chairman of Nufarm Limited and Chairman of Australian Agricultural Company Limited. His previous roles with public companies include Chairman of Telstra Corporation Limited, Deputy Chairman of Ridley Corporation Limited, Director of National Foods Limited, Chairman of Woolstock, Chairman of the Victorian Rural Finance Corporation (a statutory corporation) and also President of the National Farmers Federation. In 2001, Mr McGauchie was named the Rabobank Agribusiness Leader of the Year, was awarded the Centenary Medal for services to Australian society through agriculture and business and in 2004 was appointed an Officer of the Order of Australia.

**Directors' Recommendation**

The Board (excluding the Directors standing for election) recommends that shareholders vote in favour of each of the resolutions in Item 3.

The Chairman of the Meeting intends to vote any undirected proxies in favour of the resolutions in Item 3.

**Item 4 – Amendment to rights issued under Long term Incentive (LTI) Plan and Deferred Equity Plan (DEP) Rules and approval of issue of shares to satisfy the vested rights under the LTI Plan and DEP**

The terms of the existing rights issued under the GrainCorp LTI Plan and DEP provide that the Board must transfer existing shares to participants upon vesting of those rights in accordance with the terms of those plans.

As a result of the current takeover speculation and share price volatility, it may not be possible or desirable for the Board to procure shares that are acquired on-market to satisfy GrainCorp's obligations under the terms of the various plans upon vesting of those rights, including but not limited to vesting on a change of control.

In accordance with ASX Listing Rule 6.23.4, a change of terms of existing rights can only be made if shareholders have first approved the change. Accordingly, the purpose of this Item 4 is to seek shareholder approval to amend the terms of the DEP and the LTI Plan, and the existing rights issued under those plans, as required to enable the Board to issue shares to all participants in the LTI Plan and DEP upon vesting of their rights in accordance with their terms.

If shareholders approve this Item 4, the Board will have the discretion to either issue shares, or procure the transfer of shares, in relation to all existing holders of rights whose rights may vest under the LTI Plan or DEP.

As at the date of this notice of meeting, there are 491,493 unvested rights outstanding under the LTI Plan and 241,077 unvested rights outstanding under the DEP. Accordingly, the maximum number of shares which may be issued if this resolution is passed is 732,570 (or approximately 0.3% of GrainCorp's existing capital).

This resolution also seeks approval for the issue of those shares for the purposes of listing rule 7.9. Listing rule 7.9 prohibits a company from issuing, or agreeing to issue, equity securities without the approval of shareholders for 3 months after it is told in writing that a person is making, or proposes to make, a takeover for securities in it. As a result of the non-binding, indicative, conditional proposal received from Archer Daniels Midland, this listing rule could apply to the issue of shares upon vesting of existing rights under the LTI Plan and DEP.

Of the shares which may be issued if this resolution is approved, up to 38,281 of those shares may be issued to Ms Alison Watkins, the Managing Director & CEO of the Company, in respect of rights held under the DEP. Accordingly, this resolution also seeks approval under listing rule 10.14 to allow for the issue of those shares, as an alternative to the transfer of shares, to Ms Watkins upon vesting of those rights. No shareholder-approval has previously been sought for rights issued under the DEP. Shareholder approval is not required in relation to the issue of shares to Ms Watkins on vesting of the 276,498 rights held under the LTI Plan because the issue of those rights was previously approved by shareholders at the 2011 and 2012 Annual General Meetings.

No directors other than Ms Watkins are entitled to participate in the DEP. No consideration is payable for the issue of shares to Ms Watkins upon vesting of rights under the DEP. If shares are issued to Ms Watkins upon vesting of existing rights held under the DEP, those shares will be issued within 12 months of the date of this meeting.

**Directors' Recommendation**

**The Board recommends that shareholders vote in favour of the resolution in Item 4.**

The Chairman of the Meeting intends to vote any undirected proxies in favour of the resolutions in Item 4.

