



Disclosure and Communications Policy

February 2019



February 2019

This policy may be amended at the discretion of the SunRice Group.
This policy does not form part of employees' contracts of employment

Disclosure and communication policy

Contents

| | | |
|----------|--|-----------|
| 1 | Introduction | 1 |
| 1.1 | Disclosure Context | 1 |
| 1.2 | Commitment to disclosure and communication | 1 |
| 1.3 | Purpose of this Policy | 1 |
| 1.4 | Application of this Policy | 2 |
| 2 | Continuous disclosure obligations | 2 |
| 2.1 | The disclosure obligations | 2 |
| 2.2 | “Aware” of information | 2 |
| 2.3 | Determination of market sensitive information | 2 |
| 2.4 | Exceptions to disclosure of information | 3 |
| 2.5 | Confidentiality | 4 |
| 3 | Disclosure roles, responsibilities and internal procedures | 4 |
| 3.1 | Disclosure Committee | 4 |
| 3.2 | Role and responsibilities of the Disclosure Committee | 4 |
| 3.3 | Role and responsibilities of the Company Secretary | 5 |
| 3.4 | Other officers and employees - disclosure and materiality guidelines | 5 |
| 3.5 | Obligations of officers and employees | 6 |
| 3.6 | Information to be provided to the Disclosure Committee | 6 |
| 3.7 | Review by the Board | 7 |
| 4 | Disclosure matters generally | 7 |
| 4.1 | Inform ASX first | 7 |
| 4.2 | Speculation and rumours | 7 |
| 4.3 | False market | 7 |
| 4.4 | Trading halts and voluntary suspension | 7 |
| 4.5 | Breaches | 7 |
| 5 | Market communication | 8 |
| 5.1 | Communication of information | 8 |
| 5.2 | Analysts and institutional investors | 8 |
| 5.3 | Analyst reports | 8 |
| 5.4 | Inadvertent disclosure or mistaken non-disclosure | 9 |
| 5.5 | Media relations and public statements | 9 |
| 6 | Investor relations and communication | 9 |
| 6.1 | Investor relations program | 9 |
| 6.2 | Periodic reporting | 9 |
| 6.3 | The Company’s website | 9 |
| 6.4 | Use of electronic communication and other technology | 10 |
| 7 | Review and publication of this Policy | 10 |

Disclosure and communication policy

1 Introduction

1.1 Disclosure Context

This document sets out the continuous disclosure policy that applies to Ricegrowers Limited (ACN 007 481 156) ("Company") and its related bodies corporate ("SunRice Group").

The Company has two classes of shares, A Class Shares and B Class Shares. The B Class Shares are currently listed on the Australian Securities Exchange ("ASX").

The Company is committed to responsible corporate governance and promoting investor confidence by observing its continuous disclosure obligations under the ASX Listing Rules ("Listing Rules") and the *Corporations Act 2001* (Cth) ("Corporations Act").

Accordingly, the Board recognises that the Company should:

- (a) to the extent possible, comply with the Corporate Governance Principles and Recommendations (3rd Edition) published by the ASX Corporate Governance Council and any revised editions of these principles ("ASX Principles"); and
- (b) take account of guidelines on disclosure published by ASX including ASX Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1-3.1B* ("Guidance Note 8").

1.2 Commitment to disclosure and communication

The Company is committed to the objective of promoting investor confidence by:

- (a) complying with the continuous disclosure obligations imposed by law;
- (b) ensuring that company announcements are presented in a factual, clear and balanced way;
- (c) ensuring that investors have equal and timely access to material information concerning the Company; and
- (d) communicating effectively with investors.

1.3 Purpose of this Policy

This Policy outlines corporate governance measures adopted by the Company to further its commitment to disclosure and communication of information. It seeks to incorporate:

- (a) disclosure obligations in the ASX Listing Rules;
- (b) Principle 5 (Make timely and balanced disclosure) and Principle 6 (Respect the rights of security holders) of the ASX Principles; and
- (c) the principles in Guidance Note 8 and the 10 principles set out in ASIC's Regulatory Guide 62: *Better disclosure for investors*.

