

QSL Fact Sheet

19 December 2019

THE QSL LOYALTY BONUS

Growers in Mackay Sugar, MSF Sugar, Tully Sugar and Wilmar milling districts who nominate QSL as their GEI Sugar Marketer for three (3) consecutive Seasons forward are eligible to receive the QSL Loyalty Bonus.

This additional payment was worth approximately \$1.50/tonne of IPS sugar in both the 2017 and 2018 Seasons and consists of a share of the returns from QSL's corporate activities via the Shared Services Rebate and a Supplementary Commitment Premium, with these results incorporated into eligible Growers' Shared Pool allocations for each applicable season.

The QSL Shared Services Rebate is the net revenue from QSL's corporate activities and includes the net return from QSL's holding of Sugar Terminals Limited (STL) G-class shares (i.e. net dividend + franking credits).

The QSL Supplementary Commitment Premium reflects the marginal premiums secured by QSL for long-term contracts and any profits associated with those sales from supplying third-party origin sugar. The value of this premium varies from season to season and cannot be determined until all of the sugar supplied for the season is sold.

It should be noted that growers supplying Isis Central Sugar Mill, Bundaberg Sugar and Far Northern Milling Pty Ltd automatically receive their share of these returns through their millers' current supply arrangements with QSL.

2020-SEASON ELIGIBILITY

Growers who elect QSL as a GEI Sugar Marketer for the 2020 Season are eligible to receive QSL's Loyalty Bonus in the 2020 Season if they also have GEI Sugar marketing nominations in place with QSL for the 2021 and 2022 Seasons by the end of the 2020 Season. This means they must:

- Nominate QSL as a GEI Sugar marketer for the 2021 Season by **31 October 2020**;
and
- Nominate QSL as a GEI Sugar marketer for the 2022 Season by **30 June 2020**.

This Fact Sheet contains information of a general or summary nature. It also contains a high-level overview of some of the key accounting and tax issues relating to QSL's grower pricing agreements and the related payment process, which is also of a general nature only. The information provided does not constitute financial, investment or product advice; in particular, the information does not constitute taxation or accounting advice. While all care has been taken in the preparation of this document, the reliability, accuracy or completeness of the information in this document is not guaranteed, and it should not replace advice sought from a suitably qualified advisor that can consider your personal circumstances. QSL does not accept any responsibility to any person for the decisions and actions taken by that person with respect to any of the information contained in this document.



PAYMENT ARRANGEMENTS

Eligible Growers who have a Grower Pricing Agreement (GPA) in place with QSL will have the Loyalty Bonus incorporated into their Shared Pool allocation throughout the 2020 Season. Due to processing requirements, eligible Growers in Tully Sugar and MSF Sugar milling districts will receive the full allocation incorporated into their Shared Pool element for the final QSL Advance payment of the season.

Those Growers who are not currently marketing through QSL in the 2020 Season can still receive the QSL Loyalty Bonus in the 2021 Season if they nominate QSL as their GEI Sugar Marketer three seasons ahead (i.e. for the 2021, 2022 and 2023 Seasons).

To choose QSL as your marketer, you must make the nomination via your miller's required GEI Sugar Marketer nomination process. Upon confirmation of your three-year marketing nomination, the QSL Loyalty Bonus will be applied as part of your Shared Pool allocation for the applicable season/s.

CHANGES IN CIRCUMSTANCE

Should a Grower eligible to receive the QSL Loyalty Bonus in 2020 Season rescind any of the required nominations prior to their relevant deadlines, they will no longer be eligible for the bonus.

Growers who sell their farms during the course of the 2020 Season should note that they may still qualify for the Loyalty Bonus provided the purchaser maintains the QSL marketing nomination for the 2021 and 2022 seasons.

How the Loyalty Bonus is split between the seller and the purchasing party is subject to the sale terms of the farm and should be addressed within the sale contract.

For further information about the implications of farm sales on the Loyalty Bonus, please contact the QSL Direct team on **1800 870 756**.

Additional information regarding the QSL Loyalty Bonus can be found in section 2.8 of QSL's Shared Pool Pricing Pool Terms, available at www.qsl.com.au.

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