

**MINUTES OF ANNUAL GENERAL MEETING OF  
STRING TRANSPORT SYSTEMS LIMITED  
(ACN 142 651 812)**

DATE: 10<sup>th</sup> November 2011

TIME: 11:15am

PLACE: Level 2, 62 Wyndham Street, Alexandria NSW 2015

<p><b>AGENDA:</b></p>	<p>Pursuant to the Notice of Annual General Meeting dated 10 November 2011:</p> <p><b><u>ORDINARY BUSINESS</u></b></p> <p><b>Item 1 – Receipt of Financial report, Directors’ report, Notes to the Financial Statements and Auditor’s report</b></p> <p>To receive and consider the Financial Report including the Directors’ Report, Notes to the Financial Statements and the Independent Auditor’s Report for the year ended 30 June 2011.</p> <p><b><u>SPECIAL BUSINESS</u></b></p> <p><b>Resolution 1 - Change in Nature and Scale of Activities of the Company</b></p> <p>To consider and if thought fit, to pass, with or without amendment, the following resolution as an <b>ordinary resolution</b>:</p> <p><i>“That subject to Resolutions 2 to 5 (inclusive) being passed and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities as set out in the Explanatory Memorandum”.</i></p> <p><b>Resolution 2 - Cancellation of Shares by Selective Reduction</b></p> <p>To consider and if thought fit, to pass, with or without amendment, the following in accordance with section 256C(2) of the Corporations Act as a <b>special resolution</b>:</p> <p><i>“That, for the purposes of Section 256C(2) of the Corporations Act and for all other purposes, approval is given for the Company to make a selective reduction of capital and cancel a total of 143,100,000 Selective Reduction Shares on the terms and conditions set out in the</i></p>
-----------------------	--

Explanatory Memorandum accompanying this Notice of Annual General Meeting”

**Resolution 3 - Issue of Consideration Shares to Non-Related String Entities Shareholders**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*‘that subject to Resolution 1 and 2 being passed and in accordance with section 611 item 7 of the Corporations Act and for all other purposes, the members of STS approve the issue of 2,297,054 Consideration Shares to the Non-Related String Entities Shareholders, under the terms of the Merger Implementation Agreement dated [insert date] entered between STS and the String Entities and as described in this Explanatory Memorandum, as consideration for the Company acquiring 100% of the issued capital in each of the String Entities, further details of which are contained in the Explanatory Memorandum:*

**Resolution 4 - Issue of Consideration Shares to Related String Entities Shareholders**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*‘that subject to Resolution 2 being passed and in accordance with section 611 item 7 and section 208 of the Corporations Act and for all other purposes, the members of STS approve the issue of 8,059,151 Consideration Shares to the Related String Entities Shareholders, under the terms of the Merger Implementation Agreement dated [insert date] entered between STS and the String Entities and as described in this Explanatory Memorandum, as consideration for the Company acquiring 100% of the issued capital in each of the String Entities, further details of which are contained in the Explanatory Memorandum:*

**Resolution 5 - Listing on the Frankfurt Stock Exchange**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*‘That for the purpose of Frankfurt Stock Exchange Listing and for all other purposes, the Company to proceed for a compliance listing on the Frankfurt Stock Exchange on a date to be decided by Frankfurt Stock Exchange and that the directors be authorised to do all things reasonably necessary to give effect to the listing of the Company on the*

Frankfurt Stock Exchange.”

**Resolution 6 - Activities with String Transport Systems PLC**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

- (a) *‘That a share swap on a one-for-one basis be conducted for every share held by the members in the Company in exchange for one (1) founders’ share in String Transport Systems PLC’;*
- (b) *‘That the members require that all of their current rights, titles and entitlements as ordinary shareholders of the Company be equal to or greater upon the issue of shares to them in String Transport Systems PLC. There can be no diminishment or derogation to the value’;*
- (c) *‘That the members ratify the appointment of Victor Uzlov, Vladimir Romachko and Michael McBride as directors of String Transport Systems PLC’, and*

*‘That the members affirmed the listing engagement agreement between CdC Capital GmbH and String Transport Systems PLC dated July 11, 2011*

**Pursuant to the Notice of Meeting for the Reduction of Capital dated 10 November 2011:**

AGENDA

**Resolution 1 - Approval for a Selective Reduction of Capital**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*That, in accordance with Section 256C(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders as set out in the Explanatory memorandum for the Company to make a selective reduction of capital and cancel a total of 143,100,000 Shares held by those Shareholders on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

