



NOTICE OF ANNUAL GENERAL MEETING

The 2019 Annual General Meeting of the Members of Ricegrowers Limited (ABN 55 007 481 156) ("the Company") will be held at Jerilderie Civic Hall, 33 Jerilderie Street, Jerilderie, at 10.30am (AEST) on Thursday, 22 August 2019 ("Annual General Meeting") with registration commencing at 9.30am.

AGENDA

Ordinary Business

1. Financial Reporting

Consideration of the Financial Report, Directors' Report and Independent Audit Report for the year ended 30 April 2019.

2. Remuneration Report – Resolution 1

To adopt the Remuneration Report for the year ended 30 April 2019.

Explanatory Notes

The Remuneration Report forms part of the Directors' Report. The vote on this resolution is advisory only and will not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Voting Notes

Voting exclusions apply. Please see the "Voting exclusion statements" section of the Notes.

3. Remuneration of Non-executive Directors – Resolution 2

To consider, and if thought fit to pass, the following resolution:

"That, for the purposes of ASX Listing Rule 10.17, Rules 11.4(a) and 11.4(b)(ii) of the Company's Constitution, and for all other purposes, the shareholders approve the amount of \$1,500,000 (being an increase of \$400,000 from \$1,100,000) as the total remuneration available for payment to the Non-Executive Directors of the Company in respect of each financial year commencing on or after 1 May 2019, including any superannuation contributions made for the benefit of the Directors under the Superannuation Guarantee (Administration) Act 1992 (Cth)."

Explanatory Notes

The last increase made to the remuneration pool for Non-Executive Directors was in 2013 when shareholders approved a total remuneration pool of \$1,100,000 per annum at the 2013 Annual General Meeting.

The Board has reviewed the Non-Executive Directors' remuneration structure and found it is within the 25th percentile (bottom quarter) of the market remuneration. This may inhibit the Company's ability to attract and retain the highest quality Directors to manage what is a very large and complex international public company.

In light of this, expert remuneration consultants, Aon Hewitt, were engaged to assist with a review of Non-executive Directors' remuneration. This review took into account:-

- Governance and remuneration practices of comparable companies; and
- The workload and responsibilities of Non-Executive Directors as a result of the Company's expanded international operations and the increasingly complex regulatory and legislative requirements that apply to the business of the Company.

The work conducted by Aon Hewitt recommended that total fee pool is increased to \$1,500,000 which would enable:-

- Directors fees to be increased to align with the 25th percentile (bottom quarter of the market);
- Allow for the increase in the size of the Board from 10 Directors to 11 Directors, as approved at the 2018 AGM; and
- Allow for headroom in the Non-Executive Directors' fee pool for the next 5 years.

The Board recommends that A Class Shareholders vote in favour of this resolution to increase the total remuneration pool for Non-Executive Directors from \$1,100,000 per annum to \$1,500,000 per annum (an increase of \$400,000). Although this increase would, if approved, be effective from 1 May 2019, it is not intended to increase the actual payments of Non-Executive Directors' fees to \$1,500,000 immediately. Rather, it is intended that the increased fee pool will provide headroom for gradual increases in the actual payments over the next 5 years.

As the Company was only admitted to the official list of ASX in April this year, no securities have been issued to any Non-Executive Directors of the Company under ASX Listing Rules 10.11 or 10.14 with shareholder approval at any time in the last 3 years.

Voting Notes

Voting exclusions apply. Please see the "Voting exclusion statements" section of the Notes.

4. Changes to the Employee Share Plan – Resolution 3

To consider, and if thought fit, to pass the following resolution:

"That approval is given to the deletion of Rule 4 (comprising Rules 4.1 to 4.7, both inclusive) and Rule 6.2 from the Rules of the Company's Employee Share Plan."

Explanatory Notes

When the Employee Share Plan ("ESP") was established, there were restrictions in the Company's Constitution on who could acquire B Class Shares. In broad terms, those Constitutional restrictions limited ownership of B Class Shares to current or former participants in the rice industry, and participants under the ESP. Having regard to the Constitutional restrictions, the ESP was established to include conditions that restricted the rights of employees and Non-Grower Directors to acquire further B Class Shares. Further particulars of those restrictions are set out below.

Now that the Constitutional restrictions on ownership of B Class Shares have been removed by shareholders at the 2018 AGM and B Class Shares can be freely bought and sold on ASX, it would be inconsistent for the restrictions on employees and Non-Grower Directors under the ESP to continue to apply (when such restrictions no longer apply to other persons). This resolution therefore seeks to remove those ESP restrictions.

