



Sugar Terminals Limited
ABN 17 084 059 601

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Level 11, 348 Edward Street
Brisbane QLD 4000
GPO Box 1675
Brisbane QLD 4001

Dear Shareholder

ANNUAL GENERAL MEETING - WEDNESDAY 26 OCTOBER 2022 AT 2:00PM (QLD TIME)

It is my pleasure to invite you to participate in the 2022 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 2022 Annual Report, it has been provided to you. If not, the 2022 Annual Report is available on the STL website (www.sugarterminals.com.au).

AGM details

The AGM is being held at the offices of Clayton Utz, Level 28, 71 Eagle Street, Brisbane on Wednesday 26 October 2022 at 2:00pm (Queensland time). The registration desk will be open from 1:30pm. 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.

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).

Email voting

STL shareholders are able to email scanned copies of their Proxy Form and Member Status Declaration to Link Market Services. Please use the email address vote@linkmarketservices.com.au

Webcast

Shareholders who cannot attend the AGM in person will be able to watch the AGM and ask questions via webcast (refer link: <https://meetings.linkgroup.com/SUG22>). A detailed guide on how to participate is available on our website at www.sugarterminals.com.au. 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 if you are unable to attend the meeting in person but wish to cast your votes by proxy, this will need to be done by submitting your proxy votes in advance (via post or email). Votes cannot be submitted online on the day of the AGM. This is because of the requirement under the STL constitution for voting shareholders to provide evidence of their status as an Active Grower or Active Miller.

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 written in a cursive style with a long, sweeping underline.

Mark Gray
Chairman
21 September 2022



NOTICE OF ANNUAL GENERAL MEETING

26 October 2022

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, 26 October 2022

Time: 2.00pm (Queensland time)

Venue: *Join us in person at:*

The offices of Clayton Utz, Level 28 Riparian Plaza, 71 Eagle Street, Brisbane

Or vote via proxy form in advance of the meeting and join us online at:

<https://meetings.linkgroup.com/SUG22>

BUSINESS OF THE ANNUAL GENERAL 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 2022.

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 17 of the Annual Report for the financial year ended 30 June 2022, 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 17 of the Directors' Report for the financial year ended 30 June 2022 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.

Re-election of Independent Director – Mark Gray

3. Mr (Alan) Mark Gray retires as a director by rotation pursuant to Article 18.2 of the Constitution and, being eligible, offers himself for re-election by way of ordinary resolution of the shareholders.



Re-election of Independent Director – Sam Bonanno

4. Mr Sam (Salvatore) Bonanno retires as a director by rotation pursuant to Article 18.2 of the Constitution and, being eligible, offers himself for re-election by way of ordinary resolution of the shareholders.

Change of Auditor

5. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
“Subject to the Australian Securities and Investments Commission (“ASIC”) consenting to the resignation of PricewaterhouseCoopers as auditor of the Company in accordance with section 329 of the Corporations Act 2001 (Cth) (“Corporations Act”), that BDO Audit Pty Ltd, having consented in writing and been duly nominated in accordance with section 328B(1) of the Corporations Act, be appointed as auditor of the Company in accordance with section 327B of the Corporations Act and for all other purposes with effect from the later of the conclusion of the 2022 Annual General Meeting and the day on which ASIC gives its consent.”

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
21 September 2022



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 24 October 2022 (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, 3, 4 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 emailed to Link Market Services on vote@linkmarketservices.com.au not later than 2.00pm (Queensland time) Monday 24 October 2022.

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.



Email voting

STL shareholders are able to email scanned copies of their Proxy Form and Member Status Declaration to Link Market Services via the email address vote@linkmarketservices.com.au

Please note votes will need to be cast by proxy in advance (via post or email), as per the guidelines above, if shareholders are unable to attend the meeting and wish to vote by proxy. Votes cannot be submitted through the online platform during the meeting, due to the requirements for STL to validate Proxy Forms with a Member Status Declaration.

Voting exclusions

In accordance with the NSX Listing Rules and the Corporations Act, the Company will disregard any votes cast on Resolution 2 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://meetings.linkgroup.com/SUG22>.

