



# Company announcement

GrainCorp Limited ABN 60 057 186 035

Date: 12 January, 2012

To: The Manager  
Announcements  
Company announcements office

## PUBLIC ANNOUNCEMENT

### NOTICE OF ANNUAL GENERAL MEETING 2012

Attached are GrainCorp's 2012 Notice of Annual General Meeting and Shareholder Voting Form which will be dispatched to all shareholders tomorrow.

A copy of the Company's Direct Voting Regulations and a revised version of the Constitution highlighting the Special Resolutions to be considered at the Annual General Meeting can be found at [www.graincorp.com.au](http://www.graincorp.com.au)

A handwritten signature in black ink, appearing to read "Betty Ivanoff".

**Betty Ivanoff**  
**General Counsel & Company Secretary**





13 January 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 16 February 2012 in the Ibis Room at the Sydney Marriott 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 detailing the business to be dealt with at the AGM.

This year's AGM will involve the usual business of receiving and considering the accounts, adopting the Remuneration Report and the election of Non-executive Directors as well as approving the further participation of the Managing Director & Chief Executive Officer (**CEO**) in the Long Term Incentive Plan, an increase in the annual fee pool for the remuneration of Non-executive Directors, and Special Resolutions to amend the Constitution as detailed in the following pages.

The Board has determined to allow 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 2011 Annual Report and the 2011 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 **Reid Doyle 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,  
**Sydney Marriott Hotel**  
36 College Street  
SYDNEY NSW 2010

### Date

Thursday 16 February 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 2011.

(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 2011 set out on pages 24 to 42 of the 2011 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

(a) 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. Dan Mangelsdorf, retiring by rotation, being eligible and offering himself for re-election, be re-elected as a Director of the Company."***

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

***"That for the purposes of ASX Listing Rule 14.4, article 11.3(c) of the Constitution and for all other purposes, Ms. Barbara Gibson, appointed on 3 March 2011, to fill a casual vacancy, being eligible and offering herself for election, be elected as a Director of the Company."***

### 4 Approval of the grant of performance rights to Ms. Alison Watkins, Managing Director & CEO under the Long Term Incentive Plan

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

***"That the grant of 129,894 rights (each in respect of one ordinary share) to Ms. Alison Watkins, the Managing Director & CEO of the Company under the GrainCorp Long Term Incentive Plan and on the terms set out in the Explanatory Notes, be approved for all purposes."***

### 5 Increase in maximum aggregate fee pool of Non-executive Directors' remuneration.

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

***"That the maximum aggregate fee pool for Non-executive Directors be increased by \$500,000 to \$1.5 million"***.

### Special Resolutions – Amendments to the Constitution

### 6 Setting a maximum number of Non-executive Directors on the Board

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

***"That with effect from the close of this meeting, the Constitution of the Company is amended as follows:***

Articles 11.1(b) and 11.1(c) are deleted and replaced with the following:

***(b) The maximum number of Directors is 10.***

***(c) Where a Chief Executive is appointed pursuant to article 13.10 and is appointed by the Directors to be a Director of the Company, he or she shall hold office in addition to the number of Directors referred to in articles 11.1(a) and 11.1(b).***

and a new Article 11.1(e) is added as follows:

***(e) The Company in general meeting may by ordinary resolution alter the maximum or minimum number of Directors provided that the minimum is not less than three (3).***

## **7 Circular Resolutions**

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

***"That with effect from the close of this meeting, the Constitution of the Company is amended as follows:***

Article 13.7 is deleted and replaced with the following:

### **13.7 Circulating Resolutions**

***a) The Directors may pass a resolution without a Directors' meeting being held if 75% of Directors who are entitled to vote on the resolution, sign or consent to a document containing a statement that they are in favour of the resolution set out in the document.***

***b) Separate copies of a document may be used for signing by Directors if the wording of the resolution is identical in each copy. The resolution is passed when the last Director of the majority in favour of the resolution signs or consents to the document.***

