

Queensland Sugar Limited  
**Annual General Meeting**

Tuesday 22 October 2019 at 10 am  
Level 1, Christie Centre, 320 Adelaide Street Brisbane

**MINUTES OF MEETING**

**PRESENT:**

**QSL Board of Directors & Company Representatives**

- Mr Guy Cowan (Chairman) (GC)
- Ms Sarah Scales (Non-executive Director)
- Mr Craig Doyle (Non-executive Director)
- Mr Greg Beashel (Managing Director and Chief Executive Officer) (GB)
- Mr Aaron Searle (Chief Financial Officer) (AS)
- Ms Susan Campbell (Company Secretary) (SC)

**Members**

Grower representative members:

- Paul Schembri, CANEGROWERS Chairman
- Don Murday, ACFA Chairman
- Roger Piva, Burdekin
- Russell Jordan, Burdekin
- Owen Menkens, Burdekin
- Francis Perna, Central Region
- Michael Pisano, Herbert River
- Joe Russo, Isis
- Gerard Puglisi, Mossman
- Barry Stubbs, Northern
- Kelvin Griffin, Southern Region
- Allan Dingle, Southern
- Nirmal Chohan, Tableland
- Tom Harney, Tully
- Tony Ross, Central Region
- Kevin Borg, Plane Creek
- Peter Quod – Proserpine
- Vince Russo – Herbert River
- Mark Vass - Burdekin

Mill owner members:

- Wilmar Sugar Australia – Rees Fleming
- Far Northern Milling Pty Ltd – Maryann Salvetti & Bronwyn Dwyer

**QSL Staff**

- Robert Hines, Chief Operating Officer
- Bryce Wenham, Finance Manager - Supplier Relations
- Mark Hampson, Executive Manager, Marketing & Risk
- Damian Ziebarth, GM Operations
- Joanne Nugent – General Manager HR
- Stephen Saunders, Finance & Accounting Manager
- Salvo Spina – Manager Info & Communication Tech.
- Ginette Barrett – Treasury Manager
- Cathy Kelly – Manager Grower Engagement & External Relations
- Greg Watson - Grower Relationship Manager – Ayr
- Harriett McLennan – Grower Relationship Manager – Mackay Region
- Daniel Messina - Grower Relationship Manager – North
- Karina Curran – Management Accountant
- Alana Lucht, Board & Administration Assistant
- Elliott Apel – Business Graduate
- Gabby Spina – Communications Assistant

**Visitors**

- John Hedge & Katherine MacNamara, Allens Linklaters (Legal Advisors to QSL)
- Rebecca Burrows & David Higgins, Ernst & Young (QSL's Auditors)
- John Warda, Sugar Terminals Limited
- Sam Bonnano, Sugar Terminals Limited
- Drew Watson, Sugar Terminals Limited
- Dan Galligan, QLD Canegrowers
- Stephen Calcagno, CANEGROWERS Cairns
- Alex Kelly, Rabobank
- Malcolm Pratt, Grower
- Kim Challenor – PWC
- Laura Gilchrist - PWC

**1. Opening**

- On behalf of the QSL Board of Directors, Chairman Guy Cowan (GC) welcomed all those present at the 2019 Annual General Meeting (AGM) of Queensland Sugar Limited (QSL). GC introduced his fellow QSL directors, Sarah Scales & Craig Doyle, as well as Managing Director and Chief Executive Officer, Greg Beashel (GB).
- 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, Susan Campbell, has advised that a quorum was present.
- Apologies and proxies received were recorded as per the Attendance Register.

## 2. Meeting Business

- GC declared QSL's 2019 AGM open at 10.08 am.
- 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, Ernst & Young represented by Rebecca Burrows, were present at the meeting and available to take questions on the financial statements and reports.
- The Chairman advised he would present his address first, followed by a presentation from GB on QSL's performance in 2018/19, and then any questions would be taken from the floor.
- 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 2018 and ending on 30 June 2019, which would be dealt with later in the meeting.

