



Australian Agricultural Company Limited
ABN 15 010 892 270

AACo Notice of Meeting

ASX Announcement No. 13/2014

16 June 2014

Manager
ASX Market Announcements
Australian Securities Exchange

A copy of the 2014 Notice of Annual General Meeting (AGM) of the Australian Agricultural Company Limited (AACo) and Proxy Form are attached.

The Directors who will retire by rotation and who offer themselves for re-election at the 2014 AGM on 17 July 2014 are Mr Stuart Black AM and Mr Tom Keene. The Board (with the Director abstaining in respect of his own election) unanimously recommends that Shareholders vote in favour of the election of both Mr Stuart Black and Mr Tom Keene.

Full details of the business of the AGM on 17 July 2014 including the resolutions to elect directors are set out in the Notice of Annual General Meeting and the Explanatory Statement which forms part of it.

Issued by:
Bruce Bennett
Company Secretary and General Counsel



AUSTRALIAN AGRICULTURAL COMPANY LIMITED



NOTICE OF ANNUAL GENERAL MEETING

10.00am Thursday 17 July 2014
RNA Royal International Convention Centre
600 Gregory Terrace, Bowen Hills, Brisbane

Australian Agricultural Company Limited
ABN 15 010 892 270



NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Shareholders of the Australian Agricultural Company Limited ("AACo") will be held on Thursday 17 July 2014 at 10.00am (Brisbane time) at the RNA Royal International Convention Centre, 600 Gregory Terrace, Bowen Hills, Brisbane, Queensland 4000.

If you are unable to attend the Annual General Meeting of Shareholders, please complete and return the enclosed proxy form in accordance with the specified directions in this Notice of Annual General Meeting and on the proxy form. This Notice of Annual General Meeting should be read in conjunction with the Explanatory Statement which is attached to this Notice of Annual General Meeting.

Ordinary business

Item 1: Financial Statements and Reports

- ▶ To receive and consider the Financial Report and the Reports of the Directors and the Auditor in respect of the 12 months ended 31 March 2014.

Note: There is no vote on this Item.

Item 2: Remuneration Report

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

"That the Remuneration Report of AACo for the financial year ended 31 March 2014 be adopted."

Note: In accordance with section 250R of the Corporations Act 2001 (Cwlth), the vote on this resolution will be advisory only.

Item 3: Election of Director: Mr Stuart Black AM

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

"That Mr Stuart Black AM, a Director retiring in accordance with Article 9.3 of the Constitution of AACo, being eligible, is re-elected as a Director of AACo."

Item 4: Election of Director: Mr Tom Keene

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

"That Mr Tom Keene, a Director retiring in accordance with Article 9.3 of the Constitution of AACo, being eligible, is re-elected as a Director of AACo."

Special business

Item 5: Grant of performance rights to Managing Director/CEO

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

"That approval is given for the purpose of ASX Listing Rule 10.14 and all other purposes under the Corporations Act and the Listing Rules of ASX Limited for:

a) Mr Jason Strong to participate in the AACo Performance Rights Plan (Plan) with a maximum of 84,252 performance rights being issued to him in the financial year ending 31 March 2015 in respect to the 2014 Deferred Equity Award (DEA) Invitation; and

b) the acquisition by Mr Strong of performance rights and ordinary shares in AACo, in consequence of the vesting of those performance rights,

in accordance with the Plan Rules (as amended from time to time) described in the Explanatory Notes accompanying this Notice of Meeting."

Voting exclusion statement

Voting exclusions on Item 2

A vote must not be cast (in any capacity) on Item 2 by or on behalf of:

- ▶ key management personnel of AACo (including the Directors), details of whose remuneration is disclosed in the Remuneration Report ("KMP"); or
- ▶ a closely related party (such as close family members and any companies the person controls) of those persons,

whether as shareholder or proxyholder.

However, a vote may be cast on Item 2:

- ▶ by a member of the KMP, or a closely related party of a member of the KMP, if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on Item 2, and the vote is not cast on behalf of a member of the KMP or a closely related party of a member of the KMP; or
- ▶ by the Chairman of the meeting, if the vote is cast as a proxy appointed in writing that does not specify the way the proxy is to vote on the resolution, and expressly authorises the Chairman of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Proxy voting by the Chairman of the meeting on Item 2

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on Item 2 on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy even if that Item is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairman of the meeting intends to vote all available proxies in favour of Item 2.

