

QUEENSLAND SUGAR LIMITED
OPERATIONS COMMITTEE CHARTER

1. PURPOSE AND AUTHORITY

1.1 The Board of Queensland Sugar Limited (QSL) has established an Operations Committee (the Committee). The purpose of the Committee is to assist the Board discharge its responsibilities via:

Work Health & Safety

- a) oversight and understanding of the work health and safety program that will enable directors, officers and employees to exercise due diligence to ensure that they meet their respective obligations under the work health and safety legislation, which includes taking reasonable steps to :
 - i. acquire and keep up to date knowledge of work health and safety matters; and
 - ii. gain an understanding of the nature of the operations of QSL and generally of the hazards and risks associated with those operations;
 - iii. ensure QSL has available for use, and uses, appropriate resources and processes to eliminate or minimise risk to health and safety of work carried out; and
 - iv. ensure QSL has appropriate processes for receiving and considering information regarding incidents, hazards and risks and responding in a timely way to the information; and
 - v. ensure QSL has, and implements, processes for complying with any duty or obligation under the work health and safety legislation; and
 - vi. verify the provision and use of the resources and processes referred to in the last 3 subparagraphs; and
- b) providing the Board with additional focus and guidance on key work health and safety matters.

Environment

- c) oversight and understanding of environmental matters, as they may affect employees, contractors and the broader community in which QSL operates;
- d) oversight and understanding of the strategy, framework and policies that support QSL, its officers and employees in:
 - i. complying with their obligations under environmental legislation;
 - ii. meeting their due diligence duties under such laws;
- e) providing the Board with additional focus and guidance on key environmental matters.

Industrial Relations

- f) oversight and understanding of industrial relations strategies and policies, including enterprise agreements.

Terminal Governance

- g) oversight, review and monitoring of the governance frameworks, policies and processes relating to the activities of QSL in operating the bulk sugar terminals (**BSTs**), which have been implemented to enable the operation of the BSTs by QSL to be based on principles of transparency and fairness; and to enable any potential or actual conflicts of interest to be effectively managed and meet any relevant legal requirements.

- h) understanding of the culture of QSL, in so far as it is relevant to the BST environment, including in particular, the key matters that affect or contribute to QSL being a safe place to work.

Operational Matters

- i) oversight, review and monitoring of the operating environment at the BSTs, including in relation to the delivery of services and other operational activities relating to the role of QSL in operating the BSTs, which support QSL to operate the BSTs in an efficient, safe and cost effective manner;
- j) oversight, review and monitoring of compliance by QSL of its obligations under the Operating Agreement between STL and QSL to ensure that QSL is in the best position to continue to operate the BSTs and that legal and other risk issues are appropriately mitigated and managed in relation to that agreement;
- k) oversight, review and monitoring of the relationship of QSL with STL in relation to the operations of the BSTs, to support a constructive working relationship as well as the implementation of aligned frameworks and processes as between QSL and STL, that clearly delineate the respective roles of each party, including recognising that QSL undertakes the 'day to day' operations as the 'operator' of the BSTs, with STL having an 'oversight and monitoring' role as the owner of the BSTs.

1.2 The Committee has authority from the Board to review and investigate any matter within the scope of this Charter and make recommendations to the Board in relation to any action.

1.3 Except where indicated to the contrary in this Charter, the Committee has no delegated authority from the Board to approve any action arising from its reviews and investigations and the Board retains authority over such matters.

1.4 This Committee and the functions it performs do not diminish the ultimate responsibility of the Board in the subject matter of this Charter.

2. COMMITTEE COMPOSITION

2.1. Membership

- a) The Committee must have at least two members.
- b) The Chairman of QSL can be a member of the Committee and also the Chairman of the Committee.
- c) As per the QSL Constitution, persons who are not Directors of QSL can be members of the Committee, as the Committee thinks fit and determines.
- d) QSL operates the BSTs under contractual arrangements with Sugar Terminals Ltd (the owner of the BSTs). Users of the BSTs may be entities who compete with QSL in relation to the marketing and trading of raw sugar.
- e) In addition, QSL's constitution allows for industry directors to be appointed to the QSL Board. The appointment of industry directors may result in some of QSL's members, who compete with QSL and BST users, in relation to the marketing and trading of raw sugar, having representatives on the QSL Board.
- f) Industry directors may also be directors of Sugar Terminals Ltd and owe directors duties to that company.
- g) In each of these circumstances, conflict of interest issues and/or competition law risks may arise for QSL. Where these governance and legal issues arise, the Committee members must consist only of non-conflicted members, in order for QSL to manage these issues. Such members may, for example, be independent directors of QSL and/or those industry directors of QSL who are not conflicted or

who do not give rise to competition law risks in relation to matters considered by the Committee.