# Notice of Annual General Meeting

## Voting Exclusions

The Company will disregard any votes cast on Item 4 by, or on behalf of:

- Ms Alison Watkins and any other participants in the LTI Plan and DEP and any associates of those persons;
- any Director (other than one who is ineligible to participate in any GrainCorp employee incentive scheme) and any associates of those persons, or
- members of the Key Management Personnel (and their closely related parties) acting as a proxy,

unless the vote is cast:

- as a proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the person chairing the Meeting as a proxy for a person entitled to vote where the proxy expressly authorises the chair to vote as the chair sees fit.

The Chairman intends to vote any undirected proxies in favour of the resolution in Item 4.

## Special Resolutions – Item 5 Financial Assistance

Approval is sought by special resolution, which requires at least 75% of the votes that are cast on the resolution to be in favour of the resolution.

Item 5 seeks the approval of GrainCorp's shareholders, pursuant to section 260B(2) of the Corporations Act 2001 (Cth) (the **Corporations Act**), for financial assistance which is to be provided by:

- (a) Gardner Smith (Holdings) Pty Ltd ACN 000 013 123 (the **Target**);
- (b) Gardner Smith Pty Limited ACN 107 971 095;
- (c) Pacific Terminals (Australia) Pty Ltd ACN 001 849 805;
- (d) Riverland Oilseeds Pty Ltd ACN 006 772 578;
- (e) GSEST Pty Ltd ACN 121 770 232;
- (f) Auscol Pty Ltd ACN 000 863 730; and
- (g) any other subsidiary of the Target which grants financial assistance under or in connection with the Acquisition (as defined below) for the purposes of section 260A of the Corporations Act),

(each an **Acquired Company**),

to assist the acquisition by GrainCorp Operations Limited ACN 003 875 401 (the **Acquiring Company**) of all of the issued shares in the Acquired Companies or the holding company of the relevant Acquired Company (the **Acquired Company Shares**).

## Background

Under a share purchase offer deed dated 28 August 2012 between GrainCorp, the Acquiring Company and others (as supplemented), the Acquiring Company acquired (directly or indirectly) the Acquired Company Shares (the **Acquisition**). The Acquisition occurred on 2 October 2012.

The Acquiring Company is a wholly owned subsidiary of GrainCorp. Each Acquired Company is now a (directly or indirectly owned) subsidiary of the Acquiring Company.

In order to assist in funding the purchase price for the Acquisition, the Acquiring Company (as **Borrower**) entered into acquisition facility agreements with Australia and New Zealand Banking Group Limited ABN 11 005 357 522, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) Australian Branch ABN 70 003 917 655, the Offshore Banking Unit of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.(Rabobank) Australia Branch ABN 70 003 917 655, Coöperatieve Centrale Raiffeisen Boerenleenbank B. A. (Rabobank), incorporated in the Netherlands, New Zealand Branch and National Australia Bank Limited ABN 12 004 044 937 (the **Lenders**), under which the Lenders agreed to provide financial accommodation (the **Acquisition Facilities**) to the Borrower in relation to the Acquisition.

The Lenders also provide term and working capital financing to the Borrower and certain other subsidiaries of GrainCorp under facilities agreements, each dated 28 July 2012 (as amended) (together with the Acquisition Facilities, the **Facilities**).

GrainCorp and certain other subsidiaries of GrainCorp have also entered into a common terms deed (the **Common Terms Deed**) dated 24 November 2008 (as amended and restated from time to time) which provides for a guarantee and indemnity in favour of the Lenders of all amounts (the **Guaranteed Money**) owing under or in relation to the Facilities (the **Guarantee**). It is a requirement of the Acquisition Facilities that, subject to certain conditions, the Acquired Companies accede to the Common Terms Deed as guarantors within 120 days after completion of the Acquisition.

