

2017 MARKETING CHOICE

12 May 2017

By Greg Beashel, QSL Managing Director and CEO

Dear Grower,

I am pleased to report that following mediation with Wilmar regarding the On-Supply Agreement (OSA) during the past two days, we have reached agreement regarding the issue of concern.

As outlined in previous updates, the matter in contention was Wilmar's proposal to deliver GEI Sugar tonnage to QSL calculated on Actual CCS rather than Relative CCS, which would result in lower QSL Advances payments to Wilmar Growers during the early months of the harvest and less sugar for QSL to market during this period.



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After our objections to this proposal, we have negotiated a resolution that addresses our concerns and enables Advances payment arrangements for Wilmar Growers and our sales program for their GEI Sugar to proceed without change. QSL and Wilmar's legal teams will now work across the weekend to draw up the appropriate changes to the OSA. This remains our highest business priority and while we have been very frustrated by the slow pace of negotiations up to this point, we are cautiously optimistic that we will be able to finalise and sign the contract next week.

In tandem with this work, QSL will continue the rollout of its new Grower Pricing Agreement (GPA), which is the new contract with QSL that is necessary for any Wilmar Grower who wishes to access our marketing and pricing services. Wilmar Growers who wish to have QSL as a pricing option for the coming season or beyond are urged to complete the GPA Pre-Registration Form available in the Wilmar Growers section of our website (www.qsl.com.au) so we can issue your GPA as soon as it's available.

Regards,



Greg Beashel
QSL Managing Director and Chief Executive Officer

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