

28 March 2023

## **CIRCULAR TO GROWERS**

### **Director Education Program**

As you would be aware, Grower Directors are required to retire by rotation each third year following their appointment. We will soon be commencing the process for appointment to the position currently held by George Williams.

In order for growers to be aware of the requirements and responsibilities of being a Grower Director, Mackay Sugar will hold an education program to be conducted at **8.00am on Wednesday 19 April 2023** at the **Racecourse Mill Corporate Board Room**, during which we will provide an overview of expectations of directors and what the director's role at Mackay Sugar will entail. It will also provide an opportunity for candidates to ask questions. The session is expected to last approximately 2 hours.

As part of the succession planning for the Grower Director positions on the Board, it is important that potential future Grower Director candidates have an understanding of the role and expectations of directors, and what will be required to fulfill the role. A current Grower Director will be in attendance to enable questions to be asked about their experience in the director role, should attendees wish.

Please note - the training will be of a general nature and, whilst it will be guided by the MSL Constitution requirements, the training will be relevant to any Growers who may be considering applying for any board positions in future, not just the Mackay Sugar Board.

Included in this note is the relevant information in the Mackay Sugar Constitution in relation to the appointment of directors, the roles and responsibilities of a directors, eligibility requirements for being a Grower Director and the desired attributes for being a director.

Should you be interested in finding out more about the role and responsibilities of being a director the board encourages you to attend this open session.

If you are interested in attending the education program, or would like further information, please contact:

Peter Gill  
Company Secretary  
07 4953 8554  
[p.gill@mkysugar.com.au](mailto:p.gill@mkysugar.com.au)

by **5.00pm on Wednesday 12 April 2023.**

Signed



Peter Gill  
Company Secretary

## Relevant information

The Mackay Sugar Constitution includes provision dealing with the appointment of Grower Directors to the Board. It provides as follows:

### **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.*

Some additional relevant information to consider:

### **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 the 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.

The expectation is that Board meetings will occur at least six times annually, or such additional number as required and are usually located within the Mackay region at the three mills.

The 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.