



The Rice Food Experts

Continuous Disclosure Policy

Ricegrowers Limited

ACN 007 481 156

Approved 28 October 2011

Executive Summary

This document sets out the continuous disclosure policy that applies to Ricegrowers Limited (“**the Company**”), its subsidiaries, its related bodies corporate, its associated companies, the Complementary Businesses (“**Associated Entities**”) and their directors, executives and employees (“**Policy**”). Any consultants or professional advisors engaged to undertake work on behalf of the Company, its subsidiaries, its associated companies or Complementary Businesses (“**Agents**”) must also comply with this Policy.

A. Ricegrowers Limited

The B class shares of the Company are listed on the National Stock Exchange of Australia (“**NSX**”). This means that the Company must comply with both the *Corporations Act 2001 (Cth)* (“**Act**”) and the NSX Listing Rules (“**Listing Rules**”).

B. Definitions

For the purposes of this Policy:

- **Complementary Businesses** means the business activities controlled by SunRice which are not “Rice Milling and Marketing” activities including CopRice, rice cakes, rice flour, convenience rice, retorted rice, Riviana Foods Pty Ltd and Trukai Industries Limited;
- **Listing Rules** means the rules governing the listing of securities on the National Stock Exchange of Australia Limited (ACN 000 902 063);
- **Paddy Rice** means the return paid to growers for rice paddy.
- **Rice Milling and Marketing** means the business activities of SunRice which includes milling, marketing, packaging and branding, which includes all activities relating to the process of transforming raw paddy into bulk or packaged milled rice (Australian and non-Australian rice);
- **SunRice** means the principal business carried on by the Company; and

C. Australian Law

The Listing Rules and the Act contain several provisions which require listed bodies to make immediate disclosure of material information to the market via the NSX. The NSX is responsible for maintaining and enforcing compliance with its Listing Rules. Compliance with the Listing Rules is a requirement for admission to the official list and for continued listing. The Listing Rules are therefore contractually binding and may be enforced under the Act.

D. Review of Policy

The Policy will be reviewed on a regular basis by the Disclosure Committee, who may suggest proposed amendments to the Policy. It is likely that this Policy will change over time to reflect legislative changes and developments of best practice.

1.1 Purpose

The Company recognises the importance of timely disclosure of material information to ensure the efficient operation of the securities market.

The purpose of Part 1 of this Policy is to:

- reinforce the Company's commitment to the continuous disclosure obligations imposed by law and to describe the processes implemented by it to ensure compliance;
- ensure that all directors, executives, employees and Agents are aware of the continuous disclosure obligations of the Company and their personal responsibilities under Australian Law and this Policy;
- provide guidance to directors, executives, employees and Agents on the type of information that should be disclosed to the market;
- implement a procedure for the collation of all information that may be material;
- provide guidance to the Company's disclosure committee ("**Disclosure Committee**") on how to assess whether information should be disclosed to the NSX.
- ensure that all Company announcements are factual and presented in a clear and balanced way; and
- provide guidance on how information should be released to the NSX.

1.2 Legal Requirements of Continuous Disclosure

Corporations Act 2001

1.2.1 General

The continuous disclosure provisions take effect when the Company becomes aware of price sensitive information which is not generally available

1.2.2 Information to be disclosed to the market

Section 674 of the Act imposes an obligation on the Company to give the NSX price sensitive information in accordance with the continuous disclosure rules. Section 674(2) of the Act states that if the Company has information that the Listing Rules require the Company to notify the NSX and that information;

1. is not generally available; and
2. is information that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of the share of the Company;

the Company must notify the NSX of that information in accordance with the provisions of the Listing Rules.

1.2.3 Generally Available Information

For the purposes of section 674 of the Act, the following interpretations apply:

1. Section 676(2) of the Act states that information is generally available if:
 - (a) it consists of readily observable matter; or
 - (b) without limiting the generality of the above definition, information will also be generally available if:
 - (i) the information has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of a kind whose price or value might be affected by the information; and
 - (ii) since the information was made known, a reasonable period for it to be disseminated among such persons (as mentioned above) has elapsed.
2. Section 676(3) of the Act states that information is also generally available if it consists of deductions, conclusions or inferences made or drawn from either or both of the following:-
 - (a) information referred to in section 1(a) above;
 - (b) information made known as mentioned in subsection 1(b)(i).

