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STL ADDS INDEPENDENT DIRECTORS AND APPOINTS NEW CHAIRMAN TO SUPPORT NEW BUSINESS MODEL

KEY POINTS

- Experienced directors and senior executives Mr Mark Gray and Mr Sam Bonanno appointed as additional independent non-executive directors of Sugar Terminals Limited (STL)
- Mr Gray appointed as independent Chairman of STL following Mr Stuart Gregory's decision to stand down as Chairman after nearly seven years in the role
- Mr Gregory to remain an independent non-executive director of STL
- Resulting STL Board increases from five to seven members, with four industry directors (two grower elected and two miller elected) and three independent non-executive directors

The Board of STL today appointed two additional independent non-executive directors to augment its capability ahead of 1 July 2017, when STL will assume oversight of the operation of its six bulk sugar terminals and contract directly with terminal users as agreed with Queensland Sugar Limited (QSL) in December 2016.

At a general meeting held in Brisbane this morning, STL shareholders voted to increase aggregate annual non-executive directors' fee pool by \$150,000 to \$400,000. The increase was required to fund the appointment of the additional independent non-executive directors and also to cater for some future escalation in non-executive director remuneration.

This afternoon, the Board appointed Mr Mark Gray and Mr Sam Bonanno as independent non-executive directors of the Company, bringing the total number of directors to seven, and the total non-executive independent directors to three. These appointments have been made following a rigorous recruitment and selection process conducted by the Board.

STL Chairman Stuart Gregory said the new directors' skills and experience would enhance the existing capability of the Board at a pivotal time in the company's evolution.

"Mark and Sam are experienced senior executives and non-executive directors with significant commercial experience in the operation and management of major infrastructure and performance improvement. We are very pleased to welcome professionals of their calibre to our ranks at a time of change in the Queensland sugar industry," Mr Gregory said.

Brief biographies of Mr Gray and Mr Bonanno are attached.

Stuart Gregory stands down as STL Chairman

At the Board meeting today, Mr Gregory advised that while he would remain an independent director of the Company, he would stand down as Chairman at the end of the meeting to pave the way for Mr Gray to assume the role.

“This is a sensible approach which allows for a smooth transition in the leadership of STL. My tenure as a director of the Company will cease in 2018, just over a year after the start of the new terminal operating model. In my view, an early and orderly transition will ensure Mark is an active leader and participant in the design and implementation of this new business model. It will also minimise uncertainty for our shareholders and for all industry participants as we enter a new era of marketing competition,” he said.

Incoming Chairman Mr Gray complimented Mr Gregory on his leadership of the Company through a period of change.

“Stuart has led STL with calm confidence and delivered a sensible solution to the challenges posed by the deregulation of the Queensland sugar industry. I appreciate his willingness to remain a director and accept the role of Chairman of the Audit Committee. His extensive corporate knowledge and history will continue to be of great value to the Board and the Company,” Mr Gray said.

Mark Gray appointed as Chairman

Following Mr Gregory’s resignation as Chairman, the Board appointed Mr Gray as the new independent non-executive Chairman of STL. Mr Gregory said Mr Gray had the right credentials to lead STL through the coming years.

“Mark is eminently qualified for the role. His years of experience in leadership roles as well as his considerable commercial acumen will be of great benefit to STL as we prepare to implement the new business model,” Mr Gregory said.

In the coming weeks, the STL Board is expected to appoint two permanent, full-time senior executives: a Chief Executive Officer and a Financial Controller & Company Secretary. Upon their appointment, STL’s current General Manager and Company Secretary, Mr Peter Trimble, will step back from the day to day business into an advisory role.

The first order of business for the new management team and expanded board will be to finalise the terms and conditions of the operating agreement with QSL, the storage and handling agreements with terminal users and detailed transition planning to ensure the company is ready for the July 2017 changes.

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BRIEF BIOGRAPHIES

(Alan) Mark Gray

Mr Gray's career spans more than 40 years and encompasses an impressive array of senior executive and board appointments. He has served in executive roles in government and private sector organisations, including as Under Treasurer of the Queensland Treasury Department, Chief Executive Officer of the Queensland Competition Authority and the Queensland Independent Commission of Audit, Office Head at Macquarie Group and Executive Director with BDO.

Since retiring from full-time employment in 2015, Mr Gray has embarked on a career as an independent non-executive company director. He is currently the Chairman of the Queensland Section and a Director of the Federation Board of the Royal Flying Doctor Service of Australia. He is also Chairman and Executive Director of Tailored Superannuation Solutions, a startup fintech company developing an innovative product for default superannuation funds.

Mr Gray is a non-executive director of Queensland Cricket, a member of the Griffith University Council (Senate) and a member of the Brisbane Boys' College (BBC) School Council, and also sits on various finance, audit and risk committees. He is also Managing Director of his own consulting firm, Laurina Consulting Pty Ltd, which provides strategic commercial advice to private and public sector clients.

Mr Gray holds a Bachelor of Economics (First Class Honours) from the University of Queensland, where he is also an Adjunct Professor of Economics. He is a Senior Fellow with the Financial Services Institute of Australia and a Fellow of the Australian Institute of Company Directors.

Sam (Salvatore) Bonanno

Mr Bonanno has more than 35 years of experience in ports, logistics, infrastructure and mining operations in Australia and internationally. His experience encompasses strategic planning, commercial negotiations, operations management, asset management, project management, materials processing and bulk supply chain management.

Now an independent management consultant, Mr Bonanno previously held senior executive roles with infrastructure and mining companies, most recently as Principal Strategic Advisor to Aurizon (Ports and Supply Chains) and a host of leadership roles with BHP Mitsubishi Alliance Coal Operations. He has served as a non-executive director on five Australian boards: Dalrymple Bay Coal Terminal, three key industry-wide service providers and a government corporation for regional economic development in Far North Queensland.

Mr Bonanno holds a Bachelor of Engineering (Mechanical) from Central Queensland University and is a Member of the Institute of Engineers and a Member of the Australian Institute of Company Directors.