

## Rice Seed Purchase and Rice Paddy Supply Terms (Terms)

**Offer Only:** The *Rice Seed Order Form & Paddy Supply Offer (Form)* for the 2020/21 crop year (**C2021**) constitutes an offer by the Grower to purchase rice seed (**Seed**) and, if Table 1 of the Form has been completed, to supply rice paddy (**Paddy**) to SunRice on the terms below and on the accompanying Form. This offer is not binding on SunRice until it is accepted by SunRice in writing.

**Variations:** The Grower can request a variation to the Variety and/or Seed Tonnage and/or increase in hectares to be sown as indicated on the Form by phone call, fax or email to SunRice Grower Services. SunRice is not obliged to accept variations requested.

**Authority:** The signatory warrants that he/she is duly authorised to sign the Form on behalf of the Grower.

**Seed Prices:** The Grower acknowledges that Seed it offers to buy but does not commit to grow for SunRice prior to sowing will be supplied at the commercial price set out in the Form and is payable on collection. The Grower acknowledges that Seed it offers to buy and commits to grow for SunRice before sowing will be supplied at the seed price set out in the Form and is payable either on collection or as a deduction from crop proceeds to be made by SunRice, depending on which option has been ticked on the Form.

**Hectares Committed to SunRice:** The Grower acknowledges that if it has completed Table 1, it will supply SunRice with all Paddy produced from the Nominated Hectares.

**Pure Seed:** The Grower acknowledges that all Paddy it supplies to SunRice must be grown from SunRice Pure Seed or a seed source approved by SunRice.

**Reiziq<sup>®</sup>, Sherpa<sup>®</sup>, Opus<sup>®</sup>, Viand<sup>®</sup> and Topaz<sup>®</sup> Seed** - The Grower acknowledges that all Paddy grown from Reiziq<sup>®</sup>, Sherpa<sup>®</sup>, Opus<sup>®</sup>, Viand<sup>®</sup> and Topaz<sup>®</sup> seed must be offered exclusively to SunRice for purchase. The Grower must return all unused seed of these varieties to SunRice as soon as possible after sowing.

**Crop Information and Inspection:** The Grower authorises SunRice to obtain any information it reasonably requires about the rice crop being grown for supply to SunRice or the Farm specified on the Form, from the entity supplying water to the Farm. The Grower also authorises SunRice representatives to inspect the rice crop/s being grown for supply to SunRice.

**Best Management Practice:** The Grower must do everything possible to grow the Paddy on the Nominated Hectares using Best Management Practice to produce and deliver Paddy that meets SunRice's quality requirements and specifications that can be obtained at the "Grower Services" section of [www.sunrice.com.au](http://www.sunrice.com.au).

**Authorised Buyer Undertaking:** The NSW Rice Marketing Board has appointed SunRice as an Authorised Buyer (Licence Number 2008/0005) under Section 51 (1) of the Rice Marketing Act 1983. The Grower acknowledges that the NSW Rice Marketing Board does not accept any responsibility for the contractual arrangements between the Grower and SunRice.

**Delivery Obligation:** All Paddy from the Nominated Hectares must be delivered immediately after harvest to SunRice, at a receival depot designated by SunRice for the variety. SunRice will provide paddy receival services for this Paddy. Receival point/s will be communicated to the Grower prior to harvest and as far as possible take into account the location of where the Paddy is produced. Re-direction payments may apply if the harvest plan and receival point/s change.

**Payment:** SunRice will purchase all Paddy produced from the Nominated Hectares at the paddy prices determined by SunRice in relation to C2021, subject to the rice meeting SunRice's normal quality specifications. Prices may be lower to reflect discounts incurred if quality specifications are not met. The Grower acknowledges that Prices may be lower than those offered in a fixed price contract. A detailed list of the C2021 quality specifications and discounts that will apply can be obtained at the "Grower Services" section of [www.sunrice.com.au](http://www.sunrice.com.au) or contact Grower Services on 1800 654 557 for a copy. Under standard payment terms SunRice will pay for Paddy through 12 or more pool payments throughout the life of the pool, with the first payment of 10% 5 working days after the end of the week of delivery and the 2nd payment being due 61 days after the end of month of delivery. Payments will be based on the lower end of the published pool rate. Payments will be made in accordance with the schedule published on the SunRice website, as varied by SunRice from time to time. SunRice may provide options to the grower on how these payments are drawn down and received. Details of these payment options will be provided by SunRice prior to harvest.

**Additional Paddy:** If the Grower has completed Table 2 of the Form, there is nothing to prevent the Grower from offering to sell the Paddy from that Seed to SunRice up until the time that it is harvested. The Grower acknowledges

that this additional rice may in certain circumstances (such as where a variety has closed) be received into a separate pool that may return a lower price.