1.2.4 Material Effect on Price or Value

For the purposes of Section 674 of the Act, the following interpretation applies:

Section 677 of the Act states that a reasonable person would be taken to expect information to have a material effect on the price or value of a security (eg a “B” class share in Ricegrowers Limited) if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of their securities (eg “B” class shares in Ricegrowers Limited).

1.2.5 Determination of Material

A determination of what would be considered “material” will be a matter for judgement in each particular case. The ASX Corporate Governance Council has said that “the determination of materiality requires consideration of both quantitative and qualitative elements”. Australian Accounting Standard Board 1031 provides guidance in relation to a quantitative assessment of materiality. An item is presumed to be immaterial if it is equal to or less than 5% of the base amount. It is presumed to be material (unless there is evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

1.3 The Listing Rules

1.3.1 Information to be disclosed to the market

Rule 6.4 of the Listing Rules requires the Company to keep the NSX informed without delay, for dissemination of information relating to the group of which it is aware that:

1. is necessary to enable the NSX and public to appraise the financial position of the issuer and the group; or

2. is necessary to avoid the establishment of a false market in its securities; or
3. a reasonable person would expect to have a material effect on the price or value of its securities (ie the Company's "B" class shares).

Such information must be made available to the NSX before the time at which any other public announcements of the information is made.

1.3.2 Breach of Rule 6.4

The Listing Rules provide that the Company will breach Rule 6.4 if it intentionally, recklessly or negligently fails to notify the NSX of information that:

1. is not generally available; and
2. a reasonable person would expect, if it were generally available, to have a material effect on the price or value of its securities.

Section 674(2B) of the Corporations Act provides a defence to liability for individuals who are "involved in" the Company's breach of its obligation to notify NSX of information if the individual took all reasonable steps to ensure the Company complied with its obligations and, after doing so, believed the Company was complying.

1.3.3 Exception to the Disclosure Rule

Listing Rule 6.5 states that Rule 6.4 does not require information to be disclosed when:

1. a reasonable person would not expect information to be disclosed; and
2. information is confidential and the NSX has not formed the view that the information has ceased to be confidential; and
3. at least one of the following applies:
 - (a) it would be a breach of the law to disclose the information;
 - (b) the information concerns an incomplete proposal or negotiation;
 - (c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (d) the information is generated for the internal management purposes of the Company; or
 - (e) the information is a trade secret.

When any of the exceptions listed above no longer exists (for example information about the Company is no longer considered confidential because the information has been reported in the media), the Company must immediately disclose the information to the market.

1.4 Confidential Information

Confidential information is information that is confidential as a matter of fact. If a matter is confidential or subject to contractual confidentiality obligations, this does not necessarily mean that the Company is entitled to withhold that information from the market. For example where there is a rumour circulating or the media is commenting on the information, this will generally indicate that confidentiality has been lost.

All directors and employees of the Company and its Associated Entities should treat all sensitive, non-public information regarding the Company as confidential. Confidential information should not be disclosed to others (for example associates, relative, business or social acquaintances) who do not have a legitimate need for such information for business reasons. Directors and employees should treat all information carefully and avoid inadvertent or indirect disclosure of it.

1.5 False Market

1.5.1 Rumours and Market Speculation

Subject to the obligations set out in this Policy, the Company will not generally comment on rumours or market speculation. Listing Rule 6.5A however states that if the NSX considers that there is likely to be a false market in the Company's shares and asks the Company to correct or prevent a false market, the Company must provide the information needed to correct or prevent a false market, to the NSX.

1.5.2 Circumstances for a False Market

The obligation in Listing Rule 6.5A applies even when the exceptions set out in Section 1.3.3 of this Policy apply. It is likely that the following circumstances would give rise to a false market in the Company's shares:

1. the Company has material information that has not been released to the market, due to the information falling within one of the exceptions outlined in Section 13.3 of this Policy; and
2. there is a reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by the Company; and
3. there is evidence that the rumour or comment is having, or the NSX forms the view that it is likely to have, an impact on the price of the Company's shares.