***c) A statement sent electronically by a Director to the Company that he or she is in favour of a specified resolution shall be taken to be a document containing that statement and duly signed by the Director. Such document shall be taken to have been signed by the Director at the time of its receipt by the Company.***

***(d) A Director may consent to a document by telephoning (or by using any other form of media) the Secretary or the chairperson and signifying consent to the document and clearly identifying its terms.***

***(e) Where a Director signifies consent to a document under article 13.7(d), the Director must by way of confirmation sign the document before or at the next meeting of Directors attended by that Director. The resolution the subject of a document under article 13.7(a) is not invalid if a Director does not comply with this article 13.7(e).***

## **8 Unmarketable Parcels**

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

***"That with effect from the close of this meeting, the Constitution of the Company is amended as follows:***

A new article 23 is added as follows:

### **23 Small Holdings**

***This article 23 applies whilst the shares are listed.***

***(a) Subject to the provisions of this article 23, the Directors may in their discretion from time to time sell the shares held by a Member without the request by the Member where the shares held by the Member comprise less than a marketable parcel as provided in the Listing Rules. The Directors may only sell a Member's shares on one occasion in any 12 month period.***

***(b) The Company must notify the Member in writing of its intention to sell shares under this article 23, and give the Member at least 6 weeks from the date of the notice***

*in which to tell the Company that it wishes to retain the shares.*

*(c) The Directors will not sell the relevant shares before the expiry of 6 weeks from the date of the notice given under article 23(b); or if, within the 6 weeks allowed by article 23(b):*

*(i) the Member advises the Company that the Member wishes to retain the shares; or*

*(ii) the market value of the shares held by the Member increases to at least a marketable parcel as provided in the Listing Rules.*

*(d) The authorisation to sell shares under this article 23 lapses following the announcement of a takeover, but the procedure may be re-started after the close of offers made under the takeover.*

*(e) The Company or the purchaser of the shares must pay the costs of the sale.*

*(f) The proceeds of the sale will not be sent to the Member until the Company has received any certificate (or other evidence of title) relating to the shares which it considers necessary, or is satisfied that the certificate (or other evidence of title) has been lost or destroyed.*

*(g) Each Member each appoints any two Directors as its attorney to complete and sign any documents relating to any transfer of shares under this article 23 on behalf of such Member.*

## 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 2011 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 8 February 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.

## Item 2 - Adoption of the Remuneration Report

### ***Resolution to adopt the Remuneration Report***

The Remuneration Report for the financial year ended 30 September 2011 is set out on pages 24 to 42 of the 2011 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.

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"**.

Subject to any change in legislation, any undirected or open proxies held by the Chairman of the meeting cannot be voted on Item 2 (Remuneration Report).

The same will apply if any other Director of GrainCorp or any other of GrainCorp's key management personnel or any of their closely related parties is appointed as proxy. The Remuneration Report identifies GrainCorp's key management personnel for the financial year to 30 September 2011. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

## 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, **Mr. Dan Mangelsdorf** is scheduled to retire at this AGM.

In accordance with the casual vacancy rule and ASX Listing Rule 14.4 and article 11.2(b) of the Constitution, **Ms. Barbara Gibson** is scheduled to retire at this AGM.

The Board (excluding sequentially Mr. Mangelsdorf and Ms. Gibson) has conducted an assessment of the performance of these Directors and the 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 and election, respectively, of:

- (a) Mr. Dan Mangelsdorf; and
- (b) Ms. Barbara Gibson

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

### **Mr. Dan Mangelsdorf, BAgEc(Hons), FAICD (Non-executive Director)**

Mr. Dan Mangelsdorf is Chairman of the Business Risk Committee and a member of the Corporate Governance Committee. Mr. Mangelsdorf operates grain growing interests in Central NSW and has wide ranging grains industry expertise.

