



ASX ANNOUNCEMENT

27 August 2021

Letter to A Class Shareholders and Riverina rice growers – 2021 AGM and update on CY22 Riverina rice season

We attach a copy of a letter being sent to A Class Shareholders and other Riverina rice growers, regarding the 2021 Annual General Meeting, and important updates on the 2022 (CY22) Riverina rice season, including in relation to decisions that have been taken around access to V071 and Sherpa varieties.

Authorised by Kate Cooper, Group Company Secretary and General Counsel, SunRice.

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About SunRice's structure

The structure of Ricegrowers Limited (SunRice) contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares. A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on the ASX and may only be held by Active Growers. The right to vote is based on one member, one vote and no person may hold more than 5 A Class Shares. In practical terms the voting rights held by A Class Shareholders give those shareholders the right to control the election of directors and any changes to SunRice's constitution.

B Class Shares are quoted on the ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not have the right to vote at general meetings of SunRice and may only vote on proposals involving a variation to their class rights or if required for the purposes of the ASX Listing Rules. This means B Class Shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue.

For more details of the non-standard elements of SunRice's structure see <https://corporate.sunrice.com.au/investors/>.



27 August 2021

Dear fellow rice growers,

2021 ANNUAL GENERAL MEETING AND UPDATE ON 2022 (CY22) RIVERINA RICE SEASON INCLUDING V071 ORDERS

I am writing regarding the 2021 Annual General Meeting (AGM), and to provide an update on arrangements for the 2022 (CY22) Riverina rice season.

I am pleased to advise that A Class Shareholders approved all resolutions put to the AGM conducted virtually on Wednesday 25 August, including:

- Adoption of the Remuneration Report for the year ended 30 April 2021
- Changes to the Constitution to reduce the size of the Board while maintaining a majority of Grower Directors
- Re-election of Independent Non-Executive Director Dr Andrew Crane for a further three-year term; and
- Amendments to the A Class Share criteria.

We also provided an updated on our outlook, outlining that with the increased Riverina rice production of 417,000 paddy tonnes harvested in CY21, and realisation of benefits from other strategic and organic growth initiatives, SunRice expects earnings to improve across most of its segments in Financial Year 2022.

Important update on arrangements for the CY22 Riverina rice season

We are now in the midst of processing and marketing the CY21 Riverina rice crop, and it is pleasing to be in a position to be returning Australian branded rice products to our most premium markets.

We were also pleased to inform the market on Wednesday that following the strong uptake of fixed price contracts offered earlier this month, a substantial volume was contracted and we are now confident that the CY22 crop will exceed the volume harvested in CY21. With improved water availability and lower water prices there is a strong desire from growers to plant rice in the upcoming season, and we now look forward to welcoming growers to the CY22 pool.

I confirm that the CY22 Seed Circular will be issued on **Friday 3 September**, with seed orders for the CY22 pool opening at **9am Monday 13 September** for growers who grew in the CY20 Critical Year, and at **9am on Tuesday 14 September** for all other growers.

There was particularly strong demand in the fixed price contracts for the new cold-tolerant bold medium grain variety, V071, which is now in its final year of large-scale commercial trial and as part of that is being offered to growers for the CY22 season. While V071 has performed well in CY21, it will take a large-scale commercial trial to fully assess it, as will occur in the CY22 season.

As I outlined in my letter to growers regarding SunRice's decision to close the initial fixed price contract offer for CY22, that closure was in part driven by the desire to ensure there were still significant volumes of seed available for V071 in the pool.

SunRice has made further decisions to ensure as many growers as possible get fair and equitable access to this new variety, and have access to a cold-tolerant medium grain variety. The following applies to the CY22 pool:

1. Seed orders for V071 in the CY22 pool will initially be limited to a cap of **40 hectares per grower, with a maximum sowing rate of 130 kilograms per hectare** (so a total maximum initial seed order of 5.2 tonnes per grower). This was the sowing rate used in CY21, and is the midpoint of the NSW Department Primary Industries' recommended sowing rate range for V071 (for all sowing methods) of between 120 to 140kg/ha¹. Expressions of interest will be invited from growers who would like to plant a larger area of V071 than the above cap allows, in the event that there is surplus volume to be allocated following initial seed orders. If there is surplus volume, it will be allocated **two weeks** after seed orders open. Seed will be allocated in the pool across the Murray and Murrumbidgee valleys.
2. A limited volume of **Sherpa** will now be offered as one of the varieties in the CY22 pool for growers in the Murray.

This sowing rate requirement also applies to growers who contracted V071 as part of the initial fixed price contract offer. Should any grower who contracted V071 under a fixed price contract now wish to change their contracted volume to Reiziq as a result of this sowing rate requirement, they will be able to do so **provided Grower Services is notified in writing no later than Tuesday 31 August 2021** by contacting Grower Services via email at growerservices@sunrice.com.au.

We are confident these decisions will allow as many growers as possible to utilise the available seed for V071, while also ensuring that growers have access to a cold-tolerant medium grain variety. I confirm that the following varieties will be offered in the CY22 pool, with premiums or discounts to base grade Reiziq:

Varieties	Estimated premium / discount to base grade Reiziq
Reiziq / Viand / V071	Base
Sherpa	-\$20/mt
Langi	\$50/mt
Topaz	\$90/mt
Opus	\$20/mt
Koshihikari	\$150/mt

Pool ranges for CY21 and CY22

With ongoing volatility in the factors that influence pool performance, SunRice is unable at this stage to provide an estimated price range for the 2022 pool (which will be processed and marketed in Financial Year 2023).

Those factors include:

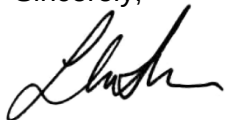
- Fluctuations in foreign exchange rates
- World rice prices
- Conditions in end markets
- Ongoing disruption and volatility due to COVID-19, particularly in relation to global shipping and supply chains
- Milling yields
- On-farm production yields and crop sizes.

¹ NSW Department of Primary Industries June 2021, 'V071 growing guide', Primefact 21/448, First edition, https://www.dpi.nsw.gov.au/_data/assets/pdf_file/0008/1324952/V071-growing-guide-2021-22.pdf

SunRice will however provide an update to growers on the estimated range for the CY21 pool currently being marketed at the time of the planting window opening in October 2021.

As always, if you have any questions, please contact the Grower Services team on 1800 654 557 or via email at growerservices@sunrice.com.au.

Sincerely,

A handwritten signature in black ink, appearing to read 'Laurie', with a stylized flourish at the end.

Laurie Arthur
Chairman
SunRice Group