In addition to acceding to the Common Terms Deed and giving the Guarantee, each Acquired Company may, or may be required to:

- (a) execute, or accede or consent to, any instrument referred to in, or incidental or related to, the 'Finance Documents' (as defined in the Common Terms Deed, and including any document to be entered into at any time for the purpose of amending, varying, replacing, restating, novating or supplementing such instruments) (the **Finance Documents**);
- (b) make available directly or indirectly its cash flows or other resources in order to enable GrainCorp and its subsidiaries (together the **Group**) to comply with their obligations under the Finance Documents; and
- (c) provide additional support (which may include incurring additional obligations, giving new guarantees) in connection with the Finance Documents, including in connection with any refinancing of amounts owing under or in respect of the Finance Documents.

The accession of the Acquired Companies to the Common Terms Deed and the giving of the Guarantee, and entry into any of the other transactions listed or contemplated above (together, the **Financial Assistance**) will have the effect of each Acquired Company financially assisting in the acquisition of its own shares or the shares of the holding company of the relevant Acquired Company for the purposes of section 260A of the Corporations Act.

### Why shareholder approval is required

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in it or its holding company only in certain limited circumstances, including where the assistance is approved by shareholders under section 260B of the Corporations Act.

Under section 260B(1) of the Corporations Act, shareholder approval must be given by the shareholders of the company at a general meeting by either:

- (a) a special resolution, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

In addition, because the Acquired Companies became subsidiaries of a listed holding corporation (GrainCorp) immediately after the Acquisition, the financial assistance must also be approved by a special resolution passed at a general meeting of GrainCorp under section 260B(2) of the Corporations Act.

The giving of the Financial Assistance has been, or will be, approved by a unanimous resolution of each of the Acquired Companies in accordance with section 260B(1) of the Corporations Act. Accordingly, it is proposed that the Financial Assistance now be approved by special resolution of the shareholders of GrainCorp.

### Effect of the Financial Assistance

GrainCorp and certain of its subsidiaries are already parties to the Common Terms Deed and have given a guarantee on the same terms to secure the amounts due under the Finance Documents, so the giving of the Financial Assistance is unlikely to adversely affect GrainCorp or the Acquired Companies, except that the operations of the Acquired Companies will be restricted by the terms of the Common Terms Deed, including the representations and undertakings given by them under, and the other provisions of, the Common Terms Deed.

The Guarantee to be given by the Acquired Companies will be on the same terms as the Guarantee already given by GrainCorp to secure the Guaranteed Money.

The substantial effect of the Financial Assistance on the Acquired Companies will be that each of them will have guaranteed all amounts payable under the Finance Documents.

The principal advantage to GrainCorp (and, indirectly, the Acquired Companies) is to ensure that:

- (a) GrainCorp and other members of the Group will comply with their obligations under the Common Terms Deed;
- (b) the Borrower will continue to have the benefit of the Facilities; and
- (c) each relevant Group member will continue to have the benefit of each other facility provided to the Group in connection with the Common Terms Deed.

On the other hand, the disadvantages of the Financial Assistance for the Acquired Companies include that:

- (a) they will become liable for all amounts outstanding under the Finance Documents;
- (b) if an event of a default (howsoever defined) was to occur under a Finance Document, a Lender may require immediate repayment of all amounts outstanding and enforce the Guarantee given by the Acquired Companies and it is possible that such enforcement could materially prejudice the interests of the Acquired Companies or their shareholders; and
- (c) their operations and ability to independently obtain finance from other sources may be restricted by the undertakings, representations and warranties given under, and the other provisions of, the Common Terms Deed.

The directors of GrainCorp have considered the giving of the Financial Assistance and are of the opinion that there are reasonable grounds to believe that it is in the best interests and for the commercial benefit of GrainCorp and each Acquired Company.

### Notice to ASIC

A copy of this Notice of Meeting was lodged with the ASIC before being sent to the shareholders of GrainCorp, as required by section 260B(5) of the Corporations Act.

### Disclosure

The directors of GrainCorp consider that these Explanatory Notes contain all information known to GrainCorp that would be material to the decision of GrainCorp's shareholders on how to vote on the financial assistance resolution set out in Item 5, other than information which would be unreasonable to include because it had previously been disclosed to shareholders.

