



Sugar Terminals Limited
ABN 17 084 059 601

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Dear Shareholder

ANNUAL GENERAL MEETING - WEDNESDAY 21 OCTOBER 2020 AT 10:00AM (QLD TIME)

It is my pleasure to invite you to participate in the 2020 Annual General Meeting (AGM) of Sugar Terminals Limited. Please find enclosed the following:

- Notice of Meeting (including the Explanatory Notes)
- Personalised Proxy Form
- Member Status Declaration
- Shareholder Question Form

If you have requested a printed copy of the 2020 Annual Report, it has been provided to you. If not, the 2020 Annual Report is available on the STL website (www.sugarterminals.com.au).

AGM details

The AGM is being held at the Christie Conference Centre, Level 1, 320 Adelaide Street, Brisbane on Wednesday 21 October 2020 at 10:00am (Queensland time). The registration desk will be open from 9:30am. Details of the resolutions to be considered at the AGM are included in the enclosed Notice of Meeting.

Attendance at the AGM and voting

All STL shareholders are welcome to attend the AGM, however we recognise that October is a critical time for many during the crushing season and COVID-19 has also made travel more difficult. In addition, while we have shifted the location of the meeting to a larger venue, numbers in attendance at the meeting will need to be limited, due to social distancing requirements.

If you are unable to attend the AGM but wish to vote on any of the resolutions, you are encouraged to complete and return the enclosed Proxy Form and Member Status Declaration. Please complete the 'voting directions' section OR the 'appoint a proxy' section on the Proxy Form to ensure your vote is valid (and include the completed Member Status Declaration).

Webcast

Shareholders who cannot attend the AGM in person will be able to watch the AGM and ask questions via webcast (refer link: <https://agmlive.link/SUG20>). Shareholders who prefer to register questions in advance of the AGM are invited to do so using the attached Shareholder Question Form.

PLEASE NOTE THAT WHILE YOU MAY ATTEND THE MEETING VIA WEBCAST, YOU WILL NOT BE ABLE TO VOTE THROUGH THIS MEDIUM. VOTES WILL NEED TO BE CAST BY PROXY IF YOU ARE UNABLE TO ATTEND THE MEETING.



On behalf of all the Directors of STL, we look forward to your participation at the AGM.

Yours sincerely

A handwritten signature in black ink that reads 'Mark Gray'. The signature is fluid and includes a long, sweeping underline.

Mark Gray

Chairman

18 September 2020



NOTICE OF ANNUAL GENERAL MEETING

21 October 2020

Notice is hereby given that the Annual General Meeting ("AGM") of the Members of Sugar Terminals Limited, ABN 17 084 059 601, ("the Company") will be held:

Date: Wednesday, 21 October 2020

Time: 10.00am (Queensland time)

Venue: *Join us in person at:*

Christie Conference Centre, Level 1, 320 Adelaide Street, Brisbane

Or vote via proxy form and join us online at:

<https://agmlive.link/SUG20>

BUSINESS OF THE MEETING

Financial Statements and Reports

1. To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company for the financial year ended 30 June 2020.

Note: There is no requirement for shareholders to approve the financial statements and reports.

Remuneration Report

2. To consider the Remuneration Report as it appears on pages 14 to 16 of the Annual Report for the financial year ended 30 June 2020, and if thought fit, to pass the following non-binding resolution in accordance with section 250R of the Corporations Act:

"That the Company's Remuneration Report as it appears on pages 14 to 16 of the Directors' Report for the financial year ended 30 June 2020 be adopted."

This resolution is subject to voting exclusions as set out at the end of the Notice of Meeting.

Note: If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution ("a spill resolution") that another meeting be held within 90 days at which all of the Company's Directors must be put forward for re-election.

Election of Director by M Class shareholders (Miller Director)

3. Mr Shayne William Rutherford retires as a Director pursuant to Article 17.8 of the Constitution and, having served three consecutive terms, is not eligible for re-election.



Nominations for the position of Miller Director have been received nominating the following persons:

- Mr Rees Fleming
- Ms Thitichaya (Jia) Poontanasombat

An election will be held at the meeting for M Class shareholders to elect a Miller Director in accordance with Article 18.5 of the Constitution.

Election of Director by G Class shareholders (Grower Director)

4. Mr Donald Andrew Watson retires as a Director pursuant to Article 17.8 of the Constitution and, having served three consecutive terms, is not eligible for re-election.

Nominations for the position of Grower Director have been received nominating the following persons:

- Mr Stephen Calcagno
- Mr Con Christofides
- Mr Dean Sgroi

An election will be held at the meeting for G Class shareholders to elect a Grower Director in accordance with Article 18.5 of the Constitution.