1.6 Disclosure Committee

1.6.1 Purpose

The Disclosure Committee is responsible for managing the Company's compliance with the continuous disclosure obligations and implementing and enforcing this Policy. This Policy will be reviewed by the Disclosure Committee on a regular basis.

The Disclosure Committee has primary responsibility for ensuring that any information that may have a material effect on the price or value of the shares of the Company is disclosed to the NSX in accordance with continuous disclosure obligations set out in the Listing Rules and the Act.

1.6.2 Composition

The Disclosure Committee will consist of the following people:

1. Chairman;

2. Chief Executive Officer (“**CEO**”)/Managing Director;
3. Chief Financial Officer (“**CFO**”);
4. Company Secretary/Secretaries; and
5. Company’s Communications Officer.

The Company Secretary shall be the convenor of the Disclosure Committee.

1.6.3 Appointment

The Disclosure Committee will be appointed by the Company’s board of directors on an annual basis.

1.7 Obligations of Directors, Executives, Employees and Agents

Directors, executives, employees and Agents of the Company and its Associated Entities must observe this Policy at all times. Directors and employees of the Company and its Associated Entities have the following obligations:

1. if they have a question regarding any aspect of this Policy, they should direct their inquiries to a member of the Disclosure Committee;
2. as soon as they become aware of any information that is not generally available and which may be considered price sensitive, they must immediately notify a member of the Disclosure Committee;
3. if unsure as to whether the information may be “price sensitive” or may influence an investor’s decision to buy or sell securities, the information must be referred to the Disclosure Committee for determination.
4. 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;
5. 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
6. 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.

1.8 Information to be provided to the Disclosure Committee

If a director or employee of the Company or its Associated Entity is required to provide details of a situation to a member of the Disclosure Committee, they must provide the following information:

1. a general description of the matter;
2. details of the parties involved;
3. the relevant date of the event or transaction;
4. the status of the matter;

5. the estimated value of the transaction;
6. the estimated effect it may have on the Company's operation or financial status; and
7. the names of any employees, external advisors or other parties involved in the matter.

1.9 Review by the Board and Obligations of Directors

As a matter of law, not every announcement of information to NSX needs to be referred to the Board. However, matters affecting fundamental aspects of the Company's business or structure should be approved by the Board. Those matters would include major corporate events such as capital raisings, structured changes and take over proposals. The Board may also elect to approve certain announcements to NSX. The current policy of the Board is that all "price sensitive" announcements should be referred to the Board for approval.

Individual directors and officers must, as part of their fiduciary and statutory duties, exercise due care and diligence to ensure that the Company fulfils its obligation to disclose information in accordance with the Corporations Act and the NSX Listing Rules. This requires the Board to ensure that the Company has appropriate systems in place to ensure that information that requires disclosure is identified and disclosed. Directors also have broad, individual obligation to keep informed about the activities of the Company and its financial position in particular.

1.10 Obligations of the Disclosure Committee

The Disclosure Committee must:

1. implement reporting processes and determine guidelines for material information to be reported to the Disclosure Committee;
2. immediately review, discuss and consider any information referred to it by a director or employee;
3. ensure that at least three members of the Disclosure Committee discuss each matter regarding Continuous Disclosure or this Policy which has been referred to it;
4. form an opinion as to whether the information would be considered material information and whether it requires disclosure to the NSX;
5. determine whether the information falls within one of the exemptions referred to in section 1.3.3 above;
6. if of the view that the information falls within one of the exceptions to the continuous disclosure rules, create and retain a file note setting out the reasons why the information falls within an exception and therefore does not need to be released to the NSX;
7. if unsure whether the information needs to be disclosed to the market, refer the matter to the CEO/Managing Director to make a decision on whether the information needs to be disclosed;
8. if the information needs to be released to the market, draft a statement of information that can be released to the market. All information statements must be approved by the Communications Officer and/or the CEO;
9. assess whether the information to be disclosed should be reviewed by the Board before it is released and, if appropriate, refer the proposed announcement to the Board;

10. as soon as practicable after the Company becomes aware of the information, the Disclosure Committee, through the Communications Officer, must report any material information to the market and communicate generally with the NSX;
11. keep a record of all NSX and other announcements that the Company has made and provide records to the board of directors on a regular basis;
12. make recommendations to the board of directors in relation to proposed changes to this Policy; and
13. regularly report on continuous disclosure issues to the audit committee and board of directors.

