



Queensland Sugar Limited
Annual General Meeting

Friday 23 October 2015
Level 1, Christie Centre, 320 Adelaide Street Brisbane
2.09pm

Present:

QSL Board of Directors

- Mr Guy Cowan (Chairman)
- Ms Sarah Scales (Non-executive Director)
- Mr Chris Leon (Non-executive Director)
- Mr Greg Beashel (Managing Director and Chief Executive Officer)
- Mr Robert Hines (Chief Financial Officer)
- Ms Susan Campbell (Company Secretary)

Members

Grower representative members:

- Paul Schembri, Queensland Canegrowers Organisation Limited (CANEGROWERS)
- Anthony Ross, Central Mackay (via proxy, Francis Perna)
- Philip Deguara, Central Mackay
- Francis Perna, Central Mackay
- Gerard Puglisi, Mossman
- Barry Stubbs, Northern
- Roger Piva, Burdekin
- David Lando, Burdekin
- Russell Jordan, Burdekin
- Kevin Borg, Plane Creek
- Kelvin Griffin, Southern Region
- Vince Russo, Herbert River
- Antonio Castro, Southern Region
- Nirmal Chohan, Tablelands
- Jeffrey Day, Mulgrave
- Mark Blair, Proserpine
- Richard Skopp (via proxy, Susan Campbell)

Mill owner members:

- Bundaberg Sugar Limited - Guy Basile
- Mackay Sugar Limited - Jason Lowry, Peter Gill, Malcolm Pratt and Lee Blackburn
- Wilmar Sugar Australia - David Burgess, Duncan Glasgow, Shayne Rutherford and Chris Stewart

QSL Staff Members:

- Dougall Lodge, GM Trading & Risk
- Damien Ziebarth, GM Operations
- Aaron Searle, Financial Controller
- Bryce Wenham, Finance Manager - Supplier Relations
- Stephen Stone, Treasurer
- Joanne Nugent, GM Human Resources
- Cathy Kelly, Industry Relationship Manager
- Carla Keith, Industry Relationship Manager
- Alana Lucht, Project Officer

Visitors

- Mark Hayward, Ernst & Young (Auditor for QSL)
- Kate Nichols, Ernst & Young
- Carissa Smith, Allens Linklaters
- Stuart Gregory, Sugar Terminals Limited
- Peter Trimble, Sugar Terminals Limited
- Con Christofides, Sugar Terminals Limited
- Andrew Cappello, Sugar Terminals Limited and Mackay Sugar Limited
- Warren Males, Canegrowers
- Drew Watson, Chairman Canegrowers Mossman and Sugar Terminals Limited
- Dominic Nolan and Jim Crane, ASMC
- Daniel Messina, Canegrowers

1. Opening

- On behalf of the QSL Board of Directors, Chairman Guy Cowan (**GC**) welcomed all those present to the 2015 annual general meeting (**AGM**) of Queensland Sugar Limited (**QSL**). GC introduced his fellow QSL directors, including Managing Director and Chief Executive Officer, Greg Beashel.
- GC noted that QSL's Constitution provides that a quorum for a general meeting shall be members' present holding at least 25 per cent of the total number of votes capable of being cast by all members, and that QSL's Company Secretary has advised that a quorum was present.
- Apologies and proxies received were recorded as per the Attendance Register for this meeting.

2. Meeting Business

- GC declared QSL's 2015 AGM open at 2.09 pm. GC noted that there was one item of business for the AGM which is set out in the Notice of Meeting, being to receive and consider that Financial Statements and the reports of the Directors and of the Auditor for the period 1 July 2014 and ending on 30 June 2015, which would be dealt with later in the meeting.
- GC noted that a copy of the Notice of Meeting and the QSL Annual Report (which included the Directors' report, financial report and auditor's report) had been sent to all members and that he proposed to take these as read. GC also noted that QSL's auditors, Mark Hayward from Ernst & Young, was present at the meeting and available to take questions on the financial statements and reports.
- The Chairman advised that he would present his address first, followed by a presentation from GB in relation to QSL's performance in 2014-15, and then any questions would be taken from the floor.

