ASX Announcement

24 February 2023

Letter to A Class Shareholders and Riverina rice growers

Enclosed is a letter from the Chairman to A Class Shareholders and Riverina rice growers regarding an increase to the lower end of the CY22 Riverina rice pool range and the opening range of the CY23 Riverina rice pool.

Authorised by Kate Cooper, General Counsel and Company Secretary

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About SunRice's structure

The structure of 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 ASX and may only be held by rice growers who meet the production quotas prescribed by the SunRice constitution. 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 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 generally have the right to vote at general meetings of SunRice. 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/

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Dear fellow rice growers

Increase to the lower end of the CY22 Riverina rice pool range and announcement of the CY23 Riverina rice pool range

I wrote to you in December about the impact of the continued wet weather on planting for this Riverina rice season – despite the tough conditions, it is encouraging to see that we have had reasonable planting across the Riverina region.

CY22

I am now writing to update you in relation to the 2022 (**CY22**) Riverina rice pool. You may recall in December I informed you of an updated range for the CY22 pool currently being processed and marketed of $435 to $470 per tonne for medium grain Reiziq.

I am pleased to provide a further CY22 pool update of an additional increase to the lower end of the range from $435 to $450 (new range of $450 to $470 per tonne for medium grain Reiziq). I believe this indicative price once again demonstrates the benefits to growers of our unique pool structure. Given this increase in the lower end of the range, a one-off payment of $15 per tonne will be made to participating growers by Monday 6 March 2023.

This increase reflects the positive impact of a number of factors, including:

- strength of brand in the market;
- drought impacts in some Northern Hemisphere countries allowing greater market access for product; and
- strong sales volumes in premium destination markets.

CY23

In further good news, I am also pleased to inform growers of the 2023 (**CY23**) Riverina rice pool range for rice harvested in 2023. The range for the CY23 pool is $390 to $450 per tonne for medium grain Reiziq. As always, any range provided at this early stage remains broad due to the uncertainty which can arise from prevailing factors; this year including ongoing supply chain volatility, disruption to the global shipping industry and unprecedented wet conditions.

I wish you all well for the upcoming harvest and we are hopeful for a good result at the end of the CY23 season despite the cooler temperatures in recent weeks. If you have any further questions, please reach out to Grower Services on 1800 654 557 or growerservices@sunrice.com.au.

As always, I remain available to any growers who would like to discuss the matters raised in this letter, or any other topics including the current ABARES vesting review (can I encourage you to consider making a submission before 2 March at www.agriculture.gov.au/abares/research-topics/rice-vesting?). Please don't hesitate to contact me on 0428 500 232, or feel free to reach out to your local Grower Director.

Sincerely,

Laurie Arthur
Chairman