Remuneration of Non-Executive Directors

5. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That in accordance with Article 20.1 of the Constitution and for all other purposes, the maximum aggregate amount payable out of the funds of the Company to Non-Executive Directors for their services (inclusive of superannuation) be increased from \$400,000 per annum to \$550,000 per annum”.

This resolution is subject to the requirements set out in Article 14.9 of the Constitution as detailed in the Explanatory Notes and the voting exclusions as set out at the end of the Notice of Meeting.

By Order of the Board

A handwritten signature in blue ink, appearing to read 'P. Bolton', with a horizontal line extending to the right.

Peter Bolton
CFO and Company Secretary
18 September 2020



IMPORTANT INFORMATION

How to Vote

Eligibility

For the purposes of determining entitlements to vote at the AGM, shares will be taken to be held by the people registered as holders at 6.00pm (Queensland time) on Monday 19 October 2020 (excluding those members to whom a transfer notice has been issued under Article 3.6 of the Constitution).

A member is not entitled to vote on any resolution unless the member has executed and provided to the Company a Member Status Declaration. A Member Status Declaration accompanies this Notice of Meeting.

Attending in person

If you are attending the AGM in person please bring with you your personalised Proxy Form. The bar code at the top of the form will help you register. You must also bring with you a completed Member Status Declaration.

For those attending the AGM in person, all voting will be by way of poll.

Proxies

A member entitled to attend and vote is entitled to appoint a person as the member's proxy and vote in his/her stead. A proxy need not be a member of the Company. If a member does not complete the section of the form directing his or her proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.

Unless instructed to the contrary, the Chairman intends to vote any undirected proxies in favour of Resolutions 2 and 5.

To be effective the completed Proxy Form and a completed Member Status Declaration (and, if applicable, the powers of attorney under which they are signed) must be received by the Company's share registry, Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, or alternatively faxed to Link Market Services on (02) 9287 0309 not later than 10.00am (Queensland time) Monday 19 October 2020.

If a member is entitled to cast 2 or more votes at the meeting, that member may appoint 2 proxies. Where a member appoints 2 proxies, each proxy may be appointed to represent a specified proportion of the member's voting rights and the member must fill in the proportion of voting rights allotted to each proxy. Failure to specify the proportion of voting rights will mean that each proxy may exercise one half of that member's votes.

A representative appointed by a corporation, pursuant to Section 250D of the Corporations Act, to vote on its behalf should bring to the meeting a duly executed certificate of appointment for presentation and Member Status Declaration and register at the registration desk on the day of the meeting. The certificate of appointment must be executed in accordance with the relevant company constitution, or as permitted by the Corporations Act. The certificate of appointment must be available for inspection at the meeting.

Shareholders cannot appoint themselves as their own proxy.



Online voting

Due to the requirements of members to complete a Member Status Declaration, online voting is **not available** for the 2020 AGM. Members need to vote in person at the AGM or return a completed Proxy Form and completed Member Status Declaration, as per the guidelines above.

Voting exclusions

In accordance with the NSX Listing Rules and the Corporations Act, the Company will disregard any votes cast on Resolution 2 or Resolution 5 by any key management personnel and any of their closely related parties, unless the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

If members appoint a person who is excluded from voting on any resolution as their proxy and members do not direct them on how to vote in respect to any resolution on which they cannot personally vote, then a vote cast by them on that resolution will not be counted. If a member appoints any such excluded person as their proxy, the Company strongly urges the member to direct them how to vote on the resolution they are excluded from voting on. Alternatively, the Company suggests that the member appoint someone else (such as the Chairman) as their proxy.

Accessing the webcast of the AGM

Members that cannot attend the AGM in person are welcome to participate in the AGM virtually via the virtual AGM platform <https://agmlive.link/SUG20>.

STL recommends logging in to the online platform at least 15 minutes (9.45am) prior to the scheduled start time for the AGM using the instructions below:

Enter <https://agmlive.link/SUG20> into a web browser on a computer or online device.

Members will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) which is printed at the top of the Voting Form.

Questions from shareholders

STL welcomes questions from members who are attending the AGM in person, who submit questions in advance (via the Shareholder Question Form) or who participate via webcast (<https://agmlive.link/SUG20>).

To facilitate answering questions from members, questions are encouraged to be submitted in advance using the Shareholder Question Form. This Form can be sent to the Company's share registry at the address above no later than 10.00am (Queensland time) Wednesday 14 October 2020.

Members are requested to confine questions to matters before the AGM that are relevant to shareholders as a whole. Members should not ask questions regarding personal matters or those that are commercial in confidence. The Chairman will exercise his discretion to determine whether a particular question will be answered at the meeting, having regard to whether it is an appropriate question for that forum.