1.4 Application of this Policy

This Policy applies to all directors, officers, employees, agents and contractors of the Company. Disclosure and materiality guidelines for officers (includes directors) and employees are available to assist officers and employees to understand their obligations under this Policy.

2 Continuous disclosure obligations

2.1 The disclosure obligations

Continuous disclosure is a mandatory obligation under the Corporations Act and the Listing Rules. The Company is required to immediately notify ASX once it becomes aware of any information which a reasonable person would expect to have a material effect on the price or value of the Company's securities, unless an exception applies at that time.

Information which the Company is required to disclose under its continuous disclosure obligations is referred to in this Policy as ("**market sensitive information**").

2.2 "Aware" of information

The Company is taken to be aware of information if any of its directors, company secretary or senior managers has, or ought reasonably to have, come into possession of that information in the course of the performance of their duties as an officer of the Company.

2.3 Determination of market sensitive information

A reasonable person is taken to expect information to have a material effect on the price or value of the Company's securities (that is the information is market sensitive information) if that information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to subscribe for, buy or sell the Company's securities.

A determination of whether or not information is market sensitive will be a matter of judgment in each particular case.

Each director and employee should immediately notify the Company Secretary or the Chief Executive Officer ("CEO") if they become aware of any information concerning the Company which may be market sensitive.

In assessing whether or not information is market sensitive, consideration is given to the Company's circumstances prevailing at the relevant time, including its business activities, size and place in the market. Any external information that is publicly available at the time and any previous disclosures made by the Company to the market, and the impact of the new information on the previously disclosed information, must also be considered.

ASX has provided examples of the type of information that may need disclosure in the notes to Listing Rule 3.1 and in Guidance Note 8.¹ These include:

¹ Guidance Note 8 notes that, in determining whether information was market sensitive, ASX will look at the effect that information had on the market price when it was announced to the market. For these purposes ASX will generally apply the guidelines on materiality under the Australian Accounting and International Financial Reporting Standards. This means that if the market price has moved 10% or more, ASX will generally regard this as market sensitive information, and if it has moved 5% or less, ASX will generally regard this as confirmation that the information was not market sensitive. However these are guidelines only and may not apply in all circumstances.

- (a) a material acquisition or disposal;
- (b) takeovers, mergers, de-mergers, restructures, schemes of arrangement and all other transactions involving a transfer of control or significant change in the nature or scale of activities;
- (c) share buybacks and capital reductions concerning securities;
- (d) equity capital raisings;
- (e) market updates, including any earnings guidance;
- (f) interim and final results, including media releases, investor presentations and investor reports accompanying the release of interim and final results;
- (g) distribution policy and distribution determinations/declarations;
- (h) any matter in respect of which directors make a recommendation to securityholders;
- (i) the granting or withdrawal of a material licence;
- (j) entry into, variation or termination of a material agreement; and
- (k) any other matter that the Board determines to be a significant matter affecting the Company or its financial position and /or financial prospects.

There are many other types of information that could give rise to a disclosure obligation.

If any material information disclosed to the market becomes incorrect, the Company must release an announcement correcting or updating the information if the change in the information is such that a reasonable person would expect it to have a material effect on the price or value of the Company's securities, or if ASX requires in order to correct or prevent a false market. Further guidance on materiality is provided in the disclosure and materiality guidelines for officers and employees.

2.4 Exceptions to disclosure of information

The Listing Rules provide an exception to continuous disclosure if all of the following three tests are satisfied:

- (a) **Test 1:** One or more of the following applies:
 - (i) it would be a breach of the law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for internal management purposes of the entity; or
 - (v) the information is a trade secret.
- (b) **Test 2:** The information is confidential and ASX has not formed the view that the information has ceased to be confidential.

- (c) **Test 3:** A reasonable person would not expect the information to be disclosed.