2.2. Appointment and term

- a) The members of the Committee will be determined by the Board having regard to the matters set out in item 2.1 and the QSL Board Governance Protocol. The QSL Board will appoint the Committee Chair.
- b) There is no prescribed term of membership of the Committee, but consideration will be given annually in relation to Committee makeup. Members will then be appointed or removed by resolution of the Board.
- c) Membership ceases when a Committee member (if a Director) ceases to be a Director of the Company or when otherwise removed by resolution of the Board.

3. COMMITTEE MEETINGS

- a) The Committee will meet as frequently as considered necessary by the Committee Chair for it to discharge its role effectively. To meet the responsibilities set out below, it is anticipated that the Committee would meet at least quarterly.
- b) The Committee Chair must convene a meeting if requested to do so by any Committee member, the Managing Director (MD)/Chief Executive Officer (CEO), General Manager Operations or the Company Secretary.
- c) The Committee Chairman will decide on the timing of meetings of the Committee in consultation with other members and with management.
- d) Members of the Board who are not Committee members may attend Committee meetings, subject however to item 2.1 and the QSL Board Governance Protocol.
- e) QSL's CEO, General Manager Operations, General Manager Human Resource and the Manager - Operational Risk & Leadership will usually be invited to attend Committee meetings. The Committee may, however, meet without management present as the Committee through the Chair considers it appropriate.
- f) Meetings may be held in person, or by telephone, video or internet conferencing.
- g) The Committee Chair, assisted by the Company Secretary, is responsible for creating and circulating the agenda for meetings, and keeping the minutes of meetings and circulating them to Committee members and to other Board members, subject however to the disclosure of such information and documents to the Board not giving rise to any conflicts of interest issues and/or competition law risks for QSL (refer to item 2.1) and also subject to the QSL Board Governance Protocol.
- h) A quorum for a meeting consists of two members of the Committee or such other number as determined by the Committee to be the quorum for meetings of the Committee.
- i) A motion will be passed by a simple majority of votes cast in favour by Committee members present and eligible to vote. In the event of an equal number of votes being cast for and against a motion, the motion will be referred to the Board for resolution. The Committee Chair does not have a casting vote.

4. COMMITTEE REPORTING

- a) The minutes of all Committee meetings will be circulated to Board members by the Company Secretary, subject however to the disclosure of such information and documents to the Board not giving rise to any conflicts of interest issues and/or competition law risks for QSL (refer to item 2.1) and also subject to the QSL Board Governance Protocol.
- b) The Committee Chairman will report the findings, recommendations and decisions to the next Board meeting after each Committee meeting, subject however to the

disclosure of such information and documents to the Board not giving rise to any conflicts of interest issues and/or competition law risks for QSL (refer to item 2.1) and also subject to the QSL Board Governance Protocol.

5. ACCESS TO RESOURCES

- a) The Committee is entitled to have access to unlimited internal resources, and with the approval of the QSL Chairman, has the ability to consult and engage external expert advice at QSL's cost as considered appropriate.
- b) The Committee will table any externally sourced advice at the first Board meeting after receipt of the advice, subject however to the disclosure of such information and documents to the Board not giving rise to any conflicts of interest issues and/or competition law risks for QSL (refer to item 2.1) and also subject to the QSL Board Governance Protocol.