Voting exclusions on Item 5

AACo will disregard any votes cast on Item 5 by:

- ▶ Mr Strong; and
- ▶ any associate of Mr Strong.

However, AACo need not disregard a vote on Item 5 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 Chairman of 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.

A vote must not be cast on Item 5 by a member of the KMP, or a closely related party of a member of the KMP, acting as proxy, if their appointment does not specify the way the proxy is to vote on Item 5. However, this voting exclusion does not apply if the member of the KMP is the Chairman of the meeting acting as proxy and their appointment expressly authorises the Chairman of the meeting to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a member of the KMP.

Proxy voting by the Chairman of the meeting on Item 5

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on Item 5 on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy even if Item 5 is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairman of the meeting intends to vote all available proxies in favour of Item 5.

By Order of the Board

Bruce Bennett

General Counsel and Company Secretary

16 June 2014

Notes

Voting by Proxy Information

If you are entitled to attend and vote at the meeting of members, you may appoint a proxy to attend and vote at the meeting on your behalf. A proxy does not need to be a member. If you are entitled to cast two or more votes at the meeting, you may appoint two persons as your proxy or proxies to attend and vote at the meeting. If you appoint two proxies and you do not specify the proportion or number of your votes, each proxy may exercise half of your votes on a poll.

Any undirected proxies on a given Item may be voted by the appointed proxies as they choose, subject to the restrictions set out in the voting exclusion statements in this Notice of Annual General Meeting. In particular:

- ▶ if an undirected proxy in relation to Item 2 or 5 is given to a director (other than the Chairman) or other member of the KMP, details of whose remuneration are set out in the Remuneration Report (or any of their closely related parties), such a proxy will not vote on Item 2 or 5. To allow such a proxy to vote on Item 2 or 5, members must direct the proxy how to vote by ticking "For", "Against" or "Abstain" opposite Item 2 or 5 on the proxy form;
- ▶ if a member appoints the Chairman as the member's proxy in relation to Item 2, but does not complete any of the boxes "For", "Against" or "Abstain" opposite Item 2 on the proxy form, the Chairman will exercise your proxy even if Item 2 is connected directly or indirectly with the remuneration of a member of the KMP. The Chairman intends to vote all available proxies in favour of Item 2. If a member wishes to appoint the Chairman as proxy with a direction to vote against, or to abstain from voting on Item 2, the member should specify this by completing the "Against" or "Abstain" box on the proxy form; and
- ▶ if a member appoints the Chairman as the member's proxy in relation to Item 5, but does not complete any of the boxes "For", "Against" or "Abstain" opposite Item 5 (as the case may be) on the proxy form, the Chairman will exercise your proxy even if Item 5 is connected directly or indirectly with the remuneration of a member of the KMP. The Chairman intends to vote all available proxies in favour of Item 5. If a member wishes to appoint the Chairman as proxy with a direction to vote against, or to abstain from voting on Item 5 the member should specify this by completing the "Against" or "Abstain" box on the proxy form.

AACo must receive an Appointment of Proxy at least 48 hours before the meeting. Any proxy form received after this deadline (including at the Annual General Meeting) will be invalid. If an Appointment of Proxy is signed by the appointer's attorney, the authority under which the appointment was signed, or a certified copy of the authority, must accompany the Appointment of Proxy.

The proxy's appointment and, if applicable, the authority appointing an attorney, must be sent by post, fax, online or delivered by hand to:

By post

Australian Agricultural Company Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

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By fax

Link Market Services Limited
Facsimile (02) 9287 0309

Online

www.linkmarketservices.com.au

By hand

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

By no later than 10.00am (Brisbane time) on Tuesday 15 July 2014.

For your convenience, an Appointment of Proxy Form accompanies this Notice of Annual General Meeting. Please refer to the Appointment of Proxy Form for instructions on completing the form.

Entitlement to Vote Date

The Directors have determined that for the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cwlth) and ASX Settlement Operating Rule 5.6.1, the persons eligible to vote at the meeting will be those persons who are registered Shareholders at 7.00pm (Sydney time) on Tuesday 15 July 2014.

Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Corporate Representatives

Any corporate Shareholder wishing to appoint a person to act as its representative at the meeting may do so by providing that person with:

- ▶ a letter or certificate, executed in accordance with the corporate Shareholder's Constitution, authorising that person as the corporate Shareholder's representative at the meeting; or
- ▶ a copy of the resolution appointing the person as the corporate Shareholder's representative at the meeting, certified by the company secretary or Director of the corporate Shareholder.

Please bring this evidence of your appointment as corporate representative to the meeting.

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Explanatory Statement

This Explanatory Statement is an explanation of, and contains information about, the resolutions to be considered at the Annual General Meeting, which are set out in the accompanying Notice of Annual General Meeting, to assist Shareholders to determine how they wish to vote on the resolutions. This Explanatory Statement forms part of the accompanying Notice of Annual General Meeting and should be read together with the Notice of Annual General Meeting.

Item 1: Financial Statements and Reports

The Corporations Act 2001 (Cwlth) (the "**Corporations Act**") and the Constitution of AACo require the following reports in respect of the 12 months ended 31 March 2014 to be laid before the meeting:

- ▶ the Financial Report (which includes the financial statements and Directors' declaration);
- ▶ the Directors' Report; and
- ▶ the Auditor's Report.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity, as a whole, at the meeting to ask questions and make comments on these reports, and on the business, operations and management of AACo.

There is no requirement, either in the Corporations Act or in the Constitution of AACo, for Shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report.

Item 2: Remuneration Report

Section 250R(2) of the Corporations Act requires AACo to propose a resolution that the Remuneration Report of AACo for the year ended 31 March 2014 be adopted. The vote on this resolution is advisory only.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

Item 3: Election of Director: Mr Stuart Black AM

As required by Article 9.3 of the Constitution of AACo, at each Annual General Meeting, one-third of the Directors for the time being (excluding casual appointees and the Managing Director) must retire from office.

The Constitution of AACo requires that two Directors retire under Article 9.3 at the 2014 AGM.

The Directors to retire at any Annual General Meeting must be those who have been longest in office since their last election, but, as between persons who were last elected as Directors on the same day, those to retire must be determined by lot, unless they otherwise agree among themselves.

Mr Stuart Black AM and Mr Tom Keene are equal longest serving directors, both having been elected as Directors on 16 March 2012. In accordance with Article 9.3, Mr Black will be retiring at the conclusion of the 2014 Annual General Meeting and offers himself for re-election.

A profile for Mr Black is set out in the following section. The re-election of this Director will be by a separate ordinary resolution of AACo. To be re-elected, the candidate must receive more votes in favour of his re-election than against his re-election.

The Board (with Mr Black abstaining) recommends that Shareholders vote in favour of the re-election of Mr Black.

Profile: Mr Stuart Black

Mr Black was appointed a Director on 5 October 2011. Mr Black has served as Chairman of the Audit Committee, and is a member of the Risk and Compliance Committee and a member of the Nomination Committee.

Mr Black has extensive experience in agribusiness. He is a current non-executive director of Coffey International Limited, NetComm Wireless Limited and a past President of the Institute of Chartered Accountants of Australia. He was the inaugural Chair and is a current Board Member of the Australian Accounting Professional and Ethical Standards Board. Mr Black is the representative of the Australian accounting bodies on the International Federation of Accountants Small Medium Practice Committee, Chairman of the Chartered Accountants Benevolent Fund Limited and a director of Country Education Foundation of Australia Limited.

In 2012 he was appointed a member of the Order of Australia for services to the profession of accounting, to ethical standards, as a contributor to professional organisations, and to the community.

During the past three years Mr Black has served as a Director of the following listed companies:

- ▶ Coffey International Limited* - appointed March 2002; and
- ▶ NetComm Wireless Limited* - appointed March 2013.

*Denotes current Directorship.

Item 4: Election of Director: Mr Tom Keene

In accordance with Article 9.3, Mr Keene will be retiring at the conclusion of the 2014 Annual General Meeting and offers himself for re-election.