As soon as any of Tests 1, 2 or 3 is no longer satisfied in relation to particular market sensitive information, the Company must immediately disclose that information.

The availability of the exception regarding any market sensitive information that has not been disclosed to ASX must be continually assessed by the Company.

2.5 Confidentiality

Confidential information is information that is confidential as a matter of fact.

There may be a loss of confidentiality even if the Company has entered into confidentiality agreements. For example, where there is rumour circulating in relation to, or the media is commenting on such information, this will generally indicate that confidentiality has been lost.

Officers and employees of the Company owe a duty of confidentiality to the Company and must ensure that the confidentiality of any information concerning the Company that comes into their possession is protected, by:

- (a) refraining from discussing or divulging the information to any person except in accordance with this Policy; and
- (b) ensuring that any material within their possession relating to that information is properly and securely stored and is not disclosed to an unauthorised person.

3 Disclosure roles, responsibilities and internal procedures

3.1 Disclosure Committee

The Company has approved the establishment of a Disclosure Committee (“**Disclosure Committee**”) to manage the Company’s disclosure obligations. At the date of adoption of this Policy, the members of the Disclosure Committee are:

- the Chairman;
- the Company Secretary;
- the CEO; and
- the Chief Financial Officer (“**CFO**”).

The members of the Disclosure Committee may be varied from time to time by the Board, but will consist of at least 2 members of senior management of the Company and the Company Secretary.

A quorum for a meeting of the Disclosure Committee will be 2 members, of which 1 must be the Chairman or the CEO (or if either of them is not available, one of their delegates).

3.2 Role and responsibilities of the Disclosure Committee

The role of the Disclosure Committee is to manage the Company’s compliance with its disclosure obligations and this Policy.

Subject to any directions given by the Board (either generally or in a particular instance), the Disclosure Committee's responsibilities include:

- (a) seeking to ensure that the Company complies with its disclosure obligations, including having relevant procedures in place;
- (a) assessing the possible materiality of information which is potentially market sensitive;
- (b) subject to section 3.7, making decisions on information to be disclosed to the market;
- (c) reviewing all documents to be released to the ASX, including periodic and continuous disclosure documents and shareholder/grower and media announcements;
- (d) ensuring that announcements are made in a timely manner, are not misleading, do not omit material information and are presented in a clear, balanced and objective way;
- (e) referring any announcement which the Disclosure Committee considers to be a matter of key significance or "market sensitive" to the Board for immediate consideration; and
- (f) monitoring disclosure processes and reporting.

3.3 Role and responsibilities of the Company Secretary

The Board has appointed the Company Secretary as the person responsible for communication with the ASX in relation to listing rule matters, with ASIC in relation to continuous disclosures matters and also for the general administration of this Policy.

The Company Secretary's responsibilities include:

- (a) seeking to ensure that the ASX is immediately notified of any information which needs to be disclosed;
- (b) seeking final approval from the Disclosure Committee for all documents to be released to the ASX;
- (b) distributing continuous disclosure announcements to the Board and senior managers of the Company by email immediately after they have been released to the ASX;
- (c) reviewing board papers and other information referred to the Company Secretary for events that the Company Secretary considers may give rise to disclosure obligations;
- (d) convening meetings of the Disclosure Committee; and
- (e) maintaining a record of discussions and decisions made about disclosure issues by the Disclosure Committee and a register of announcements made to the ASX and lodged with ASIC.

3.4 Other officers and employees - disclosure and materiality guidelines

This Policy and the disclosure and materiality guidelines are provided to all officers and relevant employees, agents and contractors of the SunRice Group on appointment. They must read this Policy and the guidelines so as to gain an appreciation of what type of information may potentially be market sensitive and

when to immediately refer any matter or event which may need to be disclosed to the Company Secretary.