### Directors' Recommendation

**The Board recommends that shareholders vote in favour of the Special Resolution in Item 5.**

The Chairman of the Meeting intends to vote any undirected proxies in favour of the Special Resolution in Item 5.



# Notice of Annual General Meeting

## How to Vote

### Direct voting

Shareholders are able to vote on resolutions directly by marking Section A of the Shareholder Voting Form.

If you mark Section A then you are voting your shares directly and you do not need to appoint a third party such as a proxy to act on your behalf. Shareholders who wish to vote their shares directly should mark either the “for” or “against” boxes next to each item of their Shareholder Voting Form. Do not mark the “abstain” box.

If you complete both Section A and Section B, Section B is deemed to be the chosen method and the person named will be your proxy, or if no person is named, the Chairman of the Meeting will be appointed as your proxy. If you mark the “abstain” box or no direction is given for an item, no vote will be recorded for that item.

By submitting a direct vote, you agree to be bound by the Direct Voting Regulations adopted by the Board (a copy of which is available on the Company’s website).

When lodging your direct vote, you may specify the number of your shares to be voted on any resolution by inserting the proportion or number of shares. If you do not specify a proportion or number of shares, the instructions provided will apply to all of your shares.

If you cast a direct vote, you are still entitled to attend the meeting. However, if you attend the meeting, your direct vote will be valid unless revoked at the meeting.

### Proxy

You can appoint one or two persons to attend as your proxy if you are unable to attend the AGM or cast a direct vote. When completing the proxy form, please note:

### Appointment of proxy

Insert the name of the person you wish to appoint as your proxy. Your proxy need not be a shareholder of the Company. If you submit the form but do not name a proxy, or the person you have appointed does not attend, the Chairman of the AGM will act as your proxy.

### Number of proxies and proportion of votes per proxy

As a shareholder entitled to attend and vote, you are entitled to appoint one or two proxies to attend and vote in your place. If you wish to appoint a second proxy, you should complete a second proxy form (which will be supplied upon request). If you appoint two proxies, you may specify the proportion or number of your votes which each proxy may exercise. If no proportion or number is specified, each proxy may exercise half of your votes.

## Directing your proxy how to vote

You can direct your proxy how to vote by marking the “for”, “against” or “abstain” boxes on the proxy form. If you have appointed someone other than the Chairman as your proxy and you do not direct them how to vote, that person may vote, or abstain from voting, at their discretion.

### No direction

As disclosed in the relevant explanatory note to each Item, if the person chairing the meeting is appointed as your proxy and you do not specifically direct how your proxy is to vote on a resolution, then the person chairing the meeting intends to vote in favour of each resolution, including items 2 and 4, even though those resolutions are connected directly or indirectly with the remuneration of members of the Company’s Key Management Personnel. If you appoint as your proxy any other Key Management Personnel or any of their closely related parties and you do not direct them how to vote on Items 2 and 4, your proxy will not be entitled to vote on those items.

### Deadline for receipt of Voting Forms

To be effective, completed Voting Forms must be lodged using the reply paid envelope, by posting or facsimile to GrainCorp’s share registry at:

GrainCorp Limited

c/- **Link Market Services Limited**

Locked Bag A14,  
Sydney South NSW 1235

Facsimile: (02) 9287 0309

### OR

delivering in person to **Link Market Services Limited** at Level 12, 680 George Street, SYDNEY NSW 2000,

### OR

On-line at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), going to the voting page and following the prompts and instructions. You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is shown on the proxy form.

**Your Voting Form must be received by no later than 2.00pm (Sydney time) on 18 December 2012.** The Chairman’s decision as to whether a direct vote or proxy is valid is conclusive.

### Eligibility to vote

You will be eligible to vote at the AGM if you are registered as a holder of GrainCorp shares at 7.00pm (Sydney time) on Tuesday 18 December 2012.

By order of the Board

Andrew Horne  
Company Secretary

**16 November 2012**