

1 July 2022

## NSX Announcement

# Update on new storage and handling agreement

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**Sugar Terminals Limited (STL, NSX:SUG) announces that it has signed a new 3-year agreement with five of its customers with effect from 1 July 2022. The terms of this new storage and handling agreement will apply to all STL customers who utilise STL's services from 1 July 2022.**

STL CEO David Quinn advised that following lengthy but constructive negotiations with all customers, STL issued a final version of the new 3-year storage and handling agreement to all customers on 23 June 2022, for execution purposes.

"The negotiations relating to the new agreement, which commenced in late 2021, have sought to balance the legitimate commercial objectives of all parties" he said. "When compared to the 2018 agreement, STL has agreed to a number of the changes which provide a more favourable outcome for customers whilst still meeting the requirements of STL and its shareholders".

Mr Quinn said "STL is aware that the new agreement needed to ensure a fair and reasonable outcome that balances the diverse interests of all customers, shareholders and other stakeholders, and importantly, is in the best long-term interests of the entire sugar industry."

At this point in time, Tully Sugar, MSF Marketing, Queensland Commodity Services, Bundaberg Sugar and Wilmar Sugar have signed the new storage and handling agreement.

As at 30 June 2022, STL's remaining customer, Queensland Sugar Limited, has not yet signed the new agreement. However, STL remains committed to reaching agreement with QSL as it will be in the best interests of both parties and the broader sugar industry to have long term contractual certainty.

Mr Quinn noted "With the 2022 crushing season well underway, STL will continue to provide services to all its customers from 1 July 2022."

"STL's approach will be to apply the terms of the new agreement to all customers who utilise the bulk sugar terminals from 1 July 2022, even if they have not signed the new agreement. This approach has been consistently communicated to customers throughout the negotiation process" he said.

Our purpose is to be a sustainable, globally competitive provider of storage and handling solutions for bulk sugar and other commodities.



STL will advise the market of any further developments in line with its disclosure obligations.

**Enquiries:**

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