A profile for Mr Keene is set out in the following section. The election of this Director will be by a separate ordinary resolution of AACo. To be elected, the candidate must receive more votes in favour of his election than against his election.

The Board (with Mr Keene abstaining) recommends that Shareholders vote in favour of Mr Keene's election.

Profile: Mr Tom Keene

Mr Keene was appointed a Director on 5 October 2011. Mr Keene has served as Chairman of the Risk and Compliance Committee, a member of the Nomination Committee and a member of the Staff and Remuneration Committee.

Mr Keene has an extensive career in agriculture and is the former Managing Director of Graincorp Limited, where he established the company as a listed entity. He is currently a director of Cotton Seed Distributors Limited* and Midway Limited.*

During the past three years Mr Keene has not served as a Director of any other listed company.

*Denotes current Directorship.

Item 5: Grant of performance rights to Managing Director/CEO

The Board proposes to offer participation in the AACo Performance Rights Plan ("**Plan**") to Mr Jason Strong, the Managing Director and CEO of AACo. Under Listing Rule 10.14, the ASX requires that Shareholders approve the grant of securities to a Director.

The Board proposes to offer participation in the Plan to Mr Strong for the grant of performance rights ("**Performance Rights**") as described in this explanatory statement.

Shareholder approval is sought for the grant of Performance Rights to Mr Strong under the Plan for up to 84,252 Performance Rights under the 2014 Deferred Equity Award ("**DEA**") invitation ("**2014 DEA Invitation**").

The terms of the grant are explained in more detail below.

The DEA, as part of AACo's Plan (originally approved by shareholders on 11 May 2011 and re-approved on 21 August 2013) was established as part of AACo's short term incentive ("**STI**") arrangements, and enables the company to award eligible participants with Performance Rights rather than cash, up to a deemed amount which is equivalent in value.

Director's remuneration

Prior to his appointment as Managing Director and Chief Executive Officer on 24 January 2014, Mr Strong held the position of General Manager – Marketing.

With respect to the 12-month financial year ended 31 March 2014 ("**FY2014**"), Mr Strong's entitlement to STI benefits is determined by his previous contract of employment which applied when he held the position of General Manager – Marketing.

Accordingly, Mr Strong's remuneration benefits in respect of his employment in FY2014 are as follows:

- ▶ total fixed remuneration of \$337,185 per annum; and
- ▶ STI benefits of up to \$252,889 per annum before any factor increase – comprising a potential cash bonus of up to a maximum of \$168,593 per annum plus a potential DEA of 50% of the cash bonus awarded in the relevant year as Performance Rights (an additional \$84,296).

In respect of FY2014 only, all STI benefits which are awarded will be increased by a factor of 1.25 for those eligible employees who were employed at 1 January 2013. This factor increase reflects the fact that no STI program was in operation for the previous

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three-month financial year from 1 January 2013 to 31 March 2013 (being a transitional financial year brought about by AACo's year-end change from 31 December to 31 March).

After taking into account this factored increase, the maximum value of Mr Strong's STI benefits in respect of FY2014 is \$316,111 – comprising a potential cash bonus of up to a maximum of \$210,741 per annum plus a potential DEA of 50% of the cash bonus awarded in the relevant year as Performance Rights (an additional \$105,370).

If granted, the maximum proposed 2014 DEA Invitation would represent a gross \$ value equal to approximately 16.1% of Mr Strong's total annual remuneration opportunity for FY2014. This award has been confirmed to the Board as being 'fair and reasonable' remuneration by an independent remuneration consultant.

For completeness, it is relevant to note that Mr Strong's executive employment agreement was subsequently amended on 17 April 2014 (which was announced to ASX on that day).

Accordingly, with effect from 1 April 2014, Mr Strong's remuneration benefits in respect of his employment will be as follows:

- ▶ fixed remuneration of \$600,000 per annum; and
- ▶ short term incentive of up to \$450,000 per annum – comprising a potential cash bonus of up to a maximum of \$300,000 per annum plus a potential DEA of 50% of the cash bonus awarded in the relevant year as Performance Rights (an additional \$150,000).

For additional detail in relation to Mr Strong's remuneration and the executive remuneration process generally, please see the Directors' Report contained in AACo's FY14 Financial Report.

