



Board Charter

February 2023





1. INTRODUCTION

- 1.1 This Charter sets out the role, responsibilities, structure and processes of the Board of Directors of Ricegrowers Limited ACN 007 481 156 trading as SunRice ("Company").
- 1.2 The Board may review and amend this charter at any time.

2. BOARD COMPOSITION

2.1 Composition

- 2.1 The size and composition of the Board is prescribed in SunRice's Constitution.
- 2.2 The Board will periodically review its composition and the total duration of terms served by each Director in accordance with the standards adopted by the Board from time to time, including the Director independence criteria set out in this Charter.
- 2.3 The Nomination Committee is responsible for developing, reviewing and recommending the succession plans of the Board (including the role of Chairman), with the aim of maintaining an appropriate mix of skills, experience, expertise and diversity on the Board over time. The Board will have regard to these factors in considering succession planning and determining whether the composition and mix remain appropriate for the Company's strategy and covers the skills needed to address relevant existing and emerging business and governance issues.

3. ROLE AND RESPONSIBILITIES OF THE BOARD

- 3.1 The role of the Board is to provide leadership and strategic guidance of SunRice and its related bodies corporate ("Group") and delivery of the Group's purpose, and to oversee the management, performance, and corporate governance frameworks of the Group.

- 3.2 Matters Reserved for the Board

The Board may, and has, delegated certain matters. The matters delegated to the Board Committee are described in the Committee Charters, and those delegated to the Group Chief Executive Officer are described in section 4 below. In addition to the matters required by the Constitution or law to be fulfilled by the Board, the Board has reserved the following matters and is responsible for:

- 3.2.1 Strategy, Performance and Financial Plans

- 3.2.1.1 Considering and approving the Group's Strategic Plan and guiding and monitoring Management's performance in achieving, resourcing and implementing its objectives.

- 3.2.1.2 Overseeing the business of the Group by approving:

- The authority delegated to the CEO
- Major corporate initiatives
- Acquisitions, new business ventures, including in new countries or



- industries, and divestments
- Any transaction (including capital expenditure for investments and divestments and operational expenditure), that exceeds the limits delegated to the CEO.

3.2.2 Values and Culture

3.2.2.1 Approving the Group's statement of values and behaviours and Code of Conduct to set the SunRice Group's values and desired culture.

3.2.2.2 Monitoring and guiding the culture of the Group and ensuring that a positive and appropriate culture reflecting the SunRice values and behaviours is being led and implemented by the CEO and also reflected in the behaviour of the Directors.

3.2.2.3 Monitoring and guiding Management action plans to strengthen the desired organisational culture and address weaknesses, and to uphold the reputation of SunRice.

3.2.3 Risk Management

3.2.3.1 Approving the Risk Management Policy and Risk Appetite Statement and reviewing and monitoring compliance with the Group's Risk Appetite Framework, including financial and non-financial risk management policies and systems.

3.2.3.2 Monitoring the management of strategic and emerging financial and non-financial, material risks, including reputational risk.

3.2.3.3 Ensuring frameworks are in place and are effective to drive compliance with legal and regulatory requirements and ethical standards and policies, reviewing their effectiveness and any material breaches.

3.2.3.4 Ensuring processes are in place so that material correspondence from regulators and reports on Management's interactions with regulators is received from Management.

3.2.3.5 Ensuring processes are in place so that the Board receives information regarding material breaches of the Group Code of Conduct, and Anti-Bribery & Corruption Policy, and reports of material incidents under the whistleblower policies; and subsequent information as to how these investigations and reports are addressed.

3.2.3.6 Reviewing the Group's risk management system at least annually to ensure that it continues to be sound and that the Company is operating with due regard to the Risk Appetite set by the Board.