The Disclosure Committee will periodically review the disclosure and materiality guidelines and, where considered necessary, organise training for officers and relevant employees, agents and contractors to:

- (a) assist with their understanding of the Company's and their own legal obligations relating to disclosure of market sensitive information, materiality and confidentiality;
- (b) raise awareness of the internal processes and controls; and
- (c) promote compliance with this Policy and the guidelines.

Significant amendments made to this Policy or the disclosure and materiality guidelines will be communicated to officers and relevant employees, agents and contractors by the Company Secretary.

3.5 Obligations of officers and employees

Officers, employees, agents and contractors of the SunRice Group must observe this Policy at all times. Officers and employees of the SunRice Group have the following obligations:

- (a) if they have a question regarding any aspect of this Policy, they should direct their inquiries to a member of the Disclosure Committee;
- (b) as soon as they become aware of any information that is not generally available and which may be considered market sensitive, they must immediately notify a member of the Disclosure Committee;
- (c) if unsure as to whether the information may be "market sensitive" or may influence an investor's decision to buy or sell B Class Shares, the information must be referred to the Disclosure Committee for determination;
- (d) if they inadvertently leak information to the media or public or become aware that information has been leaked, they must make no comment in relation to the information and must notify a member of the Disclosure Committee immediately;
- (e) they must not make any comments in respect to market speculation and rumours. If approached by the media or an external party for information, they must not make any comment and must notify a member of the Disclosure Committee immediately; and
- (f) senior employees and managers are responsible for reporting any material matter arising in their division/business unit areas of responsibility that could potentially require disclosure to the Disclosure Committee.

3.6 Information to be provided to the Disclosure Committee

If a director or employee of the SunRice Group is required to provide details of a matter or event to a member of the Disclosure Committee, they must provide the following information:

- (a) a general description of the matter or event;
- (b) details of the parties involved;

- (c) the relevant date of the event or transaction;
- (d) the status of the matter or event;
- (e) the estimated value of the transaction;
- (f) the estimated effect it may have on the SunRice Group's operation or financial status; and
- (g) the names of any employees, external advisors or other parties involved in the matter or event.

3.7 Review by the Board

As a matter of law, not every announcement of information needs to be referred to the Board. However, matters affecting fundamental aspects of the business or structure of the Company should be approved by the Board. Those matters would include major corporate events such as capital raisings, structural changes and takeover proposals. The Board may also elect to approve certain announcements.

The current policy of the Board is that, if practicable, all "market sensitive" announcements should be referred to the Board for approval.

4 Disclosure matters generally

4.1 Inform ASX first

The Company will not release any information publicly that is required to be disclosed through the ASX until the Company has received formal confirmation of its release to the market by the ASX, unless otherwise permitted by the Listing Rules.

Information must not be given to the media or otherwise distributed to shareholders/growers before it is given to the ASX, even on an embargo basis.

4.2 Speculation and rumours

Generally, the Company will not respond to market speculation or rumours unless a response is required by its continuous disclosure obligations or by the ASX, including for the purposes of section 4.3 of this Policy.

4.3 False market

If the ASX considers that there is, or is likely to be, a false market in the B Class Shares and asks the Company to give it information to correct or prevent a false market, the Company must give the ASX the information needed to correct or prevent the false market.

4.4 Trading halts and voluntary suspension

If necessary, the Disclosure Committee may consider and is authorised to request a trading halt from the ASX to prevent trading in B Class Shares on an uninformed basis, and to manage disclosure issues.

4.5 Breaches

Failure to comply with the disclosure obligations in this Policy may lead to a breach of the Corporations Act or Listing Rules and to personal penalties for

directors and officers. Breaches of this Policy may lead to disciplinary action being taken.

5 Market communication

5.1 Communication of information

The Company will post on its website relevant announcements made to the market by the Company and related information (which may include slides and presentations used in analyst, investor, shareholder/grower or media briefings) after they have been given to the ASX and following confirmation of release to the market by the ASX.

Material market sensitive information will be posted as soon as reasonably practicable after its release to the ASX following receipt of confirmation from the ASX.

