



Mackay Sugar Limited

**Call for Nominations for
Three Grower Directors
for Mackay Sugar Limited**

Board of Directors

31 July 2019



Mackay Sugar Limited (MSL)

This notice provides details for active MSL growers to nominate for a position on the Board of Directors of MSL.

Mackay Sugar Limited shareholders recently accepted a proposal from Nordzucker to acquire 70% of the shares in Mackay Sugar Limited (MSL). As part of this transaction, seven of the eight existing Board of Directors will resign and a new MSL Board will be formed.

Nominations are required for three non-executive Grower Directors.

Board Structure and Tenure

The new Constitution of MSL is available on the MSL website. Rule 22 outlines the structure of the Board and tenure of Directors

22.2 Number and appointment of directors

- a) *The minimum number of directors is six. The maximum number of directors is eight unless the company in general meeting resolves otherwise. The directors may set a maximum number of directors less than current maximum in accordance with the Relevant Law. The directors must not determine a maximum which is less than the number of directors in office at the time the determination takes effect.*
- b) *The board is to be constituted by:*
 - (i) *three Grower Directors; and*
 - (ii) *a minimum of three and maximum of five Controlling Member Directors.*

Controlling Member Directors are Directors appointed to the Board by Nordzucker and who are not Grower Directors.

Rule 23 outlines the eligibility for appointment as a Grower Director

23.1 Eligibility for appointment as a Grower Director

- a) *A person is eligible to be appointed as a Grower Director if the person is a Grower.*
- b) *For the purposes of this rule a person will be considered to be a Grower if they or their immediate family:*
 - (i) *control a company;*
 - (ii) *is a partner of a partnership; or*
 - (iii) *are the beneficiaries of a trust,*



that is a Grower.

A Grower

means subject to rule 23.1(b), a person, other than the Controlling Member or its Related Bodies Corporate, who sells and delivers or will sell and deliver at least 1,500 tonnes of sugar cane to the company per season under a current Cane Supply and Processing Agreement.

Grower Directors have a three year term with the initial three Grower Directors having 1, 2 and a 3 year term so that in the future one Grower Director position comes up for renomination each year. Rules 21, 22 and 23 in the Constitution outline the appointment and remuneration of Directors. The maximum number of years a grower can sit as a Grower Director is nine years in total. The Directors will elect a Grower Director to the office of Deputy Chairman.

Directors of the New Board

As outlined in the Explanatory Memorandum (available on the MSL website), once the three new Grower Directors are appointed, the existing Board will resign with the exception of Mark Day (existing Chairman), who will become a Controlling Member (Nordzucker) Executive Director. The structure of the new MSL Board will be

Michael Gerloff	Chairman, Controlling Member Director, non-executive
Sven Buhrmann	Controlling Member Director, non-executive
Frank Knaelmann	Controlling Member Director, non-executive
Mark Day	Controlling Member Director, executive
Vacant	Controlling Member Director, non-executive
Vacant	Deputy Chairman, Grower Director, non-executive
Vacant	Grower Director, non-executive
Vacant	Grower Director, non-executive

Directors' Duty

Rule 24.1 in the MSL constitution outlines the General Powers of Directors

The directors are responsible for managing the business of the company and may exercise all powers and do all things that are within the company's power and are not expressly required by the Corporations Act or this constitution to be exercised by the company in a general meeting.

More specifically the Board's role is to

- decide MSL's strategy, policy and overall direction to meet its objectives;



- ensure that MSL has an appropriate corporate governance structure;
- monitor and assess MSL's performance against approved strategic and operational plans;
- monitor MSL's compliance with legal and regulatory obligations;
- make sound financial decisions;
- provide accountability to MSL's members and stakeholders;
- appoint and remove the CEO and the Company Secretary as required;
- provide effective oversight and support for the CEO;
- monitor and review succession planning for executive management;
- establish Board committees with appropriate roles and responsibilities, membership, delegations and reporting frameworks;
- set appropriate culture for the company;
- set risk appetite and ensure effective risk management systems are in place including workplace health and safety;
- account to shareholders for the company's performance; and
- represent the company as required in formal interactions.