STL recommends logging in to the online platform at least 15 minutes (1.45pm) prior to the scheduled start time for the AGM using the instructions below:

Enter <https://meetings.linkgroup.com/SUG22> 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 online via the webcast (<https://meetings.linkgroup.com/SUG22>).

To facilitate answering questions from members, questions are encouraged to be submitted in advance using the Shareholder Question Form. This Form can be emailed to Link Market Services (STL's share registry) at the address vote@linkmarketservices.com.au by no later than 2.00pm (Queensland time) on Friday 21 October 2022.

All questions should be received by 2.00pm on Friday 21 October 2022.



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 2022. 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 2022.

Any written questions addressed to PricewaterhouseCoopers can be emailed to Link Market Services (STL's share registry) at the address vote@linkmarketservices.com.au by no later than 2.00pm (Queensland time) on Friday 21 October 2022.



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 2022 Annual Report. The 2022 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 2022 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 17 of the 2022 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. RE-ELECTION OF INDEPENDENT DIRECTOR – MARK GRAY

Article 18.3 of the Constitution requires each Director to retire from office no later than at the third annual general meeting following the Director's last election or appointment, but that Director may submit himself or herself for and will be eligible for re-election or re-appointment.

Further, Article 18.2 of the Constitution requires one third of all the Directors 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. A Director who retires by rotation pursuant to Article 18.3 will be eligible to count towards the number to retire under Article 18.2 at the same meeting.

Mr (Alan) Mark Gray was last elected at the 2019 annual general meeting of STL, and has now served 2 terms as a Director of STL.

Pursuant to Article 18.3 of the Constitution (and also in satisfaction of Article 18.2), Mr Gray retires by rotation and, being eligible, offers herself for re-election by way of ordinary resolution of the shareholders.

Brief details of the experience and expertise of Mr Gray are as follows:

Mr (Alan) Mark Gray

Mark Gray has been the independent Chairman of the STL Board since 2017 and is a vastly experienced chairman and company director. He has guided the organisation through a period of consolidation following the implementation of a new business model to reflect deregulation of marketing arrangements for raw sugar. During this time, STL has delivered a safe, reliable and competitive storage and handling service to the sugar industry, whilst balancing the varying interests of shareholders and customers and ensuring the future sustainability of the business.

Over this period, STL has delivered stable and consistent returns to shareholders through a steady increase in dividends. The return on equity has averaged 8.0% pa.

Mark also has ensured that STL has maintained a relentless focus on driving improvements in the efficiency and productivity of its operations. Since the first year of the new operating agreement (FY18), operating costs have increased by a total of only 1.6%, well below the cumulative rate of inflation, thereby delivering on STL's objective of working hard to keep costs competitive for customers.

Mark places great importance in STL's role as custodian of the assets at its six bulk sugar terminals, which have been funded by industry. As a result, STL has invested heavily in maintaining and upgrading these assets for the benefit of industry. In FY22, STL invested some \$18.3 million in capital expenditure, and expects to maintain similar levels of investment into the future.

With the \$100 million roof replacement program almost completed, STL is focused on a new 10-year program of capital works, which will include replacement of the Lucinda conveyor belt and the upgrade of shiploading equipment at each of the terminals. To guide priorities for future capital investment, Mark instigated a comprehensive audit of the condition of STL's assets – the first time such an exercise has been conducted.



Mark has also been instrumental in STL's strategy to diversify income streams and develop other lines of activity to support the sugar industry. For example, he has played a leading role in securing funding of almost \$28 million from the Federal and State Governments for the construction of new common user infrastructure at Bundaberg to assist in developing new income streams to counter the declines in sugar production in the area. This will benefit the sugar industry by ensuring better use of assets which would otherwise be underutilised.

Mark has provided progressive and forward-looking leadership in setting the strategic direction for STL and in guiding progress towards the achievement of its strategic objectives. This will better position STL to provide storage and handling solutions to meet the needs of industry in increasingly competitive and volatile international markets.

4. RE-ELECTION OF INDEPENDENT DIRECTOR – SAM BONANNO

Article 18.3 of the Constitution requires each Director to retire from office no later than at the third annual general meeting following the Director's last election or appointment, but that Director may submit himself or herself for and will be eligible for re-election or re-appointment.

Further, Article 18.2 of the Constitution requires one third of all the Directors 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. A Director who retires by rotation pursuant to Article 18.3 will be eligible to count towards the number to retire under Article 18.2 at the same meeting.