Maximum Number of Shares

Each vested Performance Right will translate into one fully paid ordinary share in AACo ("Share"). Accordingly, the maximum number of Shares that may be acquired by Mr Strong, for which Shareholder approval under Item 5 is sought, is a maximum of 84,252 Shares from the 2014 DEA Invitation.

Price payable on grant or exercise of Performance Rights

Mr Strong will not be required to pay any amount on the grant or vesting of his Performance Rights under the 2014 DEA Invitation (if any). The Performance Rights are not transferable.

Names of all persons who received Shares under the last approval

At AACo's Annual General Meeting held on 21 August 2013, the Board did not propose to offer participation in the Plan (or to award any Performance Rights under the DEA) to any person in respect of the three-month period from 1 January 2013 to 31 March 2013.

At AACo's Annual General Meeting held on 15 March 2013, a resolution for the grant of performance rights in respect of the 12-month period ended 31 December 2012 was formally withdrawn at the meeting prior to it being put to a vote.

At AACo's Annual General Meeting held on 16 March 2012, Shareholders approved the grant of up to:

- ▶ 237,256 Performance Rights to Mr David Farley (at that time, the Managing Director and CEO of AACo) in respect of the 2012 Long Term Incentive Plan ("LTI Plan") Invitation; and
- ▶ 71,895 Performance Rights to Mr Farley in respect of the 2012 DEA Invitation,

in respect of the 12-month period from 1 January 2011 to 31 December 2011.

Mr Farley was not required to pay any amount on the grant or vesting of these Performance Rights. Mr Farley retired as Managing Director and CEO on 31 July 2013 and Mr Strong was appointed Managing Director and CEO on 24 January 2014. As announced on 17 April 2014, the LTI Plan has been discontinued as part of Mr Strong's updated employment agreement.

Names of all persons referred to in Listing Rule 10.14 entitled to participate in the Plan

Participation in the Plan is by invitation only. That is, only those eligible employees invited by the Board to apply will be able to participate. An employee includes a full or part time employee of AACo or any of its related bodies corporate and includes a director of AACo or of a related body corporate of AACo (being the class of person referred to in Listing Rule 10.14). Mr Strong is the only Director who is eligible to participate in the Plan, on the basis that the Board has invited him to participate in the Plan and has not invited any other Directors to participate in the Plan.

Terms of any loan relating to the acquisition of Shares

There are no loans relating to the acquisition of Performance Rights or Shares under the Plan.

Date by which grants of Performance Rights may be made

It is proposed that the Performance Rights will be granted to Mr Strong no later than 3 months after shareholder approval is received in respect of the 2014 DEA Invitation.

Requirements for approval

Shareholder approval of the participation of Mr Strong in the Plan and his acquisition of Performance Rights as detailed above and of Shares on vesting of those Performance Rights is sought for all purposes under the Corporations Act and the Listing Rules of ASX, including Listing Rule 10.14.

ASX Listing Rule 10.14

Under Listing Rule 10.14, an entity must not issue securities to a related party (such as a Director or a company controlled by a Director) under an employee incentive scheme without the approval of Shareholders. Accordingly, approval of Shareholders is sought for the purpose of Listing Rule 10.14 to enable AACo to make grants of Performance Rights, and subsequently issue or transfer Shares, to Mr Strong.

The Board (other than Mr Strong) unanimously recommends that Shareholders vote in favour of the issue of securities to Mr Strong under the AACo Performance Rights Plan.

Further information in relation to the 2014 DEA Invitation

Shareholder approval is sought for the grant of up to 84,252 Performance Rights under the 2014 DEA Invitation to Mr Strong and in consequence of vesting of those Performance Rights, the corresponding acquisition of Shares by Mr Strong, in accordance with the Plan Rules and the scheme (as described below).

Background to the DEA scheme

The DEA scheme operates under the Plan (as approved by shareholders on 11 May 2011 and re-approved on 21 August 2013). It was established to allow for Performance Rights to be allocated based on the value of STIs earned each year, but rather than have the amount determined paid in cash, the amount is awarded in the deemed equivalent value in Performance Rights under the Plan. The maximum value of the DEA amount is capped at 50% of the cash component of the STI earned by the participating person in the relevant financial year.

