



Make a *Difference*

Directors' Code of Conduct

August 2019



1. INTRODUCTION

- 1.1. This Directors' Code of Conduct ("Code") has been developed specifically for Directors of the Board ("Directors" or "Board") of Ricegrowers Limited (ACN 007 481 156) ("Company" or "SunRice") and its related bodies corporate.
- 1.2. The Code is to be read in conjunction with, and in addition to, the existing SunRice Group Code of Conduct ("Employee Code").
- 1.3. The Employee Code applies to all Directors (regardless of whether that Director is also an employee), officers, employees and contractors of SunRice and is based on the standards, values and behaviours expected at SunRice. It is integral to the way work is done at SunRice, and is linked to SunRice's Purpose, Values and Behaviours. It is required to be followed consistently and appropriately. Under the Employee Code, Directors are required to: promote the interests of SunRice; respect co-workers, customers, suppliers and other service providers; comply with laws including those regarding equal opportunity; perform duties with skill, honesty, care and diligence; use authority in a fair and equitable manner; and abide by all relevant policies and procedures.
- 1.4. SunRice is committed to, and strives to act honestly, ethically and responsibly and with integrity in all its dealings. This Code is intended to provide additional guidance to Directors in meeting these commitments. While the Code addresses fundamental principles and identifies some sensitive issues, it is not exhaustive. The Board relies on all Directors behaving in accordance with the spirit of the Code, always acting fairly, with integrity and with the success of SunRice in mind.
- 1.5. The Board has endorsed both the Employee Code and this Code. The Board believes that SunRice's commitment to the Code will maintain the confidence of SunRice's key stakeholders in SunRice's integrity.
- 1.6. It is essential that each Director is familiar with the Code, leads by example with its implementation, and abides by the Code. This Code cannot cover every circumstance that Directors may face nor can it address every law, regulation or company policy that may apply to Directors. Directors are encouraged to obtain copies of the policies, standards and procedures relevant to the Board. If you have any questions about the obligations of Directors or about SunRice's expectations, please speak with the Company Secretary or the Chairman.

2. GENERAL DIRECTORS' DUTIES

- 2.1. A Director must act in good faith and in the best interests of SunRice and for proper corporate purposes. This requires Directors to consider both SunRice's corporate and business interests, and the interests of its shareholders. SunRice has two classes of shares, namely, A Class Shares and B Class Shares. Holders of A Class Shares are

suppliers of paddy rice to SunRice whilst holders of B Class Shares have a right to receive dividends (when declared). To the extent that the interests of A Class and Class B shareholders diverge, Directors should assess what is fair as between the two classes.

- 2.2. A Director must exercise their powers and discharge their duties with the degree of due care and diligence that a reasonable person would exercise if they were in the same position as the Director.
- 2.3. A Director must avoid conflicts of interest and make appropriate disclosure to the Board of anything that gives rise to a conflict, including any interest the Director has in any contract or other matter being dealt with by SunRice. A Director who has a material personal interest in a matter being considered by the Board must not be present during the discussion of the matter or vote on the matter unless the non-interested Directors have passed a resolution that the interested Directors can attend and vote on the matter.
- 2.4. A Director must not enter into any arrangement or participate in any activity that would conflict with SunRice's best interests or would be likely to negatively affect SunRice's reputation.
- 2.5. If a Director is involved in a conflict or possible conflict, or become aware of a conflict, the Chairman must be informed as soon as possible.
- 2.6. A Director must not make improper use of any information obtained by reason of the Director's position, or otherwise use their position, to either gain a personal advantage or damage SunRice. A Director must not use SunRice's, or its business partners' property (including intellectual property), or information, their position or any opportunities which arise from these to improperly gain benefit for yourself or another party or to cause detriment to SunRice or its business partners.
- 2.7. Directors have an obligation to take reasonable steps to avoid financial, business and other arrangements which may be opposed to the interests of SunRice or which may place them in a competitive position with SunRice.
- 2.8. The product of any work generated by a Director in the performance of their duties as a Director, or procured by a Director on behalf of SunRice, or using SunRice property (including all intellectual property rights created in connection with that work), is confidential.
- 2.9. The public release of information concerning SunRice's business or affairs, including the release of information to members to the media, is to be authorised in accordance with SunRice's policies. If Directors have any questions about their obligations or about SunRice's expectations, please speak with the Company Secretary or the Chairman.
- 2.10. Directors will also have access from time to time to business or personal information about the affairs of SunRice its clients, customers, employees, suppliers and of its