Mr. Mangelsdorf joined the Board in February 2005. He was formerly Chairman of Grain Growers Association Limited and is a member of the Federal Government Industry Expert Group.

In connection with his grain growing interests, Mr Mangelsdorf does acquire grain storage and related services from GrainCorp. These services are made available to Mr. Mangelsdorf on the same commercial terms and for the same publically available prices as are published on the Company's website, and made available to all customers.

Accordingly, the Board does not consider that the independence of Mr. Mangelsdorf is altered, and that the benefit of attracting grain into the Company's network is in the best interest of the Company.

The Board's approach to this issue is that the Non-executive Directors who have a commercial interest outside the Company in acquiring goods or services of the type offered

by the Company, are offered such goods or services at arms' length as are all customers, and that it is of value to have such interests served by the Company as opposed to being served by its competitors.

**Ms. Barbara Gibson, BSc, MAICD, FTSE  
(Non-executive Director)**

Ms. Barbara Gibson is a member of the Business Risk Committee and of the Corporate Governance Committee and joined the Board in March 2011. Ms. Gibson is an experienced Executive having spent 20 years with Orica Limited, most recently as Orica's Group General Manager, Chemicals Group for 8 years. Ms. Gibson is currently a Director of Nuplex Industries Limited, Warakirri Holdings Pty Limited and Warakirri Dairies Pty Limited and Chair of Warakirri Asset Management Pty Limited. She was formerly a Director of St. Barbara Limited and Penrice Soda Holdings Limited.

Warakirri Dairies Pty Limited and Warakirri Asset Management Pty Limited may from time to time acquire grain storage and related services from GrainCorp. Ms. Gibson is not involved in the decision making process on behalf of these entities in this regard. These services are made available to Warakirri Dairies Pty Limited and Warakirri Asset Management Pty Limited on the same commercial terms and for the same publically available prices as are published on the Company's website, and made available to all customers.

Accordingly and following the logic outlined above in the final paragraph regarding Mr. Mangelsdorf, the Board does not consider that the independence of Ms. Gibson is altered, and that the benefit of attracting grain into the Company's network is in the best interest of the Company.

**Directors' Recommendation**

**The Board (excluding candidate Directors sequentially) recommends that shareholders vote in favour of each of the resolutions in Item 3.**

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

**Item 4 – Grant of performance rights to Ms. Alison Watkins, Managing Director & CEO under GrainCorp's Long Term Incentive Plan (LTI Plan)**

Under ASX Listing Rule 10.14, a Director of the Company may only acquire securities under an employee share plan where such grant is approved by ordinary resolution of the Company in general meeting. Therefore, approval is sought for the grant of 129,894 performance rights to Ms. Watkins' under the GrainCorp LTI Plan.

The Managing Director & CEO's target remuneration package (to be reviewed annually, last review date 28 November 2011) is made up of total fixed remuneration of \$988,000, \$988,000 of short term incentive (50% paid in cash and 50% in rights in the Deferred Equity Plan) and \$988,000 of long term incentive.

A brief overview of the details of the proposed grant is set out below. The grant is otherwise on the terms of the LTI Plan that was approved at last year's AGM.

If shareholder approval for Ms. Watkins' participation in the LTI Plan is not obtained, the Company will provide Ms. Watkins with a cash benefit that will place her, in so far as is possible, in the same position as she would have been in had she participated in the LTI Plan.

**Maximum entitlement under 2011 offer**

Subject to shareholder approval, Ms. Watkins will be granted performance rights under the LTI Plan based on the grant amount of \$988,000. The actual number of performance rights to be granted is 129,894 (the dollar value was converted into the number of rights by dividing the dollar amount by the volume weighted average price of GrainCorp's shares over the 20 trading days immediately following but not including the date annual results for the financial year ended 30 September 2011 were released).

Each performance right entitles Ms. Watkins, upon vesting, to one fully paid ordinary share in the Company. Unvested performance rights carry no voting rights and no entitlement to participate in any dividends.