Information may also be provided from time to time to the media on behalf of the Company but not before disclosure to the ASX, even on an embargo basis.

5.2 Analysts and institutional investors

The Company may conduct briefings for analysts and institutional investors from time to time to discuss matters concerning the Company. Only the CEO and CFO or approved representatives of the Company are authorised to speak with analysts and institutional investors.

Before each reporting period, the CEO and CFO will formulate guidelines for briefings for that period. The Company's policy at these briefings is that:

- (a) the Company will not comment on market sensitive issues not already disclosed to the market; and
- (b) any questions raised in relation to market sensitive issues not already disclosed to the market will not be answered or will be taken on notice.

If a question is taken on notice and the answer would involve the release of market sensitive information, the information must be released through the ASX before responding.

A representative of the Company in attendance may make notes of meetings and briefings with investors or analysts. Alternatively, an event may be webcast or teleconferenced or a recording or transcript added to the Company's website.

After briefings, a member of the Disclosure Committee will consider the matters discussed at the briefings to ascertain whether any market sensitive information was inadvertently disclosed. If so, the information must be communicated to the market as set out in section 5.4.

5.3 Analyst reports

If requested, the Company may review analyst reports. The Company's policy is that it will only review these reports to clarify historical information and correct factual inaccuracies if this can be achieved using information that has been disclosed to the market generally.

No comment or feedback will be provided on financial forecasts, including profit forecasts prepared by the analyst, or on conclusions or recommendations set out

in the report. The Company will communicate this policy whenever asked to review an analyst report.

5.4 Inadvertent disclosure or mistaken non-disclosure

If market sensitive information is inadvertently disclosed or a director or employee becomes aware of information which should be disclosed, a member of the Disclosure Committee must immediately be contacted so that appropriate action can be taken including, if required, announcing the information through the ASX and then posting it on the Company's website.

5.5 Media relations and public statements

Media relations and communications are the responsibility of the Head of Corporate Affairs. On major matters, the Chairman or the CEO is generally the spokesperson, and on financial matters, the CFO or the CEO may generally speak.

Other officers or senior employees may be authorised by the Board, the Chairman or the CEO to speak to the media on particular issues or matters.

No information is to be given to the media on matters which are of general public interest without the approval of the Chairman or CEO.

Any inquiry that refers to market share, financials or any matter which the recipient considers may be market sensitive must be referred to the Company Secretary.

The guidelines outlined above are subject to any directions given by the Board, either generally or in a particular instance.

6 Investor relations and communication

6.1 Investor relations program

The Company will implement a range of investor relations strategies to facilitate effective two-way communication with investors, shareholders and analysts.

The Company also recognises the importance of engagement with a broad range of stakeholders beyond financial market participants, such as proxy advisers, governance advisers, government, industry groups and non-government organisations (NGOs).

6.2 Periodic reporting

The Company produces half yearly and yearly financial reports and an annual report in accordance with the Corporations Act, the Listing Rules and applicable accounting standards. These seek to give balanced and understandable information about the Company to investors.

6.3 The Company's website

The Company will use its website to provide investors and shareholders with information about the Company and its governance. Investor information will be posted in a separate part on the Company's website from other material about Company. This part of the website will include information relating to the following (as recommended in the ASX Principles):

- (a) corporate governance;

- (b) communications;
- (c) corporate information; and
- (d) the Company's share registry contact details.

6.4 Use of electronic communication and other technology

Shareholders may elect to receive information electronically as it is posted on the Company's website. The website provides information about how to make this election. Shareholders may also communicate electronically with the Company's share registry as provided for on the website.

The Company will communicate by post with its shareholders who have not elected to receive communication electronically.

The Company may consider the use of other technologies to communicate with shareholders.

7 Review and publication of this Policy

The Disclosure Committee will review this Policy from time to time and report to the Board on any changes it considers should be made. This Policy may be amended by resolution of the Board.

This Policy is available on the Company's website and the key features, or a URL link to the webpage, will published in the Company's annual reports.