3.2.4 Financial Reporting and Funding

- 3.2.4.1 Approving financial statements, trading updates and any other published reporting required to be approved by the Board under the Constitution, Corporations Act, ASX Listing Rules and any other applicable company policy, laws or regulations.
- 3.2.4.2 Approving and monitoring annual operating and capital budgets.
- 3.2.4.3 Reviewing and approving capital management plans, including payment of dividends, share issues, share buy backs or capital returns, transactions that require the issue of a prospectus by SunRice, and policies and processes, such as the Dividend Policy and the Dividend Reinvestment Plan Rules.
- 3.2.4.4 Approving material funding facilities of the Group.
- 3.2.4.5 Overseeing the integrity of the Group's accounting and corporate reporting systems, including the external audit, and reviewing the effectiveness of these systems in ensuring they result in adequate, accurate and timely information being provided to the Board.

3.2.5 External Audit

- 3.2.5.1 Approving the appointment and removal of the External Auditor and approving the External Auditor's remuneration.
- 3.2.5.2 Approving a statement on the provision of non-audit services and External Auditor independence for inclusion in the Directors' Report.

3.2.6 Continuous Disclosure and Shareholders

- 3.2.6.1 Ensuring that appropriate policies and systems are in place for the timely and balanced disclosure of all material information concerning the Group that a reasonable person would expect to have a material effect on the price or value of B Class Shares and monitoring the effectiveness and the Group's compliance with those policies and systems.
- 3.2.6.2 Receiving reports on Management's interactions and communications with shareholders and the broader community.

3.2.7 The CEO and Management

- 3.2.7.1 Appointing, replacing and assessing the performance of the CEO.
- 3.2.7.2 Approving the appointment and replacement of the Company Secretary and Chief Financial Officer and overseeing the appointment of direct reports to the CEO, and reviewing the CEO's assessment of their performance.
- 3.2.7.3 Overseeing the effective and timely succession planning for the CEO and direct reports to the CEO.



3.2.8 Remuneration Structure

- 3.2.8.1 Approving the Group's remuneration policies for NED's, the CEO and senior executives and ensuring these policies are aligned with the Group's purpose, values, strategic objectives and risk appetite.
- 3.2.8.2 Approving the remuneration arrangements, including performance scorecard measures and outcomes, at least annually for the CEO, the direct reports to the CEO or as required by relevant Group policies, following an assessment of performance.
- 3.2.8.3 Approving performance management frameworks, variable remuneration plans, employee and NED share plans, minimum shareholding requirements of NEDs and Management, employee superannuation, and benefits of material value to employees.
- 3.2.8.4 Determining fees payable to NEDs within the shareholder approved fee pool limit.
- 3.2.8.5 Making recommendations to shareholders regarding the size, composition and structure of the Board.

3.2.9 Diversity

- 3.2.9.1 Approving the Group's Diversity and Inclusion Policy, and setting, and annually assessing, measurable objectives in relation to diversity and progress against achieving them.

3.2.10 Policy and Corporate Governance

- 3.2.10.1 Overseeing and monitoring the effectiveness of the Group's corporate governance practices to ensure compliance with legal and regulatory requirements, including the formation and cessation of Board committees, the delegation of certain matters to those committees and the terms of the relevant committee Charters.
- 3.2.10.2 Approving the Company's:
 - Corporate Governance Statement annually; and
 - other key governance policies that require, or are reserved for, Board approval and overseeing the implementation of systems and processes for compliance with those policies.

3.2.11 Safety, Health and Sustainability

- 3.2.11.1 Overseeing the establishment of and monitoring compliance with the Group's safety, health and environment management systems, which have been established by management to assess, monitor and manage work, health and safety, and environmental risk and compliance with applicable legislation.
- 3.2.11.2 Reviewing reports and recommendations from the Safety, Health and Sustainability Committee on matters relating to relevant legislation, policies, sustainability priorities and targets.



- 3.2.11.3 Approving the Group Sustainability Strategy.
 - 3.2.11.4 Considering the social, ethical and environmental impact of the Group's activities; and approving sustainability and climate related disclosures.
 - 3.3.11.5 Approving and assessing the effectiveness of the Group's Sustainability Charter and underlying policies.
- 3.2.12 Reporting and Management
- 3.2.12.1 Satisfying itself that the Board reporting framework is appropriate and that the quality of the reporting within that framework is adequate. Where required, the Board will provide feedback to and challenge Management.