STL Directors and management will be available before and after the AGM to discuss individual questions from shareholders.



Questions for STL's auditor

Members will also be given a reasonable opportunity at the AGM to ask the Company's auditor, PricewaterhouseCoopers, questions about the audit report and the conduct of its audit of the Company's financial report for the year ended 30 June 2020. Members may submit written questions to PricewaterhouseCoopers to be answered at the meeting, providing the question is relevant to the content of PricewaterhouseCoopers' audit report or the conduct of its audit of the Company's financial statements for the year ended 30 June 2020.

Any written questions addressed to PricewaterhouseCoopers can be sent to the Company's share registry at the address above not later than 10.00am (Queensland time) Wednesday 14 October 2020.



EXPLANATORY NOTES

These explanatory notes have been prepared to assist members to understand the business to be put to members at the meeting.

BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act 2001 requires STL's financial statements and reports for the last financial year to be presented to the AGM. The financial statements and reports are contained in STL's 2020 Annual Report. The 2020 Annual Report is available from the STL website at www.sugarterminals.com.

While no resolution is required in relation to this item, members will be given the opportunity to ask questions and make comments on the financial statements and reports. STL's auditor, PWC, will be present at the AGM and members will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, STL's accounting policies and the independence of the auditor.

2. REMUNERATION REPORT

The Remuneration Report contained in the 2020 Annual Report is required to be considered by members in accordance with section 250R of the Corporations Act at the AGM.

The Remuneration Report is set out on pages 14 to 16 of the 2020 Annual Report and is also available from the STL website at www.sugarterminals.com.au

The vote on this resolution is advisory only and does not bind the Directors or the Company. Prior to the holding of this vote, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about the remuneration report.

Pursuant to amendments made to the Corporations Act with effect from 1 July 2011, if 25% or more of votes that are cast on Resolution 2 (Remuneration Report) are cast against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution ("a spill resolution") that another meeting be held within 90 days at which all of the Company's Directors must be put forward for re-election.



3. ELECTION OF DIRECTOR BY M CLASS SHAREHOLDERS (MILLER DIRECTOR)

Article 18.2 of the Constitution requires one third of all the Directors (or if their number is not a multiple of 3 then rounded down to the whole number nearest one-third) to retire from office at each AGM. Provided such retiring Director has not served more than 2 consecutive terms, the retiring Director is eligible for re-election.

Mr Shayne William Rutherford retires by rotation and, pursuant to Article 17.8 of the Constitution, is not eligible for re-election, having served 3 consecutive terms as a Director.

An election will be held at the meeting for the Miller Director position vacated by the retirement of Mr Shayne William Rutherford in accordance with Article 18.5 of the Constitution.

Brief details of the experience and expertise of the persons who have been nominated for the Director position are as follows:

Mr Rees Fleming

Mr Rees Fleming is a lawyer with over 20 years' experience including private practice specialising in Shipping and Transport Law and in-house counsel roles in the coal mining and sugar industries. Mr Fleming is currently the General Counsel and Company Secretary for the Wilmar Sugar ANZ group of companies. He holds a Bachelor of Law, Masters of Shipping Law and is a graduate member of the AICD.

Ms Thitichaya (Jia) Poontanasombat

Ms Thitichaya (Jia) Poontanasombat is the General Manager Business Improvement and Development of MSF Sugar Pty. Ltd. Prior to this, Jia has been with MSF Sugar's parent corporation, Mitr Phol, since 2007. Jia has a proven track record of planning and delivering advanced technology capital expansion projects in Thailand and other parts of Asia.

4. ELECTION OF DIRECTOR BY G CLASS SHAREHOLDERS (GROWER DIRECTOR)

Article 18.2 of the Constitution requires one third of all the Directors (or if their number is not a multiple of 3 then rounded down to the whole number nearest one-third) to retire from office at each annual general meeting. Provided such retiring Director has not served more than 2 consecutive terms, the retiring Director is eligible for re-election.

Mr Donald Andrew Watson retires by rotation and, pursuant to Article 17.8 of the Constitution, is not eligible for re-election, having served 3 consecutive terms as a Director.

An election will be held at the meeting for the Grower Director position vacated by the retirement of Mr Donald Andrew Watson in accordance with Article 18.5 of the Constitution.

