



The Rice Food Experts

Capital Risk Management Policy

Ricegrowers Limited

ACN 007 481 156

Approved 23 July 2009

Capital Risk Management Policy

Ricegrowers Limited's Capital Risk Management Policy (Incorporating the Dividend Policy)

The Group's and Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain a sound capital structure and achieve an acceptable gearing ratio, the Board may need to vary the total annual dividend paid to shareholders, issue new shares or sell assets to reduce debt.

It remains the Board's objective to pay an annual dividend to B Class Shareholders, which provides them with a competitive return on their investment. The Directors will annually consider and determine the dividend to be declared, for the year, taking into consideration a number of factors including:

- the need to maintain an appropriate gearing ratio,
- the need to retain profit to fund growth and/or capital expenditure and,
- benchmarking dividend payout ratios and/or dividend yields for companies of similar size, risk profile and business activities.