#### **Date of grant of performance rights**

If shareholder approval is obtained, the performance rights will be granted to Ms. Watkins within three months of the date of this Meeting.

#### **Performance Period**

The performance period is three years from 1 October 2011 to 30 September 2014 (**Performance Period**).

#### **Price payable on grant or vesting**

No amount will be payable in respect of the grant or upon vesting of the performance rights.

#### **Performance conditions**

Consistent with the scheme presented to and approved by shareholders at last years' AGM, vesting of the performance rights is based on performance against two hurdles, one external, namely total shareholder return (**TSR**) (50%), and one internal, return on equity (**ROE**) (50%). Below is a summary of the TSR and ROE performance hurdle calculations.

##### TSR hurdle

TSR is the growth in share price plus the value of dividends and distributions paid on the relevant shares. The hurdle is relative TSR measured against a peer group of 100 companies in the ASX (50 companies immediately above and 50 companies immediately below by market capitalisation).

The percentage of performance rights which vest based on TSR during the period if any, will be determined by the Board with reference to the percentile ranking achieved by GrainCorp over the Performance Period compared to the comparator Group as follows:

| <b>TSR growth – percentile ranking actual performance</b> | <b>TSR tested performance rights that vest</b> |
|-----------------------------------------------------------|------------------------------------------------|
| 75 <sup>th</sup> percentile and above                     | 100%                                           |
| Between 51 <sup>st</sup> to 75 <sup>th</sup> percentile   | Straight line between 50% and 100%             |
| At or below 50 <sup>th</sup> percentile                   | Nil                                            |

##### ROE Hurdle

ROE is defined as GrainCorp net profit after tax for the financial year (as set out in GrainCorp's financial report for that year), divided by the average shareholders' equity for that financial year as determined by the Board from GrainCorp's financial reports.

The Board sets the one year ROE target range as part of the budgeting process each year in the Performance Period. The top end of the target range is set with regard to the degree of difficulty, and is considered challenging yet achievable. As outlined in the Remuneration Report, at Target, 50% of the rights vest, at Stretch, 100% vest.

As previously indicated to shareholders, the setting of one year targets each year for three years allows the Board to better account for the particular production conditions (harvest and market conditions) for the forthcoming year than is possible using a three year target, which may quickly prove too hard or too easy given the prevailing conditions. Given the nature of an agriculture business, the cyclical nature of production and factors that are unknown or occur out of GrainCorp's control, the setting of one year targets is considered appropriate and the Board's view is that management should improve ROE across the cycle.

The percentage of performance rights which vest based on ROE during the period, if any, will be determined by the Board with reference to GrainCorp's average ROE performance over the Performance Period against the average of the minimum of the target range, and the average of the

maximum of the target range, for ROE over the Performance Period, as follows:

| ROE actual performance               | ROE performance rights that vest           |
|--------------------------------------|--------------------------------------------|
| At maximum of Target Range and above | 100%                                       |
| Within Target Range                  | Straight-line between 50% and 100% vesting |
| At minimum of Target Range           | 50%                                        |
| Below minimum Target Range           | Nil                                        |

#### Restrictions on dealings

Ms. Watkins is not entitled to trade, transfer or otherwise deal in (including entering into any hedging arrangements in respect of) the performance rights or the underlying shares prior to vesting.

Shares allocated on vesting of the performance rights will not be subject to additional trading restrictions on dealing (aside from complying with the GrainCorp Share Trading Policy).

#### Prior approvals of LTI

The LTI Plan commenced operation last financial year when approval was sought at the AGM, where Ms. Watkins' participation in the LTI Plan was approved by shareholders. No other Directors will be offered participation in the LTI Plan. As previously indicated to shareholders, the Board considers that the LTI Plan forms a critical part of effectively rewarding and incentivising senior management.