In this way, Mr Strong (and other selected executives) may receive an interest in AACo Shares which are forfeitable if the service conditions imposed under the invitation are not satisfied.

The Directors believe the DEA scheme aligns shareholder interests with Director entitlements by imposing additional service expectations.

Approval of 2014 DEA Invitation

The Board is seeking approval for the issue of the maximum potential number of Performance Rights, the value of which equates to 50% of the maximum cash component of Mr Strong's annual STI entitlement for the relevant period.

As noted above, under Mr Strong's remuneration arrangements for FY2014 (and taking into account the 1.25 factor increase to reflect the fact that no STI program was in place for the previous three-month financial year), the maximum STI component is capped at \$316,111 per annum – comprising a potential cash bonus of up to a maximum of \$210,741 per annum plus a potential DEA of 50% of the cash bonus awarded in the relevant year as Performance Rights (an additional \$105,370). Therefore, under current arrangements, the maximum amount to be allocated under the DEA in respect of FY2014 is capped at \$105,370.

The total number of Performance Rights that may be granted to Mr Strong in respect of FY2014 is calculated as follows:

$$\frac{\text{DEA \% of STI (cash bonus) earned}}{\text{Assessed value per Perf. Right}} = \text{No. of Perf. Rights}$$

Accordingly, the value of the DEA component of Mr Strong's remuneration is capped at \$105,370 per annum.

Assessed value of a Performance Right

The value of the Performance Rights has been assessed by an independent consultant applying a modified binomial valuation methodology.

The values attributable are based on variables determined at the date of valuation and are indicative only. AACo will prepare and report a valuation based on actual variables at the date of issue, if approved.

The input variables applied in the model for the purposes of the indicative value are as follows:

Input variables:	
Indicative date*	28 May 2014
Share price**	\$1.25
Exercise Price	\$0.00
Risk free rate	2.74%
Expected dividend yield	0.00%
Standard deviation	27.50%
Number of days (weighted average)	914
Assessed value per Performance Right (weighted average)	1.25065
Number of Performance Rights	84,252
Estimated annualised value	
2015 Financial Year	\$30,996
2016 Financial Year	\$43,971
2017 Financial Year	\$25,259
2018 Financial Year	\$5,144
TOTAL	\$105,370

* Being the date AACo's FY14 Financial Report was released.

** Being the opening price of AACo Shares on 28 May 2014.

***Please be aware this estimate value is the 'gross' contract value. The accounting value will likely be significantly less to allow for performance condition probabilities.

Potential value of the 2014 DEA offer benefit to Mr Strong

Depending on the future value of AACo's shares, and assuming all the conditions of offer are met, the estimated value of the benefit under a number of future share price assumptions, is as follows:

Future AACo share price	Potential Value of the benefit (\$) *	AACo market capitalisation if potential benefit achieved (\$m)^
\$1.25	\$105,315	\$666
\$1.50	\$126,378	\$799
\$1.75	\$147,441	\$932
\$2.00	\$168,504	\$1,065
\$2.50	\$210,630	\$1,331

* Assumes service conditions met and does not include any dividend benefit.

^ Assumes constant issued capital of 532,442,368 AACo Shares.

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Based on the estimated value of a Performance Right as at 23 May 2014 of \$1.2504 (which has reference to the closing AACo Share price on 23 May 2014), if approval is given by the Board to grant Mr Strong an STI entitlement in respect of FY2014, it is proposed that a maximum of 84,252 Performance Rights would be issued to Mr Strong calculated as $\$105,370 / \$1.25065 = 84,252$.

The Performance Rights (if any) would be held subject to forfeiture only if Mr Strong does not meet the proposed service conditions in respect of the offer, being as follows in respect of the 2014 DEA Invitation:

- ▶ Tranche 1 (50%) – grant date plus 24 months; and
- ▶ Tranche 2 (50%) – grant date plus 36 months.

Number of Shares to be issued

If granted, each vested Performance Right will translate into one Share. The Performance Right will be exercised and a Share acquired automatically at vesting. Any unvested Performance Rights will lapse.