4. THE ROLE AND RESPONSIBILITIES OF MANAGEMENT

- 4.1 The Board retains ultimate responsibility for the strategy, risk appetite and performance of the Group, but has delegated responsibility for day-to-day management and the implementation of Board approved strategy and risk management policies to the CEO. The CEO, through the delegation of authority and effective reporting to the Board, is accountable to the Board.
- 4.2 The CEO (with Management) is responsible for the timely preparation, presentation adequacy and integrity of information provided to the Board to ensure all material matters are brought to the Board's attention, to enable the Board to discharge its responsibilities effectively, and to promote effective decision-making.
- 4.3 The CEO is responsible for instilling and reinforcing the Group's purpose, values and behaviours to support a culture that promotes ethical and responsible behaviour.

5. BOARD COMMITTEES

- 5.1 The Board will establish those Committees of Directors it considers necessary from time to time to assist it in carrying out its functions. The standing committees of the Board are:
 - 5.1.1 Finance, Risk & Audit Committee.
 - 5.1.2 Grower Services Committee.
 - 5.1.3 People & Remuneration Committee.
 - 5.1.4 Nomination Committee.
 - 5.1.5 Safety Health and Sustainability Committee.
 - 5.1.6 Independent Committee.
- 5.2 The Board determines and reviews as appropriate, Committee memberships (in conjunction with the Nomination Committee) and charters.
- 5.3 All NEDs are entitled to attend meetings of any Committees where there is no conflict of interest, with prior notice to the Committee Chair.
- 5.4 Minutes of Committee meetings are made available to all Directors. Committee Chairs will provide verbal reports on Committee business at the subsequent Board meeting and will consider if any material matters or actions arising out of Committee Meetings should be advised or delegated to other Committees.



6. BOARD MEETINGS

- 6.1 The Board shall meet at least nine times per year, and otherwise as often as the Directors determine necessary to enable the Directors and the Board to fulfil their duties and responsibilities to the Group. NEDs will also have the opportunity to meet without Management present.
- 6.2 The Company Secretary is responsible for the timely distribution of Board meeting papers to Directors prior to each meeting.
- 6.3 A quorum for a Board meeting shall be determined in accordance with the Constitution.
- 6.4 Draft Minutes of each Board meeting shall be prepared by the Company Secretary promptly following the meeting for review by the Chairman and the Board.

7. ROLE AND RESPONSIBILITIES OF THE CHAIR

- 7.1 The Chair of the Board:
 - 7.1.1 Is a Director appointed by the Directors.
 - 7.1.2 May not be the same person as the CEO, except if the chair of the Board is appointed to also act as the CEO in exceptional circumstances and on a short term basis. An incumbent CEO may not become the chair of the Board.
 - 7.1.3 The Board may appoint a Deputy Chair as required, from among the Directors. The Deputy Chair is expected to assume the role and responsibilities as Chair when the Chair is absent or unable to act.
- 7.2 The role of the Chair is to lead the Board and to manage the Board function and performance in accordance with this Charter.
- 7.3. The Chair's principal responsibilities are to:-
 - 7.3.1 Represent the views of the Board to stakeholders including shareholders, investors, regulators and the community.
 - 7.3.2 Promote constructive and respectful relations between the Board and shareholders, between the Board and management, and between Directors.
 - 7.3.3 Foster an open, inclusive, and, where appropriate, challenging discussion by the Board.
 - 7.3.4 Promote the efficient organisation and conduct of the Board's functions.
 - 7.3.5 Encourage the effective contribution and ongoing development of all Directors.
 - 7.3.6 Maintain a regular dialogue with the CEO and Management, serving as the primary link between the Board and Management.



- 7.3.7 Liaise with the CEO in relation to the Board's information requirements to assist the Board with effective decision making.
- 7.3.8 Set the agenda for Board meetings together with the CEO and the Company Secretary, ensuring that appropriate time and attention is devoted to matters within the responsibilities of the Board.
- 7.3.9 Exercise any specific and express powers delegated by the Board from time to time.
- 7.3.10 Chair General Meetings and B Class Shareholder Meetings.