**Transfer of Nominated Hectares:** If the Grower transfers, leases or otherwise grants the right to farm all or any of the Nominated Hectares to another person or entity (third party), the Grower must promptly provide SunRice with signed, written notice of the transaction and all required information, and ensure that the third party contacts SunRice to sign a new Form.

**Passing of Title and Risk in Seed:** Risk in Seed passes from SunRice to the Grower on collection. Title to the Seed passes upon receipt of payment. The Grower acknowledges and agrees that:

- (a) The Grower grants a security interest in the Collateral (defined below) to SunRice to secure the performance of the Grower's obligations under these Terms and any GrowRice Undertaking (defined in the GrowRice Facility clause below);
- (b) The security interest granted to SunRice under paragraph (a) above is, for the purposes of section 85 of the Personal Property Securities Act 2009 (Cth) ("PPSA"), granted for value and granted to enable the Seed and the Paddy to grow;
- (c) Nothing in these Terms are intended as an agreement that a security interest under these Terms attaches at a later time than the time specified in section 19(2) of the PPSA, and the Grower has not made any other agreement with SunRice to vary the time of attachment of a security interest except in any express written agreement between the parties;
- (d) It will not allow anything to be done or act in a way that might adversely affect the security interest in the Collateral that is granted to SunRice by virtue of this clause, or permit to be registered a financing change statement in relation to the Collateral in favour of a third party without the consent of SunRice;
- (e) It will provide any consents, authorities, information or documents that are reasonably necessary for SunRice to effect registration of its security interest on the Personal Property Securities Register, if requested by SunRice;
- (f) If SunRice is entitled to enforce its security interest in the Collateral, SunRice or its representatives may (at the cost of the Grower) access the Grower's property or site on which the Seed is stored or the Paddy is being grown and take all action as it reasonably believes necessary or desirable to continue to grow and supply the Paddy to SunRice, and the Grower irrevocably appoints each of SunRice and its representatives as the Grower's attorney to do anything that SunRice reasonably considers necessary or desirable in connection with the exercise of its rights under this clause;
- (g) It will and hereby does indemnify SunRice for all of its direct costs associated with enforcing its security interest; and
- (h) To the extent permitted by law, the Company and the Buyer contract out of sections 95, 118, 121(4), 125, 130, 132, 132(3)(d), 132(4), 135, 137(3), 142 and 143 of the PPSA.

The terms used in this clause have the respective meanings given to those terms in the PPSA, unless otherwise defined. The term "Collateral" means each of the Seed, the Paddy and their Proceeds.

**Passing of Title and Risk in Paddy:** Title and risk in Paddy passes from the Grower to SunRice when the Paddy is delivered by the Grower to a receival depot provided by SunRice.

**Encumbrances:** All Paddy from the Nominated Hectares must, at the time of delivery, be free from any mortgage, charge, encumbrance or third party right. The Grower must notify SunRice if a crop lien or any other encumbrance exists or is created over the payments for Paddy.

**Maximum Liability:** Subject to the GrowRice Facility clause below, the maximum aggregate liability of the Grower to SunRice for any breach of these Terms relating to its supply of Paddy to SunRice is limited to an amount equal to the purchase price of Paddy produced from the Nominated Hectares payable to the Grower by SunRice plus any Wash-Out fee.

**Payment of Statutory Levies:** SunRice will collect the statutory Rice Levy from paddy payments due to the Grower and remit the Levy to the Australian Government Levies Revenue Service on behalf of the Grower.

**Set-Off:** Whenever any amount is recoverable from or payable by the Grower under these Terms relating to its supply of paddy to SunRice, the amount may be deducted from any sum then due or which at any time thereafter may become due to the Grower under this or any other contract with SunRice or its Related Bodies Corporate. Exercise by SunRice of its rights under this clause shall be without prejudice to any other rights or remedies available to SunRice under the contract, or otherwise at law or in equity.

**Compliance with SunRice policies:** The Grower:

- (a) acknowledges that any supply of Paddy to SunRice needs to conform to the policies and procedures SunRice implements to meet its obligations under Chain of Responsibility load mass limits.

- (b) will ensure that its employees, agents and contractors comply with, all Safety, Health and Environment policies in place at receipt depots.
- (c) will comply with Anti-Bribery Laws, Business Ethics Laws, and SunRice's Anti-Bribery and Corruption Policy, the SunRice Supplier Sustainability Code [accessible here](#) and the Ricegrowers Supplier Sustainability Program and other policies are available on SunRice's website [www.sunrice.com.au](http://www.sunrice.com.au).