business partners. This information may include business strategies, marketing and sales plans, competitive analysis, financial plans and forecasts, customer or employee information, supplier information and pricing. SunRice expects the confidential nature of the information to be respected.

- 2.11. Directors must not access or request, or make improper use of, or transfer or disclose, confidential information to anyone else except as required by their position as a Director, as authorised by the Board, or where legally required. If confidential information inadvertently comes into a Director's possession it should be returned immediately.
- 2.12. If a Director is required by an authority to provide confidential information which has not been otherwise authorised, the Director must notify the Company Secretary before providing any such information.

3. PERSONAL BEHAVIOUR

- 3.1. Directors will acquire a clear understanding of the role and purpose of the Board and of SunRice, including the statutory and regulatory requirements.
- 3.2. Directors will develop an understanding of the SunRice business and the environment in which it operates and stay informed of all relevant activities affecting the Board.
- 3.3. Directors will strive to attend all Board and relevant committee meetings and other scheduled activities. Directors will come prepared for meetings in order to provide a constructive contribution. Where attendance is not possible Directors will advise the Chairman and, if appropriate, seek leave of absence or tender an apology.
- 3.4. Directors will treat each other with professionalism, courtesy and respect. They will work cooperatively with fellow Directors towards agreed goals, whilst accepting the obligation to be independent in judgement and actions. Directors will not attempt to improperly influence other Directors.
- 3.5. Directors will strive to achieve consensus within the Board, but if the final position reached is a majority decision, that will be the decision of the Board. A dissenting Director may have his/her vote and/or a minority view recorded in the minutes.
- 3.6. Directors will endeavour to maintain and enhance the profile and reputation of SunRice with its stakeholders at all times.
- 3.7. Directors will comply with all laws and regulations and will actively promote compliance within SunRice.

- 3.8. Directors will encourage the reporting of unlawful/unethical behaviour and will actively promote ethical behaviour and protection for those who report violations in good faith.

4. OTHER

- 4.1. A copy of the Code will be available on SunRice's website. It will be distributed to Directors and other persons as relevant.
- 4.2. The highest standards of corporate conduct are critical to SunRice's success and reputation. The values and policies in the Code are not exhaustive. The Code is designed to focus Directors on particular matters and values identified by SunRice as central to the Board's integrity.
- 4.3. Compliance with this code will be monitored and any known or suspected breaches will be reported to the Board and investigated. If a breach is found to have occurred, Directors may face legal or disciplinary action.
- 4.4. If you require further information or assistance, or are uncertain about the application of this Code or the law, please contact the Chairman or the Company Secretary.
- 4.5. The Board will review the Code from time to time. The Code may be amended by resolution of the Board.



ACKNOWLEDGEMENT AND AGREEMENT

I acknowledge that the Directors' Code of Conduct has been formulated in order to promote the effective operation of the Board in a manner consistent with the legal obligations of Directors and SunRice and the broader corporate governance policies of SunRice.

I agree to abide by the Directors' Code of Conduct in carrying out my role as a Director of SunRice subject only to any overriding legal or fiduciary duties I may have.

I accept that any breach of the Directors' Code of Conduct will be treated by the Board as a serious matter and may result in the Board being asked to consider my removal as a Director.

Signature

Name of Director

Date