All MSL Directors are also expected to comply with duties imposed on Directors under Australian law including duty to:

- act in good faith in the best interests of the company and for a proper purpose;
- exercise reasonable care and diligence;
- appropriately manage conflicts of interest;
- not to misuse their position and information, and
- prevent insolvent trading.

MSL Board meetings could be more frequent at the beginning or when specific issues arise. The expectation is that Board meetings will occur at least every six weeks, usually located within the Mackay region at the three mills.

MSL Board can delegate duties to subcommittees of the Board.

Directors can be nominated for subcommittees of the Board. Directors may be required to attend strategy workshops and industry forums.



Attributes of MSL Directors

The following personal attributes are expected of all MSL Directors:

1. *Integrity*: A commitment to fulfilling director responsibilities, acting ethically, appropriate independence, declaring any conflicts, confidentiality, company and member interests before personal interests.
2. *Collaborative, constructive questioner*: Ability to work as part of a team, and demonstrate the passion and time to make a genuine and active contribution to the Board and company, as well as being prepared to exercise independent judgement and ask questions and challenge management and peer Directors in a constructive and appropriate way.
3. *Effective listener and communicator*: Ability to listen to, and appropriately debate, other people's viewpoints; develop and deliver cogent arguments; and to communicate effectively with peer Directors, executive managers, grower representatives, and key stakeholders.
4. *Critical and innovative thinker*: Ability to critically analyse complex, detailed information, identify key issues, and to put issues to management to develop solutions.
5. *Leader*: Skills including ability to appropriately represent the company; engender appropriate board and organisational culture; and make and take responsibility for decisions and actions.
6. *Emotional Intelligence*: The ability to perceive and evaluate own and others' emotions and adapt thinking and actions accordingly.

Key Selection Criteria

The successful candidates must be able to meet the following criteria:

- An understanding of the focus and performance expectations of MSL, including the roles of the MSL Board in relation to its stakeholders.
- A demonstrated ability to think strategically and critically assess strategic opportunities and threats including an understanding of the value drivers in the whole sugar industry and personal demonstration of high performance results.
- Demonstrated capacity to operate at Board level including a sound working knowledge of corporate governance principles and Directors' duties. If not already undertaken, candidates must be willing to undertake, and complete the assessment for, the Company Directors' Course offered by the Australian Institute of Company Directors (or equivalent course) within 12 months of their appointment.
- The capacity to analyse and critically assess operational and financial performance.
- Well developed understanding around requirements for environmental sustainability and high safety performance in the workplace.
- Demonstrated ability to meet the outlined requisite personal attributes so as to be able to effectively liaise and work with MSL Growers and other key stakeholders, peer Directors, and senior company staff.



Applications

Nominations for the positions of Grower Director will remain open until 5pm Wednesday 14 August. Following the closure for applications, a shortlist of candidates will then be developed and if necessary, interviews will be conducted.

Candidates will be required to submit the following as part of their application:

- **Covering letter** (up to two pages) identifying your key skill sets with regard to the selection criteria. Please confirm you are able to commit the time indicated. Please explain why you are interested in appointment to the MSL Board and how your skills and attributes would contribute to the Board, MSL and the Mackay sugar industry in general. Please identify your farm name and farm number in the application.
- **Your resume/CV** (up to four pages) setting out: Your name and contact details, current and past roles including Boards, committees or panels (organisations and dates), a career summary (dates, positions, key responsibilities, key achievements), education and qualifications, and professional memberships.
- **Referees:** Please provide names and contact details including email addresses of two referees for your skills as they relate to a role on the MSL Board.

Please email your application to:-

D.Rasmussen@mkysugar.com.au

By 5pm Thursday 15 August.

Further Information

For further information, please contact

Donna Rasmussen

Company Secretary

07 4953 8241