**“Anti-Bribery Laws”** means all applicable legislation and regulations and any policies with the force of law in any jurisdiction relating to anti-bribery and anti-corruption, being all laws around the world that generally prohibit bribery of governmental officials or any other giving or receiving of bribes between private commercial parties in connection with conducting business, including Chapter 4, Division 70 of the Criminal Code Act 1995 (Cth) (Australia).

**“Business Ethic Laws”** means the laws applicable to the Supplier in relation to the following:

- (i) fundamental human rights and in particular the prohibition of:
  - (A) using child labour and any form of forced or compulsory labour; and
  - (B) organising or supporting any form of discrimination amongst its employees or towards its suppliers and subcontractors;
- (ii) labour, immigration and prohibition of illegal work; and
- (iii) anti-money laundering.

**“Ricegrowers Supplier Sustainability Program”** means the SunRice program of engagement with its supply chain partners in relation to the environmental, social and ethical business performance of its supply chain as updated from time to time.

**“SunRice Supplier Sustainability Code”** means the SunRice Supplier Sustainability Code available at <https://www.sunrice.com.au/suppliersustainabilitycode> and updated by SunRice from time to time.

**Force Majeure:** If the Grower is unable to deliver all Paddy produced from the Nominated Hectares as a result of a force majeure event and notifies SunRice immediately of the details (including nature, duration, impact and steps taken to ameliorate the event), the Grower's obligations are suspended to the extent that it is affected by the force majeure event. A force majeure event means an event that is beyond the reasonable control of the Grower and includes an act of war (whether declared or not), terrorism, the mobilisation of armed forces, civil commotion or riot, industrial action or labour disturbance, act of government, storms, floods, cold induced sterility, and other natural disasters.

**Obligation to Perform:**

- (a) The Grower is responsible for, and is required to provide, all inputs to grow the Paddy, including water. The Grower acknowledges and agrees that it will plant the Seed within 3 months of the date that SunRice accepts this offer.
- (b) If the Grower has completed Table 1, a **Wash-Out fee** will be payable by the Grower in the event that the Grower does not deliver at least 50% of the Regional Varietal Average multiplied by the Nominated Hectares (outside the Tolerance). The Wash-Out fee will be \$50m/t multiplied by the volume shortfall below 50%. The Grower acknowledges that the Wash-Out fee is a genuine pre-estimate of the loss which SunRice may incur in sourcing replacement rice in the event that the Grower does not comply with its obligation to perform under this clause. SunRice will use reasonable endeavours to manage and mitigate the costs of sourcing replacement rice. Any outstanding liabilities associated with the provision of any GrowRice facility by Moneytech Finance Pty Ltd (ACN 112 110 906) to the Grower (**“GrowRice Facility”**) are payable in addition to the Wash-Out fee. In this clause, **“Tolerance”** means +/- 2 Hectares.

**Regional Varietal Average:** Means the regional average for the varietal for the Murrumbidgee Irrigation Area (MIA), Coleambally Irrigation Area (CIA), Eastern Murray Valley (EMV) and Western Murray Valley (WMV) for the last 5 years (as published on the SunRice Grower Services Website).

**GrowRice Facility:** Where the Grower has entered into a GrowRice Facility, the Grower acknowledges and agrees:

- (a) to comply with the terms and conditions of the GrowRice Facility and its obligations under the document entitled 'GrowRice – Grower undertaking' between the Grower and SunRice for the planting and sale of rice to SunRice in C2021 (**“GrowRice Undertaking”**), including its obligation to transfer to SunRice any water purchased using the GrowRice Facility prior to sowing, to be released by SunRice following a satisfactory crop inspection carried out by SunRice or its representatives;
- (b) to the extent the law permits:

- (i) the Grower grants a security interest in any water transferred by it to SunRice to secure the Grower's obligations under these Terms and the GrowRice Undertaking;
  - (ii) if the Grower fails to comply with its obligations under these Terms or the GrowRice Undertaking, including a failure to pass the requisite crop inspection to SunRice's satisfaction, SunRice may sell any water transferred to it by the Grower and apply the proceeds for the sale towards repayment of any outstanding amounts owed by the Grower to MoneyTech under any GrowRice Facility; and
  - (iii) the Grower waives its rights to receive any notice that is required by any law before a secured party or receiver exercises a right, power or remedy, and any time period that must otherwise lapse under any law before a secured party or receiver exercises a right, power or remedy,
- (c) notwithstanding any other terms, any amounts owed by SunRice to the Grower under these Terms may be paid directly to MoneyTech in repayment of any outstanding amounts owed by the Grower to MoneyTech under any GrowRice Facility.

**Applicable Law:** The law in the State of NSW applies to these Terms.