Since the approval of the LTI Plan in 2010, the Company has issued 146,604 performance rights to Ms. Watkins for the 2010 grant, and no amount was payable in respect of this grant, nor will any amount be payable upon vesting of these performance rights.

#### Directors' Recommendation

**The Board (excluding Ms. Watkins) recommends that shareholders vote in favour of the resolution in Item 4.**

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

#### Item 5 – Fee pool of Non-executive Directors' Remuneration

The current Non-executive Directors' fee pool is capped at \$1 million and has not been increased since 2001. The details of the Non-executive Directors' current fee arrangements are set out in the Remuneration Report. The Board deliberately kept fees low during the drought years and while the Board was proving its capacity to manage a more global and complex organisation.

The Board now considers it appropriate to increase the annual fee cap by \$500,000 to \$1.5 million to take account of the need to:

- increase Non-executive Directors' fees in line with the policy to pay between the median of the market and the 75<sup>th</sup> percentile;
- to enable incremental increases as required over time;
- to create additional contingency in the event that another Non-executive Director will be appointed at some point in the future (although there are no current plans to do so); and/or
- for the purposes of succession, if a Non-executive Director is brought on board before another retires.

#### Directors' Recommendation

**As a result of the interests of the Non-executive Directors in this item, the Board as a whole makes no recommendation in respect of this Item 5.**

The Chairman intends to vote any undirected proxies in favour of the resolution in Item 5.

#### Special Resolutions – Items 6, 7 and 8 - Amendments to the Constitution

The Board proposes that a number of amendments be made to the relevant sections of GrainCorp's Constitution to bring GrainCorp into line with the corporate practice of many listed Australian companies.

Each amendment to the Constitution must be passed by Special Resolution.

A copy of the Constitution containing each of the proposed amendments may be obtained by contacting GrainCorp's Investor Relations Manager, Reid Doyle, on phone number: +612 9266 9217, and will be available on GrainCorp's website.

Each of the proposed amendments is included in the copy of the Constitution that will be tabled and available for inspection at the Meeting.

The proposed resolutions to amend the Constitution relate to:

- prescribing the maximum number of Directors;
- the procedure for circular resolutions;
- dealing with unmarketable parcels of shares,

and are described in detail below.

#### **Item 6 – Number of Directors**

The GrainCorp Constitution does not presently prescribe a maximum number of Directors. Although the Corporations Act does not require a maximum to be included, it is relatively common market practice for a public listed company to prescribe a maximum number of Directors. The GrainCorp Constitution states, at article 11.1, that the minimum number of Directors is four (4), and article 11.2(b) allows for the Directors or the general meeting by resolution to appoint additional Directors to the existing Directors at any time.

GrainCorp proposes to amend its Constitution such that the maximum number of Non-executive Directors who may be appointed is 10. In addition the Managing Director & CEO will continue to be a Director. At present GrainCorp has eight (8) Directors including the Managing Director & CEO. As a result of the increased size and complexity of the business, the Directors believe it is appropriate that the maximum be set at 10 Directors plus the

Managing Director & CEO so as to provide increased flexibility in relation to future composition or structure of the Board. Such a number should allow the Company to attract additional high calibre Directors with appropriate expertise and experience without making the Board so large it becomes unwieldy.

The proposed amendment to the Constitution provides that any changes in future to the maximum or minimum number of Directors (subject to the minimum being not less than three (3)) will require shareholder approval.

#### **Directors' Recommendation**

**The Board recommends that shareholders vote in favour of the Special Resolution in Item 6.**

The Chairman intends to vote any undirected proxies in favour of the Special Resolution in Item 6.

#### **Item 7 – Circular resolutions**

Article 13.7 of the GrainCorp Constitution currently requires all Directors to sign a circulating resolution for it to take effect. GrainCorp proposes to amend the Constitution to provide for a resolution to be passed by a written resolution of 75% of all Directors entitled to vote on the resolution to make consideration of such issues more practical and to allow the Board to decide on matters in a more responsive and time effective manner. Such a provision is common practice amongst constitutions of large listed companies.