3. Chairman's address

- GC then provided his Chairman's address which covered the following areas:
 - Despite a challenging financial year, during the 2014 season, QSL surpassed the average market returns, outperforming the Passive Management Benchmark by a weighted average of \$40.23 per nett IPS tonne;
 - QSL's delivered an outstanding 100% Delivered In-Full On-Time result with zero lost-time injuries;
 - The efforts of QSL staff in achieving these results, thanking the entire QSL staff for their efforts during the past year;
 - The work being undertaken with STL, with the aim of securing a long term strategic operating agreement for Queensland's bulk sugar terminals;
 - The various Government inquiries into sugar marketing, with the current impasse remaining unresolved, noting that QSL strongly believes that an enduring commercial resolution that is agreeable to all parties is the most expeditious path forward;
 - The work being done with members to bring industry directors onto the QSL Board, of which the current QSL Board is supportive.

4. CEO's address – Business Performance 2014/15

- GC introduced GB to the meeting to present a summary of QSL's performance for the 2014-15 year, including QSL's goals for 2014/15, key highlights and QSL's goals for 2015/16.
- GB spoke to a PowerPoint slide pack which was presented at the meeting, noting the following areas:
- QSL's three key goals for 2014/15 which were to (1) maximise returns to growers and millers; (2) build capability for the future; and (3) improve operational excellence;
- The key highlights for 2014/15, which included the weighted average return for QSL ICE 11 pools outperforming the Passive Management Benchmark by \$40.23 per nett IPS tonne; No Lost Time injuries; Payroll tax exemption secured; Finance facilities extended to \$700M; and the 100% Delivered In-Full On-Time result;
- The overall value created by QSL, as per the table included in the PowerPoint slide pack;
- QSL's 2015/16 goals, including effective cost control across QSL; secure more volume for 2017 season and beyond; extend the terminal contract with STL; continued improvement in safety and environment performance; as well as excelling in service delivery to refining customers;
- GB also provide a very brief update on the Wilmar legal action.

5. Questions and answers

GC then offered members the opportunity to ask questions.

GB answered the one (1) question that had been received in advance (from Wilmar) around what is STL's position in relation to the BST lease with QSL when the 2017 season rolls around. GB noted that QSL has put a proposal to STL for their consideration and are working with STL on this.

There were two (2) questions from the floor, being around governance, which were asked by Duncan Glasgow from Wilmar:

- Has the Board considered producing additional reports around remuneration (note 22 to the Financial Statements)? GC and CL advised that although QSL is under no obligation to disclose this additional information, these were matters which the QSL Board takes seriously. It was noted that there is a rigorous process in place around remuneration and that salaries are independently benchmarked against Hay data;
- Has the Board considered producing additional reports around our risk performance? GC noted that QSL has strong risk policies in place, which are regularly reviewed and tested by the Audit & Risk Committee.

6. Formal Business – Receival and Consideration of the 2014/15 Reports and Accounts

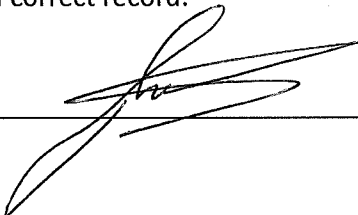
GC noted that there is one formal piece of business to be considered by the meeting – the receival and consideration by the meeting of the financial statements and reports, the reports of the Directors and the report of the independent auditor, Ernst & Young, for the 2014/15 period.

GC asked if there were any questions on these documents, noting again that Mark Hayward from Ernst & Young, QSL's auditor, is present at the meeting to take any questions as well.

There were no questions from members about the financial report, Directors' report or the auditor's report.

There being no further questions or matters to be dealt with by this meeting, the Chairman thanked everyone present for their attendance and declared the meeting closed at 2.34 pm.

Adopted as a correct record:

Chairman:  _____ Date: 27.11.15