As noted above, the Rules of the ESP ("ESP Rules") currently contain the restrictions on the right of employees and Non-Grower Directors ("Employees") to acquire and hold B Class Shares (collectively, the "Employee Holding Restrictions"). These Employee Holding Restrictions are as follows:

- the total number of B Class Shares that can be held by all Employees at any time is limited to 5% of the total number of issued B Class Shares (Rule 4.1) ("Aggregate Maximum Holding Restriction");
- in order to restrict the number of B Class Shares held by Employees as required by Rule 4.1, B Class Shares can only be issued to or for the benefit of Employees as participants under the ESP, or under other offers approved by the Board from time to time for this purpose (Rule 4.2) ("Limited Participation Restriction"); and
- Employees who have been issued with B Class Shares under the ESP (whether or not they continue to hold those Shares) must not purchase or acquire B Class Shares, other than by way of a share issue by SunRice under the ESP or under another offer approved by the Board (Rule 4.3) ("Acquisition Restriction").

In addition to the restrictions in Rules 4.1, 4.2 and 4.3, Rule 4.7 enables the Company to establish systems and arrangements to monitor and secure compliance with the restrictions.

While it remains appropriate for the Board to be able to issue B Class Shares under the ESP subject to conditions, the Employee Holding Restrictions are anomalous because they prevent Employees from acquiring B Class Shares outside of the ESP in the same way as other investors. That is, the Employee Holding Restrictions are inconsistent with the general right to trade in B Class Shares now that they are listed on ASX.

Rule 4.4 requires all B Class Shareholders who are employees or directors to comply with the Company's Share Trading Policy. This is also covered by the employment and director appointment agreements and as such, is not required to be repeated in the ESP Rules.

Rule 4.5 states that Employees can only transfer their B Class Shares to their superannuation fund if they first ensure that the trustee of their superannuation fund agrees to comply with the ESP Rules. This restriction on transfer is also inconsistent with the current position that B Class Shares can generally be freely traded.

Rule 4.6 states that subject to Rules 4.4 and 4.5, Employees are entitled to sell any B Class Shares held by them. This Rule would no longer be necessary if Rules 4.4 and 4.5 are deleted (as is proposed).

The ESP Rules can generally be amended by a resolution of the Board (Rule 6.1). However, Rule 6.2 provides that the provisions of Rule 4 cannot be removed or varied without the prior approval of A Class Shareholders by ordinary resolution. Accordingly, approval of A Class Shareholders is sought to the removal of Rule 4 (comprising Rules 4.1 to 4.7) and Rule 6.2 from the ESP Rules.

The deletion of Rules 4 and 6.2 will not affect the ability for the Board to impose specific conditions in relation to particular offers of B Class Shares under the ESP (Rule 3.2). For instance, in certain circumstances, the Board might consider it appropriate to impose a restriction on the disposal of B Class Shares issued under the ESP for a certain time period, and the deletion of Rules 4 and 6.2 would not affect the Board's continued ability to do so.

Subject to the approval of A Class Shareholders, the Board will make these changes to the ESP.

The Board recommends that A Class Shareholders vote in favour of this resolution.

5. Changes to the Constitution – Resolution 4

To consider, and if thought fit, to pass the following resolution as a special resolution:

“That the following changes be made to the Company's constitution (“Constitution”) with effect from the close of the Annual General Meeting:

- Rule 1.1 be amended as follows:

*“**“Employee Share Plan”** means a plan ~~approved by A Class Shareholders in general meeting~~ under which B Class Shares may be issued to, or for the benefit of, employees ~~or~~ and Non-Grower Directors of the Company and its Related Bodies Corporate.”*

- Rule 3.16 be amended as follows:

“3.16 Employee Share Plan

The Company may ~~establish an Employee Share Plan and~~, subject to the Corporations Act, the Listing Rules and this Constitution:

(a) establish and operate an Employee Share Plan on terms determined by the Directors and issue B Class Shares ~~to participants~~ under that Plan; and

(b) from time to time, amend, suspend or terminate such Plan.”

- The following new Rule 10.12 be added:

“10.12 Direct Voting

Despite anything to the contrary in this Constitution the Directors may decide that, at any general meeting or class meeting, a member who is entitled to attend and vote on a resolution at that meeting is entitled to vote by direct vote in respect of that resolution. A “direct vote” includes a vote delivered to the Company by post, fax, email or other electronic means approved by the Directors. The Directors may prescribe regulations, rules and procedures in relation to direct voting, including specifying the form, method and timing of giving a direct vote at a meeting for the vote to be valid.”

- Rules 11.2(a) and (b) be amended as follows:

“(a) Grower Directors who satisfy the qualification requirements of Rule 11.1(b)(i) will be elected:

(i) by the A Class Shareholders at the annual general meeting which marks the end of the current Directors’ term of office; or

(ii) by ~~postal~~ ballot vote of the A Class Shareholders held prior to the annual general meeting which marks the end of the current Directors’ term of office.

(b) The method of election and the manner in which the election is conducted under Rule 11.2(a) will be determined by the Board subject to the requirements of the Corporations Act. Without limitation, the Board may permit A Class Shareholders to deliver their vote by post, fax, email or other electronic means approved by the Board.”