The proposed amendment to allow for 75% of Directors to pass a written resolution will ensure a high degree of scrutiny over Board decisions as this threshold is higher than an approval requirement for a physical Board meeting.

The changes also clarify that Directors may provide their consent to such a written resolution by electronic means and also by telephone or other media if the Director

subsequently signs the relevant resolution at or before the next Board meeting they attend.

### **Directors' Recommendation**

#### **The Board recommends that shareholders vote in favour of the Special Resolution in Item 7.**

The Chairman intends to vote any undirected proxies in favour of the Special Resolution in Item 7.

### **Item 8 – Unmarketable Parcels**

The GrainCorp Constitution does not have a provision empowering the Company to deal with non-marketable parcels of shares. A marketable parcel with regard to equities securities is defined in the ASX Operating Rules as a parcel of securities of not less than \$500 based on the closing price on a trading platform.

Such a constitutional provision is required to empower the Company to sell the shares of a holder who has less than a marketable parcel of those shares with such a sale subject to certain conditions. The conditions are that the constitution must provide that the Directors can put into place a process not more than once in each twelve (12) month period to sell the unmarketable parcel unless the shareholder notifies the Company that it does not want the shares to be sold or acquires further shares so that their holding is no longer less than a marketable parcel. The Company must give at least six (6) weeks' notice and in that notice explain the effect of the provisions and advise the shareholder that they may avoid having the shares sold by opting out or increasing their shareholding to a marketable parcel. The shareholder must also not bear any costs involved in the sale. The proposed amendments to the Constitution provide these protections.

The Company has a number of shareholders who hold such unmarketable parcels of shares. As a result of the proposed amendments to the Constitution, for shareholders holding an unmarketable parcel, the option of sale by way of that procedure is

an inexpensive and efficient means of selling their GrainCorp shares.

The proposed amendment to the Constitution would also assist the Company in limiting its administrative costs incurred as a result of issuing shareholding statements, annual reports and other shareholder communications and registers.

### **Directors' Recommendation**

#### **The Board recommends that shareholders vote in favour of the Special Resolution in Item 8.**

The Chairman intends to vote any undirected proxies in favour of the Special Resolution in Item 8.

### **Notes**

#### **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 AGM.

### **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 (where Chairman is proxy)***

As disclosed in the relevant explanatory note to each Item, if the Chairman is appointed as

your proxy and you do not specifically direct how your proxy is to vote on a resolution, then the Chairman intends to vote in favour of each resolution other than that in Item 2. Subject to any change in legislation, however, any undirected proxies held by the Chairman of the meeting will not be voted on Item 2 (Remuneration Report). The same will apply if any other key management personnel or any of their closely related parties is appointed.

#### ***Deadline for receipt of Voting Forms***

To be effective, your Voting Form and the authority (if any) under which it is signed or a certified copy of that authority must be received at Link Market Services Limited not less than 48 hours before the time of the AGM. Completed Voting Forms may 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 14 February 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 14 February 2012.

### ***Voting exclusions***

#### **Item 2**

As required by the Corporations Act, no member of the Company's key management personnel, or a closely related party of any such member may vote on Item 2 unless:

- the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed resolution in Item 2; and
- the vote is not cast on behalf of any such member or closely related party of any such member.

#### **Item 4**

In accordance with ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Item 4 by any Director (except those who are ineligible to participate in any employee incentive scheme operated by the Company) and their associates.

However, the Company need not disregard a vote, if:

- it 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 a direction on the proxy form to vote as the proxy decides.

As required by the Corporations Act, no member of the Company's key management personnel, or a closely related party of any such member may vote as a proxy on Item 4 unless:

- the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed resolution in Item 4; or
- the person is the chair of the meeting and votes as a proxy under an appointment in writing that expressly authorises the chair

to vote on the proposed resolution in Item 4 even though that resolution is connected with the remuneration of members of the Company's key management personnel.

