



GrowRice – Grower undertaking

To: Ricegrowers Limited trading as SunRice (“SunRice”)
 ABN 55 007 481 156
 57 Yanco Avenue
 LEETON NSW 2705
 Email: growerservices@sunrice.com.au or fax 02 6953 7208

Attention: Tom Howard, Grower Services

Subject: **GrowRice – Grower undertaking to plant and sell rice to SunRice in C2022**

Season C2022

Grower:

Farm No.:

Hectares: **C2022:**

In consideration of SunRice facilitating access to the GrowRice funding facility (“**GrowRice Facility**”) and agreeing to purchase rice from the Grower, the Grower agrees to plant and grow rice on the above Hectares in C2022 (the “**Paddy**”) and agrees to supply all Paddy produced to SunRice.

Any purchase of rice seed by a Grower from SunRice and supply of Paddy by a Grower to SunRice will be on the terms set out in the *Rice Seed Order Form and Paddy Supply Offer* and the *Rice Seed Purchase and Rice Paddy Supply Terms and Conditions* for the relevant crop year (“**Contract**”).

The parties acknowledge and agree that the GrowRice Facility will be provided by Moneytech Finance Pty Ltd (“**Moneytech**”) and governed by the terms and conditions set out in the GrowRice Application Form and the attached Schedule.

The Grower may not assign its rights or obligations under this agreement to any other person. This agreement is governed by the laws of NSW. This agreement may be executed in counterparts and, if so, all counterparts when taken together will constitute one instrument.

Executed as an agreement

<p>SunRice:</p> <p>Signed:</p> <p>on behalf of Ricegrowers Limited by its duly authorised representative</p> <p>Name:</p> <p>Date:</p>	<p>Grower:</p> <p>Signed:</p> <p>The signatory warrants that they have authority to sign on behalf of the Grower (and if a shared farming arrangement, on behalf of each Grower)</p> <p>Name:</p> <p>Date:</p>
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Schedule

1. Definitions

1.1. In this Schedule, unless the context otherwise requires:

Carryover Arrangement means the transfer of water purchased by the Grower on the Grower's Water Account using the GrowRice Facility from one Water Year to the next Water Year.

Collateral means each of the rice seed supplied by SunRice, the Paddy, the water purchased by the Grower under any GrowRice Facility, and in each case, their proceeds.

Grower Obligations means all of the Grower's obligations under this undertaking and all other obligations it has or will have under any present or future agreement to purchase rice seed and/or sell rice crop to SunRice.

Irrigation Company means the relevant irrigation company being Murray Irrigation Limited, Murrumbidgee Irrigation Limited or Coleambally Irrigation Co-operative Limited.

Maximum Annual Allocation means the maximum volume of water made available under the current Water Sharing Plan, including carryover and allocated water.

PPSA means *Personal Property Securities Act 2009* (Cth).

Regional Varietal Average means the regional average for the varietal for the Murrumbidgee Irrigation Area, Coleambally Irrigation Area, Eastern Murray Valley and Western Murray Valley for the last 5 years (as published on the SunRice Grower Services Website).

Tolerance means +/- 2 Hectares.

Water Account means the water allocation account or water access licence with the Irrigation Company.

Water Year means the water season commencing on 1 July and ending on 30 June of the following year.

2. GrowRice Facility

2.1. The Grower acknowledges and agrees:

- (i) to comply with the terms and conditions of the GrowRice Facility;
- (ii) to transfer to SunRice any water purchased using the GrowRice Facility by transferring such water onto SunRice's Water Account, to be released by SunRice in accordance with the requirements set out in this undertaking, and not to sell, transfer or grant any security interest in the water other than those contemplated by this undertaking;
- (iii) to use water purchased using the GrowRice Facility for the purpose of growing the rice crop and the Paddy for SunRice only and not for any other purpose;
- (iv) that the GrowRice Facility may be used to purchase water up to a maximum of 12ML for each Hectare committed to the growing of rice crop in the relevant crop year;
- (v) to the extent the law permits:
 - a. the Grower grants a security interest in any water transferred by it to SunRice to secure the Grower Obligations;
 - b. if the Grower fails to comply with the Grower Obligations, including a failure to pass the requisite crop inspection referred to in 4.5 and 5.2 below (as applicable) 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
 - c. 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; and
- (vi) any amounts owed by SunRice to the Grower under any Contract may be paid directly to MoneyTech in repayment of any outstanding amounts owed by the Grower to MoneyTech under any GrowRice Facility.

3. Obligation to perform

- 3.1. The Grower is responsible for, and is required to provide, all inputs to grow the Paddy, including water.
- 3.2. A fee will be payable by the Grower in the event that the Grower does not deliver at least 75% of the Regional Varietal Average multiplied by the Hectares that are outside the Tolerance (the “**Wash-Out Fee**”). The Wash-Out Fee will be determined by calculating the amount that is:
 - (i) the lesser of:
 - a. \$125/Mt; and
 - b. an amount per Mt that is equal to the 5 year weighted average stranded cost (per Paddy tonne/Mt) incurred by SunRice from the non-delivery of Paddy committed under a Contract, as advised by SunRice in writing (an estimate for the C20 crop year is \$168.25);
 - (ii) multiplied by the volume shortfall below 75%.
- 3.3. The Grower acknowledges that the Wash-Out Fee is a genuine pre-estimate of the costs 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.
- 3.4. Any outstanding liabilities associated with the provision of the GrowRice Facility by Moneytech are payable by the Grower in addition to the Wash-Out Fee.

