

## QUEENSLAND SUGAR LIMITED

# TRADING RISK COMMITTEE CHARTER

### 1. PURPOSE AND AUTHORITY

1.1 The Board of Queensland Sugar Limited (QSL) has established a Trading Risk Committee (the Committee). The purpose of the Committee is to assist the Board and discharge their responsibilities via:

- a. oversight of the risk management, control and compliance measures established by the Board and QSL management in relation to:
  - i. commodity and foreign currency hedging,
  - ii. marketing and sale of raw sugar (including RSSA and non-RSSA sugar), and
  - iii. chartering activities.
- b. oversight review and monitoring of the activities of QSL relating to the marketing, sale and trading of raw sugar by QSL, in particular to export markets.

1.2 The Committee has authority from the Board to review and investigate any matter within the scope of this Charter and make recommendation 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'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 in relation to the marketing and trading of raw sugar, having representatives on the QSL Board. In 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 in January each year 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 and Chief Executive Officer (CEO), QSL's General Manager of Trading and Risk, CFO 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 of Trading and Risk and the CFO 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. The audit partner or partners of QSL's internal audit and/or statutory auditor will be invited to attend Committee meetings when appropriate.
- g. Meetings may be held in person, or by telephone, video or internet conferencing.
- h. The Committee Chair, assisted by the Risk and Compliance Manager, 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.
- i. 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.
- j. 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 Risk and Compliance Manager, 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 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. Risk management**

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

- a) reports from QSL management concerning commodity and foreign currency hedging activities, marketing and sale of raw sugar (including RSSA and non-RSSA sugar) and/or chartering activities.
- b) reports from QSL management concerning any significant risk exposures in relation to the matters at (a) above, in order to monitor the associated treatment plans and, if thought fit, endorse any residual risk.
- c) the continuing appropriateness of QSL's risk management policies governing the activities at (a) above. Where necessary, the Committee will recommend to the Board amendments to such policies, which cover matters including, but not limited to:
  - sovereign and counterparty limits and trade credit,
  - financial risk management,
  - marketing risk management,
  - purchase and sale of non-RSSA sugar, and
  - Chartering

### **6.2. Compliance**

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

- a. QSL's compliance with principles and policies, strategies and processes related to commodity and foreign currency hedging activities, marketing and sale of raw sugar (including RSSA and non-RSSA sugar) and/or chartering activities, and
- b. Any related policy and/or operational breaches or non-compliance and proposed corrective action.

### **6.3. Marketing and Trading Activities**

The Committee will review and where appropriate, make decisions in relation to matters relating to the marketing, sale and trading of raw sugar (including RSSA and non-RSSA sugar). For this purpose, 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 as they relate to the marketing, sale and trading of raw sugar (including RSSA and non-RSSA sugar) by QSL.

#### **6.4. Internal Audit**

With respect to internal audit, the Committee will review, and where appropriate, make recommendations to the Board on possible inclusions to the annual internal audit plan to ensure it covers material risks relevant to the Committee's responsibilities.

#### **6.5. Management of Conflict 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 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.

<b>Reviewed</b>	December 2019
<b>Approved by the Board on:</b>	<b>December 2019</b>
<b>Next review date:</b>	December 2020