Explanatory Notes

The first two proposed changes to the Constitution are designed to update the definition and formulation of the Company’s ESP. As noted in relation to the previous resolution, the Company established the ESP so as to make it possible for employees and Non-Grower Directors to acquire B Class Shares but imposed significant restrictions on the right of employees and Non-Grower Directors to acquire B Class Shares outside of the ESP. The previous resolution seeks A Class Shareholder approval to remove those restrictions.

The requirement for A Class Shareholders to approve the ESP was also associated with the limitations that the current ESP places on the right of employees and Non-Grower Directors to acquire further B Class Shares. That is, A Class Shareholder approval was set as a precondition to those limitations being removed. The first proposed change to the Constitution removes the requirement for A Class Shareholder approval to the ESP so as to enable the Board to update the terms of the ESP from time to time. The proposed modification of Rule 3.16 is designed to confirm the ability of the Directors to operate the ESP.

It should be noted that the proposed change to Rule 3.16 includes the proviso that the Directors must operate the ESP subject to any relevant requirements of the ASX Listing Rules, the *Corporations Act 2001* (Cth) (“Corporations Act”) and the Company’s Constitution.

The proposed new Rule 10.12 will give the Board the right to enable shareholders to exercise their vote on resolutions at a general meeting or class meeting of shareholders through a direct vote facility, including an electronic voting facility. This would give shareholders the ability to exercise their vote without either attending a meeting or appointing a proxy. As such, it would give shareholders greater flexibility to participate in Company meetings.

The proposed change to Rule 11.2 is similarly designed to confirm that elections of Grower Directors can be conducted by way of a ballot operated either by way of post or by some other electronic system. The Rule currently provides that an election of Grower Directors can be held either at the relevant annual general meeting or by way of a “postal ballot”. Given more limited nature of the postal service and the technological changes in communication systems, this change will update this Rule and introduce greater flexibility into the way in which Grower Director elections are conducted.

In accordance with section 136(2) of the Corporations Act, this resolution is required to be passed by a special resolution (that is, passed by at least 75% of the votes cast by members entitled to vote on the resolution).

The Board recommends that A Class Shareholders vote in favour of this resolution.

By order of the Board

M. Del Gigante

M Del Gigante
Company Secretary

15 July 2019

NOTES

Material accompanying this Notice of Annual General Meeting

These notes should be read in conjunction with this Notice of Annual General Meeting (“Notice”) and the Voting Information Schedule which accompanies this Notice (“Voting Information Schedule”).

The Voting Information Schedule includes detailed information on how to vote and how to lodge a proxy form, body corporate representative appointment or power of attorney.

Unless the context requires otherwise, capitalised terms not otherwise defined in this Notice or the Voting Information Schedule have the meaning given to them in the Constitution of the Company.

Voting exclusion statement – Resolution 1

A vote must not be cast on (and the Company will disregard any votes cast on) Resolution 1 (Remuneration Report):

- by, or on behalf of a member of the Key Management Personnel (“KMP”) whose remuneration is disclosed in the Remuneration Report (and their closely related parties) in any capacity; or
- by a member of the KMP at the date of the Annual General Meeting (and their closely related parties) acting as proxy,

unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chairman of the Annual General Meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Voting exclusion statement – Resolution 2

The Company will disregard any votes cast in favour of Resolution 2:

- by or on behalf of any Director of the Company or any of their associates; or
- by a member of the KMP at the date of the Annual General Meeting (and their closely related parties) acting as proxy.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides, and the Chairman has received express authority to vote undirected proxies even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Attendance at Annual General Meeting

If you or your proxies, attorneys or representative(s) plan to attend the Annual General Meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the Annual General Meeting so that your shareholding can be checked against the Share Register, any power of attorney or certificate of appointment of body corporate representative verified, and you or your representative’s attendance noted.

Further Information

For further information, please call the SunRice Shareholder information line on 1800 237 764 (toll free in Australia) or +61 1800 237 764 (if overseas) between 9.00am and 5.00pm (Local Time), Monday to Friday.



ABN: 55 007 481 156

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Ricegrowers Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: 1800 237 764 Overseas: +61 1800 237 764



X99999999999

PROXY FORM

I/We being a member(s) of Ricegrowers Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am on Thursday, 22 August 2019 at Jerilderie Civic Hall, 33 Jerilderie Street, Jerilderie (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 & 2: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 & 2, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

1 Remuneration Report

For Against Abstain*

Special Resolution

4 Changes to the Constitution

For Against Abstain*

2 Remuneration of Non-executive Directors

For Against Abstain*

3 Changes to the Employee Share Plan

For Against Abstain*

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SGL PRX1901N



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

NOTES

1. Under the Constitution of the Company only A Class Shareholders are entitled to vote at general meetings of the Company. B Class Shareholders are entitled to receive notice of and attend general meetings, but are not entitled to vote at those meetings.
2. Each A Class Shareholder has one vote at general meetings.
3. Each A Class Shareholder may appoint a proxy to attend and vote on their behalf at a general meeting. A proxy does not need to be a member of the Company.

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Tuesday, 20 August 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Ricegrowers Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**