8. ROLE AND RESPONSIBILITIES OF COMPANY SECRETARY

- 8.1 The Company Secretary is accountable to the Board, through the Chair, on matters relating to the proper functioning of the Board.
- 8.2 All Directors have direct access to the Company Secretary.
- 8.3 The role of the Company Secretary includes:-
 - 8.3.1 Advising the Chairman, Board and Board committees on governance matters and ensuring the Board receives legal advice as appropriate on such matters.
 - 8.3.2 Overseeing that Board and committee policy and procedures are followed, in accordance with the relevant charters.
 - 8.3.3 Co-ordinating all Board business including agendas, board papers and minutes.
 - 8.3.4 Overseeing that all Directors receive copies of all material market announcements promptly after they have been made.
 - 8.3.5 Overseeing the induction and professional development of Directors.

9. INDEPENDENCE OF DIRECTORS

- 9.1 The Board will regularly review the independence of each Director having regard to the ASX Corporate Governance Principles and Recommendations. In accordance with those Principles and Recommendations, a Director will be considered independent if they are a NED who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally as a whole, rather than in the interest of an individual shareholder or other party.
- 9.2 Each NED is required to provide to the Board all information that may be relevant to the assessment of their independent status.



- 9.3 Directors who hold A Class shares are also rice growers who supply rice to the Group. While these Grower Directors supply rice on the same terms as all other rice growers, the Board recognises that there may be a perception that the rice supply relationship between the Group and a Grower Director may influence the decision making of these Directors. Accordingly, while they are able to bring an independent judgement to bear on Board decisions, Directors who supply rice to the Group have not been characterised as 'independent' due to this potential perception concern.

10. ACCESS TO INFORMATION AND INDEPENDENT ADVICE BY DIRECTORS

- 10.1 Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 10.2 Directors have access, through the Chair, to:
- 10.2.1 Management, including the Head of Group Finance (or such other role from time to time with responsibility for Group risk management) and the Group Risk and Internal Audit Manager to seek explanations and information if required.
 - 10.2.2 Auditors, both internal and external, to seek explanations and information from them without management being present.
 - 10.2.3 Independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 10.3 If the Chair of the Board consents, the Group will pay a Director's costs of seeking independent professional advice, with the brief agreed by the Chair and Company Secretary. That consent may not be unreasonably withheld or delayed. Copies of the advice must be made available to, and for the benefit of all Board members, unless the Chair agrees otherwise.

11. BOARD PERFORMANCE AND CHARTER REVIEW

- 11.1 The Board assesses its performance and the fulfilment of its responsibilities under the Charter annually, including the use of external reviews on a periodic basis.
- 11.2 The Board will review the performance of its Committees and of individual Directors.
- 11.4 The Board will from time to time review the Charter to ensure that it complies with the ASX Corporate Governance Principles and Recommendations and meets the needs of the Group and the Board.



12. OTHER

12.1 Induction and Continuing Education

12.1.1 All NEDs will undertake an induction program upon joining the Board.

12.1.2 Director education is conducted regularly and is incorporated into the annual Board calendar.

12.1.3 In conjunction with a review of the Skills Matrix, Directors will consider and discuss with the Chair, and complete, any individual training and development required.

12.2 Communication of Information

12.2.1 The Board will:

12.2.1.1 communicate effectively with shareholders.

12.2.1.2 provide shareholders ready access to balanced and understandable information about the Group and its corporate goals.

12.2.1.3 facilitate shareholder participation in General Meetings and B Class Meetings.

12.2.2 The Board has adopted a Disclosure and Communication Policy to facilitate and promote effective communication with shareholders and encourage participation at General Meetings and B Class Meetings.

12.3 Conflict of Interests

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interest and declare them to the Chair and the Board and the Group Company Secretary if they arise.

12.4 Dealing in Securities

The Directors must ensure any dealings in securities are in strict compliance with the SunRice Group Share Trading Policy.