Mr Sam (Salvatore) Bonanno was last elected at the 2019 annual general meeting of STL, and has now served 2 terms as a Director of STL.

Pursuant to Article 18.3 of the Constitution (and also in satisfaction of Article 18.2), Mr Bonanno retires by rotation and, being eligible, offers herself for re-election by way of ordinary resolution of the shareholders.

Brief details of the experience and expertise of Mr Bonanno are as follows:

Mr Sam (Salvatore) Bonanno

Sam Bonanno is an experienced company director and has been an independent director of STL - including as Chair of its Safety, Health, Environment and Risk Committee - since February 2017.

Sam has extensive domestic and international experience in the leadership and management of ports, terminals and other large infrastructure assets, as well as an excellent knowledge of the Queensland sugar industry, and particularly its supply chain from paddock to ship.

Sam has helped to guide STL through a transformation of its operating model: from a passive arrangement with a single marketer to one based on active relationships with multiple marketing organisations. Further, throughout this period of change, Sam has helped to ensure that STL continues to enhance the standards under which it operates, and the services that it provides to the sugar industry.

Under the new business model, Sam has had three key areas of focus:

- Leading the creation of a Safety Management System to meet its legal and compliance obligations as a PCBU (Person Conducting a Business or Undertaking) to protect both the critical infrastructure owned by STL and



the people who operate it.

- Championing the development of STL’s risk management framework and plan, plus its business interruption and mitigation strategies, all with critical controls to ensure that the services it provides to its customers are more reliable, resilient and sustainable.
- Ensuring that STL has a robust capital and asset stewardship program to protect and enhance its assets so that they continue to perform reliably, whilst also balancing STL’s operational and financial requirements.

Sam provides strategic, commercial and practical leadership to STL in its role as a key service provider to the Queensland sugar industry. His leadership approach is underpinned by his deep understanding of the value of STL’s assets, which are both critical and multigenerational.

5. APPOINTMENT OF AN AUDITOR

PricewaterhouseCoopers (“PwC”) has been STL’s auditor since 2000. Over the past 22 years, PwC has conducted the audit of STL in an effective and competent manner.

Given PwC’s length of tenure, the Board considered it good corporate governance to evaluate the merit in rotating the audit appointment and sought proposals from leading audit service providers.

Following a suitable evaluation of these proposals, the Directors propose the appointment of BDO Audit Pty Ltd (“BDO”) as auditor of the Company. Under the Corporations Act, members must approve the appointment of a new auditor.

PwC has advised the Company that it will make an application to the Australian Securities and Investments Commission (“ASIC”) for consent to resign effective from the later of the conclusion of the 2022 AGM and the day on which ASIC gives its consent. The Company expects that ASIC will give its consent prior to 26 October 2022, in which case PwC’s resignation will take effect from the conclusion of the 2022 AGM.

BDO has provided its consent to this appointment, subject to ASIC consenting to the resignation of PwC as auditor of the Company and approval of BDO’s appointment by STL’s members.

BDO has been duly nominated for appointment as the Company’s auditor by a member of the Company, as required by section 328B of the Corporations Act. A copy of the notice of nomination of BDO as auditor of the Company is attached as Attachment A to these Explanatory Notes.

The Board recommends that shareholders vote in favour of Item 5.



Attachment A – Nomination of Auditor

Tonbar QLD Pty Ltd
9 McEwans Beach Rd
Mackay QLD 4740
tbartolo@outlook.com

25 August 2022

Peter Bolton
Company Secretary
Sugar Terminals Limited
GPO Box 1675
BRISBANE QLD 4000

Dear Peter

Notice of Nomination of Auditor

In accordance with section 328B(1) of the Corporations Act 2001 (Cth), Tonbar QLD Pty Ltd, being a member of Sugar Terminal Limited (ABN 17 084 059 601), nominates BDO Audit Pty Ltd for appointment as auditor of the Company at the Annual General Meeting of the Company to be held on 26 October 2022.

Please distribute copies of this Notice of Nomination as required by the Corporations Act 2001 (Cth).

Kind regards

AR Bartolo

Tony Bartolo
Director
Tonbar QLD Pty Ltd