DISCUSSION:	A general discussion about the agenda items was held and as most items were very straight forward the Members present had limited questions and all agenda items were dealt with accordingly.																																																																											
ACCEPTED:	Item 1 was accepted by the members.																																																																											
RESOLVED:	<p><b>Resolution 1 - Change in Nature and Scale of Activities of the Company</b></p> <p>The resolution was defeated.</p> <table border="1" data-bbox="520 674 1461 931"> <thead> <tr> <th colspan="5">Votes in relation to Item 3 of the Agenda</th> </tr> <tr> <th>Votes</th> <th>No. of Shares (Proxies)</th> <th>No. of Shares (Present at meeting)</th> <th>No. of Shares (Not present)</th> <th>Total Percentage</th> </tr> </thead> <tbody> <tr> <td>For</td> <td>25,172,292</td> <td>102,191,667</td> <td></td> <td></td> </tr> <tr> <td>Against</td> <td>144,669,115</td> <td></td> <td></td> <td>51%</td> </tr> <tr> <td>Abstain</td> <td></td> <td></td> <td>10,501,170</td> <td></td> </tr> </tbody> </table> <p><b>Resolution 2 - Cancellation of Shares by Selective Reduction</b></p> <p>The resolution was defeated.</p> <table border="1" data-bbox="520 1111 1461 1368"> <thead> <tr> <th colspan="5">Votes in relation to Item 3 of the Agenda</th> </tr> <tr> <th>Votes</th> <th>No. of Shares (Proxies)</th> <th>No. of Shares (Present at meeting)</th> <th>No. of Shares (Not present)</th> <th>Total Percentage</th> </tr> </thead> <tbody> <tr> <td>For</td> <td>25,172,292</td> <td>102,191,667</td> <td></td> <td></td> </tr> <tr> <td>Against</td> <td>144,669,115</td> <td></td> <td></td> <td>51%</td> </tr> <tr> <td>Abstain</td> <td></td> <td></td> <td>10,501,170</td> <td></td> </tr> </tbody> </table> <p><b>Resolution 3 - Cancellation of Shares by Selective Reduction</b></p> <p>The resolution was defeated.</p> <table border="1" data-bbox="520 1547 1461 1805"> <thead> <tr> <th colspan="5">Votes in relation to Item 3 of the Agenda</th> </tr> <tr> <th>Votes</th> <th>No. of Shares (Proxies)</th> <th>No. of Shares (Present at meeting)</th> <th>No. of Shares (Not present)</th> <th>Total Percentage</th> </tr> </thead> <tbody> <tr> <td>For</td> <td>25,172,292</td> <td>102,191,667</td> <td></td> <td></td> </tr> <tr> <td>Against</td> <td>144,669,115</td> <td></td> <td></td> <td>51%</td> </tr> <tr> <td>Abstain</td> <td></td> <td></td> <td>10,501,170</td> <td></td> </tr> </tbody> </table>	Votes in relation to Item 3 of the Agenda					Votes	No. of Shares (Proxies)	No. of Shares (Present at meeting)	No. of Shares (Not present)	Total Percentage	For	25,172,292	102,191,667			Against	144,669,115			51%	Abstain			10,501,170		Votes in relation to Item 3 of the Agenda					Votes	No. of Shares (Proxies)	No. of Shares (Present at meeting)	No. of Shares (Not present)	Total Percentage	For	25,172,292	102,191,667			Against	144,669,115			51%	Abstain			10,501,170		Votes in relation to Item 3 of the Agenda					Votes	No. of Shares (Proxies)	No. of Shares (Present at meeting)	No. of Shares (Not present)	Total Percentage	For	25,172,292	102,191,667			Against	144,669,115			51%	Abstain			10,501,170	
Votes in relation to Item 3 of the Agenda																																																																												
Votes	No. of Shares (Proxies)	No. of Shares (Present at meeting)	No. of Shares (Not present)	Total Percentage																																																																								
For	25,172,292	102,191,667																																																																										
Against	144,669,115			51%																																																																								
Abstain			10,501,170																																																																									
Votes in relation to Item 3 of the Agenda																																																																												
Votes	No. of Shares (Proxies)	No. of Shares (Present at meeting)	No. of Shares (Not present)	Total Percentage																																																																								
For	25,172,292	102,191,667																																																																										
Against	144,669,115			51%																																																																								
Abstain			10,501,170																																																																									
Votes in relation to Item 3 of the Agenda																																																																												
Votes	No. of Shares (Proxies)	No. of Shares (Present at meeting)	No. of Shares (Not present)	Total Percentage																																																																								
For	25,172,292	102,191,667																																																																										
Against	144,669,115			51%																																																																								
Abstain			10,501,170																																																																									

**Resolution 4 - Cancellation of Shares by Selective Reduction**

The resolution was defeated.

Votes in relation to Item 3 of the Agenda				
Votes	No. of Shares (Proxies)	No. of Shares (Present at meeting)	No. of Shares (Not present)	Total Percentage
For	25,172,292	102,191,667		
Against	144,669,115			51%
Abstain			10,501,170	

**Resolution 5 - Cancellation of Shares by Selective Reduction**

The resolution was defeated.

Votes in relation to Item 3 of the Agenda				
Votes	No. of Shares (Proxies)	No. of Shares (Present at meeting)	No. of Shares (Not present)	Total Percentage
For	25,172,292	102,191,667		
Against	144,669,115			51%
Abstain			10,501,170	

**Resolution 6 - Cancellation of Shares by Selective Reduction**

The resolution was defeated.

Votes in relation to Item 3 of the Agenda				
Votes	No. of Shares (Proxies)	No. of Shares (Present at meeting)	No. of Shares (Not present)	Total Percentage
For	25,172,292	102,191,667		
Against	144,669,115			51%
Abstain			10,501,170	

**Notice of Meeting for the Reduction of Capital**


**Resolution 1 - Approval for a Selective Reduction of Capital**

The resolution was defeated.

Votes in relation to Item 3 of the Agenda				
Votes	No. of Shares (Proxies)	No. of Shares (Present at meeting)	No. of Shares (Not present)	Total Percentage
For				
Against	143,100,000			100%
Abstain				

MEETING

The meeting closed at 12.30pm

CLOSURE:		
TRUE AND CORRECT:	This is a true and correct record.	
SIGNED BY CHAIRMAN	Mr. Vladimir Romachko	
SIGNED BY DIRECTOR	Mr. Victor Uzlov	
SIGNED BY DIRECTOR	Mr. Michael McBride	