1.11 Considerations for the Disclosure Committee

The Disclosure Committee needs to consider the following factors when making a decision as to whether the information is material to the market:

1. whether the information falls within one of the exemptions to disclosure under the Listing Rules. If the information does fall within an exemption then it does not need to be disclosed to the market;
2. whether the information is generally available. If the information is already generally available, further disclosure may not be required; and
3. if the information is not generally available, whether a reasonable person would expect it to have a material effect on the price or value of the shares of the Company if it was made available. If it would not have a material affect on the share price of the Company, then disclosure is not required but may, nevertheless, be considered.

1.12 Obligations of the Communications Officer/Company Secretary

The Communications Officer/Company Secretary is responsible for the following:

1. liaising with the NSX generally in relation to continuous disclosure issues;
2. reviewing and approving proposed announcements to the NSX received from the Disclosure Committee;
3. liaising with and obtaining from the Managing Director/CEO any announcements to be made to the NSX;
4. liaising with and obtaining from external legal advisors any advice on announcements to be made to the NSX;
5. liaising with the Managing Director/CEO and the Chairman in relation to announcements that need to be approved by the Board;
6. consider if a trading halt should be requested of NSX to enable further time for consideration of an announcement;
7. as soon as the Disclosure Committee, CEO/Managing Director or external legal advisor has made a determination that information must be disclosed, he or she must, subject to any need for Board approval, disclose that information to the NSX by lodging the announcement with the NSX electronically. Such information must be made available to

the NSX before the Company makes any other public announcements in relation to that information;

8. obtaining an acknowledgement from the NSX confirming that the information has been released to the market each time the Company makes an announcement; and
9. after receiving an acknowledgement from the NSX that the information has been released to the market, disclosing the information to shareholders in accordance with section 3.2 of this Policy.

1.13 Obligations of the CEO/managing Director

The CEO/Managing Director is responsible for the following:

1. considering any information and/or situations referred by the Disclosure Committee;
2. making a decision as to whether information referred by the Disclosure Committee needs to be disclosed to the NSX;
3. if any information requires disclosure to the market, drafting a statement of information that can be released to the market;
4. notifying the Communications Officer, of information that he or she considers to be material and therefore must be disclosed to the market;
5. referring any information/circumstance that he or she is unable to form a view about to an external legal advisor to advise on whether the information is material and therefore needs to be disclosed to the market; and
6. ensuring that mechanisms are in place to notify the board, of information that he or she considers should be disclosed to the market.

1.14 Obligations of the Board of Directors

1. Each director must individually consider any announcement approved by the Board.
2. Disclosure issues will be a standing agenda item at board meetings of the directors.
3. The board of directors may require external or internal auditors to audit compliance with this Policy.

1.15 Roadshows, Briefings and Information Sessions

From time to time, the Company conducts roadshows, briefings and information sessions for shareholders and potential investors. In these cases, the following protocols will apply:

1. any “material” information that is not generally available must not be disclosed at the roadshows, briefings or information sessions, unless it has previously been or is simultaneously released to the market;
2. any written material, presentations or slides to be used at a roadshow, briefing or information session must be provided in advance to the NSX if they contain any information that has not previously been disclosed to the market;

3. if any information is inadvertently released to the market, a member of the Disclosure Committee must immediately be notified and the information must be subsequently released to the market;
4. any questions that deal with material information which has not previously been disclosed to the market must not be answered; and
5. a member of the Disclosure Committee should be present at all roadshows, briefings and information sessions and keep a record of what is disclosed.

1.16 Media Contact

The Communications Officer is responsible for determining whether it is necessary to contact the media in respect of any disclosures made to the NSX.

The only officers permitted to make comments or statements to the media regarding any aspect of the Company or its Associated Entities are the Communications Officer, Chairman and CEO/Managing Director. No other employees of the Company or its Associated Entities are permitted to comment or make a statement to the media unless they are specifically authorised to do so by the Chairman or CEO/Managing Director.