4. Advance to purchase water prior to sowing or for the subsequent crop year

- 4.1. This paragraph applies where the Grower has requested the GrowRice Facility be available to purchase water prior to sowing the crop or for the subsequent crop year.
- 4.2. The Grower may negotiate the purchase of the water through an exchange, broker or private seller (“the **Water Vendor**”).
- 4.3. The Grower or the Water Vendor must:
 - (i) immediately transfer the water (or instruct the Water Vendor to immediately transfer the water) to the relevant SunRice Water Account by way of security for the advance; and
 - (ii) immediately send an invoice containing Water Vendor details, volume purchased, amount due and payment terms to Moneytech.
- 4.4. If the Grower or the Water Vendor complies with the requirements in paragraph 4.3, and Moneytech verifies the invoice in paragraph 4.3(ii) as a rice crop input, Moneytech will pay either the Grower or the Water Vendor’s account (as applicable). The payment will be made available within the timeframe required by the Grower or the Water Vendor provided the transfer described in paragraph 4.3(i) is done promptly.
- 4.5. Following entry into a Contract, the water will be released by SunRice in accordance with clause 4.5:
 - (i) prior to sowing the crop, on the Grower’s request, SunRice will transfer a maximum of 50% of water funded under the GrowRice Facility to the Grower’s Water Account; and
 - (ii) in the relevant crop year, SunRice and/or its nominated representatives will carry out an inspection of the crop post sowing to certify the Hectares for that crop year have been sown and the crop has been established satisfactorily to have the potential to achieve at least 75% of the Regional Varietal Average. If SunRice and/or its nominated representative is satisfied as a result of this inspection that the Grower has met the Grower Obligations, SunRice will transfer the remaining water funded under the GrowRice Facility required by the Grower for that crop year to the Grower’s Water Account. If these criteria are not met, SunRice will not transfer the water to the Grower’s Water Account. SunRice reserves the right to sell the purchased water to recover as much of the purchase price as possible to reduce the Grower’s debt associated with the GrowRice Facility. The Grower will be liable to repay any remaining debt from the GrowRice Facility plus interest.

5. Advance to purchase inputs after sowing

- 5.1. This paragraph applies where the Grower has requested the GrowRice Facility be available to purchase rice crop inputs after sowing.
- 5.2. SunRice and/or its nominated representatives will carry out an inspection of the crop post sowing to certify that the Hectares have been sown and the crop has been established satisfactorily to have the potential to achieve at least 75% of the Regional Varietal Average. SunRice and/or its nominated representatives will advise the Grower and Moneytech of the outcome of an inspection carried out under this paragraph. If SunRice and/or its nominated representative is satisfied as a result of this inspection that the Grower has met the Grower Obligations, the Grower can then purchase rice crop inputs (including water) using the GrowRice Facility.
- 5.3. On completion of the purchase of any rice crop inputs referred to in paragraph 5.2, the Grower must send an invoice containing Water Vendor details, rice crop inputs purchased, the amount due and payment terms to Moneytech.
- 5.4. If the Grower complies with the requirements under paragraph 5.3, and Moneytech verifies that the invoice in paragraph 5.3 is for the purchase of a rice crop input, Moneytech will pay the Water Vendor directly. If the invoice has already been paid by the Grower and the Grower confirms to Moneytech that it has been paid and warrants in writing that the input has/will be used to grow rice, Moneytech may then reimburse the Grower directly for the settled value of the invoice.

6. Carryover Arrangement

- 6.1. The Grower agrees to:
 - (i) allow the Irrigation Company to manage and complete the Carryover Arrangement within their existing policies and practices; and
 - (ii) complete and sign all forms to give effect to the Carryover Arrangement as required by the Irrigation Company and/or SunRice upon execution of this undertaking and at any subsequent time at which water is acquired under this Carryover Arrangement.
- 6.2. The Grower:
 - (i) must have a general security Water Account with an Irrigation Company;
 - (ii) must have sufficient capacity on their Water Account to ensure any water carried over to the next Water Year falls within the carryover limit of the Irrigation Company; and
 - (iii) acknowledges that any water carried over will be attributed to the Grower's carryover volume and Maximum Annual Allocation in the subsequent Water Year in accordance with the Water Sharing Plan.
- 6.3. The Grower:
 - (i) acknowledges that the Carryover Arrangement does not create additional water carryover capacity against the Grower's general security entitlements and will form part of their Maximum Annual Allocation for the subsequent year and/or:
 - (ii) assigns their carryover capacity (up to the volume of water funded under the GrowRice Facility) at the end of the relevant Water Year to the benefit of SunRice in order to complete the Carryover Arrangement.

7. Security interest

- 7.1. The Grower acknowledges and agrees that:
 - (i) the Grower grants a security interest in the Collateral to SunRice to secure the performance of the Grower Obligations;
 - (ii) the security interest granted to SunRice under paragraph (i) above is, for the purposes of section 85 of the PPSA, granted for value and granted to enable the Paddy to grow;
 - (iii) nothing in this undertaking is intended as an agreement that a security interest under this undertaking 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;

- (iv) 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;
- (v) 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;
- (vi) 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 Paddy is being grown and take all action as it reasonably believes necessary or desirable to retrieve the Collateral or 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;
- (vii) it will and hereby does indemnify SunRice for all of its direct costs associated with enforcing its Security Interest granted under this clause; and
- (viii) to the extent permitted by law, SunRice and the Grower 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.

7.2. The terms used in this clause have the respective meanings given to those terms in the PPSA, unless otherwise defined.