#### **Item 5**

In accordance with ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Item 5 by any Director or their associates.

However, the Company need not disregard a vote, if:

- it 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 a direction on the proxy form to vote as the proxy decides.

As required by the Corporations Act, no member of the Company's key management personnel, or a closely related party of any such member may vote as a proxy on Item 5 unless:

- the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed resolution in Item 5; or
- the person is the chair of the meeting and votes as a proxy under an appointment in writing that expressly authorises the chair to vote on the proposed resolution in Item 4 even though that resolution is connected with the remuneration of members of the Company's key management personnel.

By order of the Board

Betty Ivanoff  
General Counsel & Company Secretary

**13 January 2012**



## Questions From Shareholders

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GrainCorp Limited ABN 60 057 186 035 ("Company")

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### QUESTIONS FROM SHAREHOLDERS

The Annual General Meeting (**AGM**) of GrainCorp Limited will be held on Thursday 16 February 2012 at the Sydney Marriott Hotel, commencing at 2.00pm. Registration of attendees will commence at 1.00pm in order to avoid a delayed start time.

Shareholders who are unable to attend the AGM or who may prefer to register questions in advance are invited to do so. This form is provided as a convenient way to submit any questions you may have to either the Chairman or the Auditor.

Any shareholder who wishes to submit a question on these matters must submit that question in writing to the Company Secretary at PO Box A268 Sydney South NSW 1235 no later than 8 February 2012. The envelope provided for the return of your proxy form may also be used for this purpose.

We will endeavour to address more frequently raised questions during the course of the AGM. If time does not permit us to address all questions, the Company will prepare responses and make these available on our website.

**Your Name/s:** \_\_\_\_\_

**Security holder Reference Number (SRN) or Holder Identification Number (HIN)**

I \_\_\_\_\_ or X \_\_\_\_\_

### Questions

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

**Thank you for taking the time to ask these questions.**



## SHAREHOLDER VOTING FORM

### STEP 1 Please mark either Box A or Box B

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

**A**

#### VOTE DIRECTLY

☐

elect to lodge my/our  
vote(s) directly (*mark box*)



in relation to the Annual General Meeting of the Company to be held at **2:00pm on Thursday, 16 February 2012**, and at any adjournment or postponement of the meeting.  
You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

OR

**B**

#### 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 **2:00pm on Thursday, 16 February 2012**, at **The Ibis Room, Sydney Marriott Hotel, 36 College Street, Sydney NSW 2010** and at any adjournment or postponement of the meeting.



If you appoint a proxy, we encourage you to direct your proxy how to vote on each item of business.

**Important for Item 2 (Remuneration Report):** If the Chairman of the Meeting or any other key management personnel named in the Remuneration Report or their closely related parties is your proxy and you have not directed the proxy how to vote on Item 2, the proxy is not permitted to cast any votes as an undirected proxy.

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

Please read the voting instructions overleaf before marking any boxes with an **X**