## 3. Chairman's address

- GC thanked Miller and Grower Representative members for attending the QSL AGM today.
- GC then provided his Chairman's address which covered the following key areas:
  - Noted that our industry has faced a challenging market environment, with a considerable global surplus keeping the ICE 11 below the Australian cost of production for most of the reporting period;
  - The ability of Queensland sugar producers to capture added value is critical to our industry's viability, and QSL believes growers' freedom to choose their marketer has made an important contribution in this regard;
  - There is now increased range of products and tools now available to help QSL members manage the market and their cash flow.
  - Competition has driven marketers to not only become more innovative, but actively work to increase the understanding and involvement of those they seek to represent. As a result, Queensland's cane growers are more engaged than ever before, with growers become increasingly comfortable with Marketing Choice;
  - The industry has entered into a new era for QSL's relationships with its Miller members, with the introduction of individual supply contracts, enabling a more customised service offering. The QSL value proposition is open to all, and QSL remains keen to work with our milling members to identify new opportunities;
  - QSL now pays more growers in the State than any other marketer, with the economies of scale behind our systems, the success of our QSL Direct pricing and payment platform, and the convenience of our new App;
  - As the long-time custodian of the bulk sugar terminals on behalf of industry, QSL is working closely with the terminal owner, STL, under the new operating agreement, to use QSL's considerable experience and wider systems expertise to protect this important market advantage and keep costs low, while also safely optimising the utilisation of these critical industry assets;
  - From operations services to marketing, pricing & finance, QSL remains uniquely positioned to support the Qld sugar industry and help it meet the challenges;
  - GC then acknowledged the ongoing support of QSL's international customers, who have been pivotal to QSL's success to date.
  - Finally, GC extended his personal thanks to the QSL Board, the QSL management team and QSL's staff located around the State.

#### 4. CEO's address –2018/19 Review and Key Highlights

- GC introduced GB to the meeting to present a summary of QSL's performance for 2018/19.
- GB spoke to a PowerPoint slide presentation which was provided at the meeting, noting
  - **Safety** - Outlined QSL's safety results for 2018/19, noting a good result;
  - **QSL Operations** – noted a very good result in this area, with the QSL Operations team receiving a total of 3.94 million tonnes of sugar during 18/19, loading 112 vessels and with a record of 100% delivered in full and on time;
  - **QSL Marketing** – noting that Marketing Choice was successfully delivered in the Mackay region; QSL is Australia's largest sugar supplier to South Korea; introduced the first industry-first App which provides convenience and secure access, enabling growers using the QSL Direct platform to access the pricing choices and make/change their pricing orders;
  - **Sugar Market** – provided an overview of the sugar market, with the ICE 11 providing a challenging price environment during the period, with 10-year lows;
  - **QSL 2018 Season Pool Prices** – noting that for the 2018 Season, QSL's managed ICE 11 pools again outperformed the Performance Benchmark on a weighted average basis by \$15.16 per tonne IPS. Also noted that QSL's best performer in this space was the QSL 2-Season Forward Pool, with a net IPS return of \$397 per tonne. In terms of the greater value created through the QSL Marketing service model, noted that the Net Market premiums for 18/19 were just under \$28/tonne; the QSL Loyalty Bonus has now returned a total of over \$5 million during the past 2 seasons.

#### 5. Questions and answers

GC noted that no questions had been submitted prior to the meeting, and then offered members at the meeting the opportunity to ask questions.

There was 1 question from the floor, asked by Tony Ross, a grower member from the Central Region, being a query on the financial statements in relation to the large difference in the dollar amount of trade debtors (page 35 of the Annual Report) as between 2017/18 and 2018/19. The CFO explained that this was due to differences in the number of shipments and the timing of shipments as between the 17/18 and 18/19 financial years.

#### 6. Formal Business – Receival and Consideration of the 2018/19 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 2018/19 period.

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

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 10.27 am.

Adopted as a correct record:

Chairman: \_\_\_\_\_ Date: 19/11/19