Price payable on grant or exercise of Performance Rights

If granted, Mr Strong will not be required to pay an amount on the grant or vesting of the Performance Rights.

Performance conditions

Any Performance Rights granted and Shares issued under the terms of the 2014 DEA Invitation and the Plan will not be subject to any additional performance vesting conditions once granted.

The vesting of the Performance Rights is however subject to Mr Strong remaining continuously employed with AACo until the relevant vesting date.

Lapsing of Performance Rights

If granted, the Performance Rights will lapse:

- ▶ upon the cessation of employment unless Mr Strong is deemed a “good leaver”, as determined by the Board under the Plan Rules (which can include where Mr Strong ceases employment or office due to redundancy, retirement, permanent incapacity or death); or
- ▶ if the service vesting condition is not met and is incapable of being met.

Change of control

Subject to the Listing Rules, if a “Change of Control Event” occurs, all unvested Performance Rights under the DEA will vest. Subject to the Listing Rules, the balance of unvested Performance Rights may also vest at the discretion of the Board.

No right to dividends

The Performance Rights which may be issued pursuant to the 2014 DEA Invitation do not confer on the holder an entitlement to dividends until such time as the Performance Rights vest and Shares are issued or transferred.

Capital reconstructions

If the capital of AACo is reconstructed, the Performance Rights (or Shares issued or transferred upon vesting of Performance Rights) will be treated in accordance with the Listing Rules of ASX.

Bonus issues or rights issues

Subject to the Listing Rules, if there is a bonus issue, then upon vesting of the Performance Rights, Mr Strong will be entitled to the number of Shares which would have been issued to him under that bonus issue if immediately before the record date for the bonus issue, Mr Strong had duly exercised his Performance Rights. In the case of a rights issue, Mr Strong may, subject to the Listing Rules and to the extent permitted by law, elect to participate in the rights issue in the same way as Shareholders by making payment in respect of his entitlement, however such participation does not change the number of Performance Rights Mr Strong is entitled to under the Plan (or the number of Shares to be granted upon vesting of those Performance Rights). Any Shares acquired will be held by the Trustee of the Plan on behalf of Mr Strong and will be subject to the same terms and conditions as any other Shares held on behalf of Mr Strong pursuant to the Plan. The Performance Rights which may be issued pursuant to the 2014 DEA Invitation do not confer on the holder an entitlement to participate in other issues until such time as the Performance Rights vest and Shares are issued or transferred.

No voting rights

The Performance Rights which may be issued pursuant to the 2014 DEA Invitation do not confer an entitlement to vote at general meetings of AACo until such time as the Performance Rights vest and Shares are issued or transferred.

Non-quotation

AACo will not apply to the ASX for official quotation of the Performance Rights which may be issued pursuant to the 2014 DEA Invitation. Shares provided pursuant to the vesting of a Performance Right will rank equally with the Shares of AACo then on issue.



AUSTRALIAN AGRICULTURAL COMPANY LIMITED

Level 1, Tower A, Gasworks Plaza
76 Skyring Terrace, Newstead QLD 4006

www.aaco.com.au



Australian Agricultural Company Limited
ABN 15 010 892 270

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



By mail:
Australian Agricultural Company Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 302 876

SHAREHOLDER PROXY FORM

I/We being a member(s) of Australian Agricultural Company Limited (the Company) and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

**the Chairman
of the Meeting
(mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **10:00 am (Brisbane time) on Thursday, 17 July 2014, at the RNA Royal International Convention Centre, 600 Gregory Terrace, Bowen Hills, Brisbane, Queensland 4000** and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies 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 ☒

STEP 2

VOTING DIRECTIONS

Item 2

Remuneration Report

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Item 3

Election of Director: Mr Stuart Black AM

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Item 4

Election of Director: Mr Tom Keene

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Item 5

Grant of performance rights to
Managing Director/CEO

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, all shareholders must 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).

AAC PRX401R



HOW TO COMPLETE THIS PROXY 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.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

You may 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 Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy 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; and
- 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, all shareholders must sign.

Power of Attorney: to sign under Power of Attorney, you must lodge 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 Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00 am (Brisbane time) on Tuesday, 15 July 2014**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

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



ONLINE > www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy 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:

Australian Agricultural Company Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

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.