### STEP 2

#### VOTING DIRECTIONS

##### ORDINARY RESOLUTIONS

2 Adoption of Remuneration Report

For ☐ Against ☐ Abstain\* ☐

3a Re-election of Mr Dan Mangelsdorf  
as a Director

☐ ☐ ☐

3b Election of Ms Barbara Gibson as a Director

☐ ☐ ☐

4 Grant of performance rights to  
Ms Alison Watkins, MD & CEO

☐ ☐ ☐

5 Increase in Non-Executive Directors' Fee Pool

☐ ☐ ☐

##### SPECIAL RESOLUTIONS - AMENDMENT TO CONSTITUTION

6 Setting a maximum number of Non-  
Executive Directors on the Board

For ☐ Against ☐ Abstain\* ☐

7 Circular Resolutions

☐ ☐ ☐

8 Unmarketable Parcels

☐ ☐ ☐

**i** \* If you are voting under Box B and 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

#### IMPORTANT - VOTING EXCLUSIONS

☐

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of Items 4 and 5 above, please place a mark in this box. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 4 and 5 even though the items are directly or indirectly connected with the remuneration of key management personnel. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though those Items are directly or indirectly connected with the remuneration of key management personnel or he/she has an interest in the outcome of those Items and that votes cast by him/her for those Items, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 4 and 5 and your votes will not be counted in calculating the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 4 and 5.

### STEP 4

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

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

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).

## HOW TO COMPLETE THIS VOTING FORM

### Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### Voting under Box A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either **"for"** or **"against"** for each item. Do not mark the **"abstain"** box. If you mark the **"abstain"** box for an item, no vote will be recorded for that item.

If you mark both Boxes A and B, then Box B is deemed to have been chosen. The person named will be your proxy, or if no person is named the Chairman of the Meeting will be the appointed proxy.

You may identify on the voting form the total number of votes in each of the categories **"for"** and **"against"** and those votes will be valid.

If you have lodged a direct vote, and then you attend the meeting, your direct vote will be valid unless revoked at the meeting.

The Chairman's decision as to whether a direct vote is valid is conclusive.

### Voting under Box B - Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Box B. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Box B. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- on each of the first Voting Form and the second Voting Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together.

### Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Voting Form

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm on Tuesday, 14 February 2012**, being not later than 48 hours before the commencement of the meeting. Any Voting Form received after that time will not be valid for the scheduled meeting.

Voting Forms may be lodged using the reply paid envelope or:



**ONLINE**  [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



**by mail:**

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



**by fax:**

(02) 9287 0309



**by hand:**

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.



**GrainCorp Limited**  
ABN 60 057 186 035

## LODGE YOUR DIRECTION



**ONLINE**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



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



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



**All enquiries to:** Telephone: 1300 883 034 or (02) 8280 7483

## VOTING DIRECTION FORM

### STEP 1

#### DIRECTION TO THE TRUSTEE OF THE PLAN

I, being a participant of the GNC Employee Share Plan direct the Trustee of the Plan (Pacific Custodians Pty Limited) to vote on my behalf in respect of any voting rights attaching to shares held for my benefit under the Plan at the Annual General Meeting of the Company to be held at 2:00pm on Thursday, 16 February 2012, at The Ibis Room, Sydney Marriott Hotel, 36 College Street, Sydney NSW 2010 and at any adjournment of that meeting. Forms will only be valid and accepted by the Company if they are signed and received no later than 2:00pm on Thursday, 9 February 2012.

This form will only be used for the purpose of voting on the resolutions specified below.

To direct the Trustee on how to vote on any resolution, please insert ☒ in the appropriate box.

In the absence of a direction by you, the Trustee has no direction and your votes will not be counted.

### STEP 2

#### VOTING DIRECTIONS

##### ORDINARY RESOLUTIONS

|                                                              | For                      | Against                  | Abstain*                 |
|--------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 2 Adoption of Remuneration Report                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3a Re-election of Mr Dan Mangelsdorf as a Director           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3b Election of Ms Barbara Gibson as a Director               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Grant of performance rights to Ms Alison Watkins, MD & CEO | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Increase in Non-Executive Directors' Fee Pool              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

##### SPECIAL RESOLUTIONS - AMENDMENT TO CONSTITUTION

|                                                                    | For                      | Against                  | Abstain*                 |
|--------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 6 Setting a maximum number of Non-Executive Directors on the Board | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Circular Resolutions                                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 Unmarketable Parcels                                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



\* If you mark the Abstain box for a particular Resolution, you are directing the Trustee not to vote on your behalf and your votes will not be counted in computing the required majority on a poll.

### STEP 3

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

Signature of Participant

**GNC VDF101**

