



5 October 2017

Notice to Growers and Shareholders

The Supreme Court of Queensland today handed down its decision in the application in which Rex Stroppiana, Simon Mattsson and Colin Ash sought to challenge the \$2 per tonne grower contribution. The case was heard on 8 September 2017 before Justice Jackson. In the decision handed down this morning Jackson J. decided in favour of Mackay Sugar in respect of the Mattsson and Ash applications. The outcome of that decision is that Mackay Sugar will continue to collect the \$2 per tonne deferred cane payment from those parties who were subject to the agreement signed with Canegrowers and ACFA on 23 May 2017.

However His Honour decided in favour of Mr Stroppiana in respect of his application and, as a consequence, Mackay Sugar will not be entitled to recover the \$2 per tonne grower contribution from Mr Stroppiana. Mackay Sugar is considering the judgement in favour of Mr Stroppiana with a view to determining whether an appeal is appropriate. Mackay Sugar will also consider whether the small number of other growers who had nominated alternative bargaining representatives prior to 23 May 2017 will also be covered by the judgement delivered in favour of Mr Stroppiana.

Jackson J also determined that each of the parties must pay their own costs of the application.

As advised previously the grower contribution was part of the Board's plan to restructure the business to meet the operational and capital needs of the Company going forward. Following the decision as it applies to Mr Stroppiana, the Board will re-evaluate the way forward for the Company.

A. S. Cappello
CHAIRMAN