6. COMMITTEE RESPONSIBILITIES

6.1. Work Health & Safety and Environment

The Committee will monitor and review and, where appropriate and subject to item 6.5, provide advice and guidance and make recommendations to the Board on the following matters:

- a) the governance arrangements and internal controls associated with compliance by QSL under work health and safety legislation and environmental legislation, including due diligence duties under those laws;
- b) QSL's environment, health and safety ("EHS") strategy and risk profile as prepared by management, and recommending an appropriate EHS strategy to the Board (on an annual basis);
- c) the delivery of QSL's EHS strategy against stated performance objectives and targets; and
- d) reports from management on EHS performance, including analysis of EHS performance via metrics such as leading and lagging indicators, details of major catastrophic incidents and serious potential near misses investigated and/or reported, and reporting any material findings to the Board;
- e) the design of QSL's EHS Management System, which will involve an understanding of the System and may also involve the receipt of reports from management, assessing the continued applicability of the EHS Management System to achieve legal and regulatory compliance, as well as the corporate objectives and values of QSL (on at least an annual basis);
- f) the EHS Annual Assurance process, including the annual Letter of Assurance regarding compliance with EHS obligations, as well as regular updates and assurances from management as to the effectiveness of the EHS strategy and policies in meeting the requirements of applicable EHS laws and regulations;
- g) the annual EHS audit program as well as presentations, reports and findings from the EHS auditor;
- h) QSL's organisational structure and other frameworks to verify that there are available and appropriate resources and processes in place to:
 - i. eliminate or minimise EHS risks from work carried out as part of QSL's business;
 - ii. receive and consider information regarding incidents, hazards and risks, and to respond to that information in a timely manner; and
 - iii. enable compliance by QSL, its officers and employees with the duties and obligations under EHS laws;

- i) QSL's processes for ensuring that QSL, its officers and employees:
 - i. acquire and keep up to date knowledge of EHS matters; and
 - ii. gain an understanding of the nature of QSL's operations and hazards and risks associated with those operations;
- j) significant regulatory notices from regulatory authorities including but not limited to Workcover, environmental regulators and road transport authorities;

6.2. Industrial Relations

The Committee will monitor and review and, where appropriate, provide advice and guidance and make recommendations to the Board on the following matters:

- a) QSL's overall industrial relations strategy (on an annual basis) and the delivery of those strategies against stated performance objectives;
- b) QSL's workplace, industrial and enterprise bargaining agreements;
- c) industrial relations policies and key procedures, including their effectiveness (at least on an annual basis);

6.3. Terminal Governance

The Committee will monitor and review and, where appropriate, provide advice and guidance and make recommendations to the Board on the following matters:

- a) the governance frameworks, policies and processes relating ring-fencing and confidentiality protocols, to ensure the effectiveness of those documents in maintaining the confidentiality of the sensitive commercial information of BST users and to review audit checks to verify effectiveness and implement improvements ;
- b) the operation of the BSTs in a manner that is based on principles of transparency and fairness and effective management of any potential or actual conflicts of interest and meeting relevant legal requirements;

6.4. Operational Matters

The Committee will monitor and review and, where appropriate, provide advice and guidance and make recommendations to the Board on the following matters:

- a) the delivery of services and other operational activities relating to the role of QSL in operating the BSTs, with the aim of ensuring that QSL operates the BSTs in an efficient, safe and cost effective manner;
- b) the compliance by QSL of its obligations under the Operating Agreement between STL and QSL, including QSL's track record on compliance, potential areas of exposure for QSL as well as a review of the terms & conditions of the agreement to determine whether any changes should be made to the agreement;
- c) the relationship of QSL with STL in relation to the operations of the BSTs, to support the QSL Operations team in having a constructive working relationship with STL;
- d) the implementation of aligned frameworks and processes as between QSL and STL, which clearly delineate the respective roles of each party, including recognising that QSL undertakes the 'day to day' operations as the 'operator' of the BSTs, with STL having an 'oversight and monitoring' role as the owner of the BSTs.

6.5 Management of Conflicts of Interests and Competition Law Risks

- a) Clause 6.5 sets out overriding principles in relation to the operation of the Committee.
- b) Where the activities by QSL in operating the BSTs and/or the appointment of industry directors on the QSL Board gives rise to conflict of interest issues and/or competition law risks for QSL, the Committee has the delegated authority from the Board to approve and make decisions binding the Board in relation to any actions arising from its reviews and investigations relevant to the Committee's responsibilities, in order to manage these governance and legal issues.

7. REVIEW

- a) This Charter will be reviewed by the Committee, and if necessary, updated annually and any changes will be recommended to the Board for the Board's approval.
- b) The Committee will review its performance annually and report to the Board.

Approved by the Board on:	May 2019
Reviewed	May 2019
Next review date:	May 2020