

14 October 2022

Letter to A Class Shareholders and Riverina rice growers

Enclosed is a letter from the Chairman to A Class Shareholders and Riverina rice growers.

Authorised by Kate Cooper, General Counsel and Company Secretary

Investor and media inquiries:

Julian Luke

Head of Corporate Affairs

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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,

Impact of wet conditions on rice preparation

While the continuation of La Nina has been a great thing for rice production generally with water storages in both the Murray and Murrumbidgee systems at their highest levels in decades, and water prices at low levels, it is proving a headache for rice preparation. And of course while the water availability is positive, with forecasts pointing to La Nina continuing and the current wet weather across the region – the threat of flood is also front of mind for many growers.

I have been speaking with a number of growers and I know that rice preparation has been extremely challenging, and some plantings have already been delayed. This has been the case on my own farms here at Moulamein where I have had recorded rainfall at levels not previously seen at this time of year.

I am aware that under the terms of our CY23 pool contracts, there is a washout clause which states that SunRice would charge growers a fee if they do not meet a committed volume of paddy. This clause was introduced in recent years when conditions were not as favourable for rice production, and it was critical that the business received the paddy committed to by growers in order to efficiently run our Riverina operations, meet demand in end markets and optimise paddy returns.

I know our growers are committed to planting the seed that they have ordered in both the pool and fixed-price contracts, and will seek every opportunity in the planting window to do this. It remains critical for the company to maximise returns to growers that we receive as close to the committed volume of paddy as possible (in both the fixed-price contracts and the CY23 pool).

I am aware that some growers are concerned that they may have the wash-out fee enforced for the CY23 pool, even if they were unable to plant through no fault of their own – but as a consequence of the ongoing wet conditions. **In light of these concerns, I wanted to let growers know that the company has considered the wash-out clause and has decided that this year (CY23), the wash-out fee will not be enforced in the event that growers are unable to plant as a result of the wet weather conditions.** We still expect volumes in the CY23 fixed-price contracts to be honoured, and no wash-out exemption will apply.

The Grower Services Committee is continuing to monitor the situation closely, and the SunRice Group Grower Services and Rice Extension teams will organise grower meetings to provide advice on wet weather planting options. If you have any questions, please contact the Grower Services team on **1800 654 557** or growerservices@sunrice.com.au. As always, I also remain available to any growers who would like to discuss the matters raised in this letter, or any other topics. Please don't hesitate to contact me on **0428 500 232**.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurie".

Laurie Arthur
Chairman