Brief details of the experience and expertise of the persons who have been nominated for the Director position are as follows:



Mr Stephen Calcagno

Mr Stephen Calcagno is the Chairman of CANEGROWERS Cairns Region and Director of the Queensland Canegrowers Organisation (QCGO). Mr Calcagno is a fourth generation cane farmer, farming 400 hectares of Smartcane BMP accredited cane in the Babinda/Bellenden Ker district. Mr Calcagno has served on many local committees, advisory boards and assessment panels and is recognised as a good communicator, with the ability to represent at all levels while demonstrating sound governance principles.

Mr Con Christofides

Mr Con Christofides is a third generation sugarcane farmer in the Burdekin region, farming 800 hectares. Mr Christofides was previously a Director of STL (2008 to 2018). During his tenure as an STL Director, the Company reshaped its business model, transitioning from a landlord to taking on responsibility for Terminal operations as a result of additional raw sugar marketers entering the Queensland sugar industry. Mr Christofides also served on STL's Finance and Audit Committee. Mr Christofides is currently a Director of South Burdekin Community Financial Services Limited (Home Hill Bendigo Community Bank).

Article 17.8 of the STL Constitution limits Directors from being appointed or elected for a fourth consecutive term. There is no prohibition in the Constitution that prevents a Director from serving a fourth term, in so far that it is not a consecutive term.

Mr Dean Sgroi

Mr Dean Sgroi is the Deputy Chairman of Pioneer Cane Growers Organisation (PCGO) and previously Chairman of the PCGO. Mr Sgroi is currently Chairman of Burdekin Cane Audit Services. Mr Sgroi is a Partner owner/operator of a diversified irrigated farming business growing cane, grains and beans. The business also manages cane harvesting, transport and grain logistics operations. Studied for a Bachelor of Applied Science (Rural Technology).

5. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Article 20.1 of the Constitution provides that the Non-Executive Directors will not be paid more than an aggregate fixed sum as determined by an ordinary resolution of the Company.

The maximum aggregate fixed sum payable to Non-Executive Directors was last increased at a General Meeting of shareholders in March 2017, following an expansion in the size of the Board as part of the new business model implemented from 1 July 2017. At the time, fees for Independent Directors were set based on market benchmarking information. This was at a level above the fees for Directors elected by G Class and M Class shareholders (Industry Directors).

The Board has decided in principle that the fees paid to Industry elected Directors should be aligned to those fees paid to Independent Directors, given that all STL Directors have the same level of responsibilities, obligations and liabilities. There was adjustment in 2018 to fees paid to Industry elected Directors to the extent allowable under the existing maximum aggregate fixed sum limit. However, further action to implement this decision was deferred due to cost constraints.



Annual fees for an individual Industry elected Director now are \$22,485 below the annual fees paid to an individual Independent Director. There are four Industry elected Directors on the STL Board (two G Class elected Directors (Grower Directors) and two M Class elected Directors (Miller Directors)) and there is insufficient headroom in the existing maximum aggregate fixed sum payable to Directors (\$400,000) to fully align Director fees. In addition, it is proposed that the Chairs of the Finance and Audit Committee and the Safety, Health, Environment and Risk Committee should be paid a small additional allowance in recognition of their additional responsibilities, consistent with good governance and market practices.

Accordingly, an increase in the maximum aggregate fixed sum payable to Non-Executive Directors to \$550,000 is now proposed, having regard to the following considerations:

- the proposed increase will be absorbed within STL's existing costs with no increase in overall costs as a result of the initiative, due to other cost savings achieved by STL;
- there has been no CPI increase in fees for Directors since July 2018, and there will be no increase again this year;
- the proposed increase will not be fully utilised initially, but rather will provide for possible CPI increases over the next several years.

As the Non-Executive Directors have an interest in the outcome of this Resolution 5, the Board makes no recommendation as to how shareholders should vote in relation to this Resolution.

Article 14.9 requirement

Resolution 5 is subject to the requirements set out in Article 14.9 of the Company's constitution. Article 14.9 of the Company's constitution imposes an additional requirement on voting on ordinary resolutions where the Directors have resolved prior to the general meeting that the matter is of such importance that the additional requirement in Article 14.9 should apply.

That additional requirement is that an ordinary resolution passed at a general meeting will not have any effect unless it is also passed by:

- at least 50% of the Eligible Voters in relation to G Class shares; and
- at least 50% of the Eligible Voters in relation to M Class shares.

Pursuant to the constitution, an 'Eligible Voter', in relation to a general meeting, includes a member present in person or a member present by proxy, attorney or corporate representative.

On 27 August 2020, the Directors resolved that the additional requirement under Article 14.9 of the constitution should apply to this Resolution 5. At the AGM, this means that the votes of each class of shareholder of the Company must be counted separately in relation to Resolution 5 in order to determine whether the requisite number of votes has been achieved for Resolution 5 to have passed.