



Ricegrowers Ltd, trading as SunRice  
ABN 55 007 481 156  
NIP 37 Yanco Ave  
Leeton NSW 2705

Phone: (02) 6953 0436  
Fax: (02) 6953 7208  
Web: www.sunrice.com.au

## FIXED PRICE RICE PURCHASE CONTRACT OFFER AND CONFIRMATION

**Contract No:** «Cont\_No»      **Date:** «Date»  
**Contact:** «Contact»      **Your Contact No.:** «Phone\_No»  
**SunRice Contact:** Tom Howard      **Our Contact No.:** 1800 654 557

**Farm No:** «Farm\_No»      **Email:** «Email»

**Grower Details** (*If a share farming arrangement, insert details*):

«Gr2\_Name»      «Gr3\_Name»  
«Gr2\_Adr2»      «Gr3\_Adr2»  
«Gr2\_Adr1»      «Gr3\_Adr1»  
«Gr2\_Town» «Gr2\_State»      «Gr3\_Town» «Gr3\_State»  
«Gr2\_Zip»      «Gr3\_Zip»

**Season:** 2020      **Commodity:** Rice

**Variety:** «Variety»

**Contract Quantity:** The entire quantity of Paddy produced on «Hectares» hectares (the “Hectares”) being at least 75% of the Regional Varietal Average multiplied by the Hectares. The Hectares will be measured using SunRice GIS mapping. (*Unless otherwise agreed by SunRice in writing, the 2020 Contract Quantity will not exceed the total Hectares contracted across Pool and/or Fixed Price contracts for the Variety in the 2018 Season. Additional contracted Hectares may be made available at SunRice’s discretion and will be subject to an additional contract*).

**Contract Price:** AUD «Price» (excluding GST) for each M/T of Paddy supplied in accordance with this Contract up to and including the Contract Quantity, subject to adjustment in accordance with the “Quality Specifications and Discounts” set out in the 2020 Seed Circular. Tonnes received will be measured on a 14% dry moisture basis.

**Quality:** Quality premiums and discounts will be applied as per the “Quality Specifications and Discounts” set out in the 2020 Seed Circular.

**Paddy:** In this Contract, “Paddy” means the Contract Quantity of the Variety

**Receival Point:** Any depot specified by SunRice for receival of the Paddy

**Nominated Period:** 1 March 2020 – 30 June 2020

**Payment Terms:** **First Payment:** 75% of Contract Price payable 21 days after the end of week in which SunRice takes physical possession of the Paddy

**Final Payment:** 25% of Contract Price payable 14 days after SunRice finalises Quality Appraisal results for the 2020 season. (*Note: The Final*



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*Payment will include adjustments for any applicable quality premiums and discounts following completion of the 2020 quality appraisal results.)*

**Background:**

As a means of encouraging the optimum level of production of the Variety, SunRice will pay the Contract Price to the Grower who, in return, has agreed to produce the Contract Quantity of the Variety as specified by SunRice and set out in this Contract.

The Grower will supply, and SunRice will purchase, the Paddy at the Contract Price and on the terms and conditions of this Contract.

**IMPORTANT:**

This contract comprises this **Confirmation Sheet**, the **Conditions** set out below and the 2020 Harvest Arrangements (**Circular**) (together, **Contract**).

The Conditions amend and override the Circular, and any other agreement between SunRice and the Grower in respect of the 2020 season, to the extent of any inconsistency.

By making any offer to supply Paddy in accordance with the Contract, the Grower acknowledges that it has carefully read and understood, and agreed to be bound by, the terms of this Contract.

**Grower:**

\_\_\_\_\_

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).

Date: \_\_\_\_\_ 2019

Completion of this Confirmation Sheet constitutes an offer only by the Grower to supply the Paddy to SunRice at the Contract Price and on the terms and conditions of this Contract.

This Contract is not binding on SunRice until SunRice accepts the Grower's offer. SunRice may accept the Grower's offer verbally or in writing. In each case, SunRice will sign and provide this Confirmation Sheet to the Grower as confirmation of the Contract.



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## FIXED PRICE RICE PURCHASE CONTRACT CONDITIONS

In this Contract, "Grower" means the Grower specified in the Grower Details set out above. If the Grower Details specify a shared farming arrangement which involves more than one Grower, then "Grower" means each of the growers specified in the Grower Details severally in accordance with the respective Proportion of Contract Quantity for which that Grower is responsible.

### SUPPLY OF PADDY

**Compliance with regulations:** The Grower must ensure that all Paddy delivered under this Contract complies with all federal and state chemical and pesticide regulations.

**Supply of the Paddy:** The Grower must supply the Paddy of an acceptable and merchantable quality at the Receiving Point determined by SunRice within the Nominated Period. SunRice will assess the quality of all Paddy in accordance with the Quality Appraisal process.

**Acceptance/rejection:** SunRice is not obliged to accept any Paddy against this contract which does not meet the requirements of the Quality Appraisal process, whether in whole or in part (**Substandard Paddy**). If the Grower delivers Substandard Paddy, SunRice may (in its discretion), elect to:

- (a) reject the Substandard Paddy in whole or in part and not pay for it; or
- (b) accept the Substandard Paddy in whole or in part at a price lower than the Contract Price (to be offered by SunRice in its discretion).

**Delivery:** Notwithstanding anything to contrary (including, but not limited to, in the 2020 Seed Circular):

- (a) delivery of the Paddy in accordance with this Contract is deemed to have occurred on the date on which SunRice makes the Final Payment for the Paddy to the Grower in accordance with this Contract; and
- (b) any amounts of the Variety that the Grower delivers to SunRice (up to the Contract Quantity) will be deemed to be delivered under this Contract in priority to any other contract or arrangement between SunRice and the Grower in respect of the Season.

**Title and risk:** Notwithstanding anything to contrary (including, but not limited to, in the 2020 Seed Circular), risk in the Paddy passes to SunRice at the receiving point. Title in the Paddy passes to SunRice on Delivery. The Grower authorises SunRice to undertake any processes in respect of the Paddy as SunRice determines.

**Contract Allocation:** All growers will have an opportunity to offer to supply the Variety to SunRice at the Contract Price.

The Grower acknowledges and agrees that SunRice:

- (a) may in its sole discretion determine the total quantity of the Variety that it will acquire under a fixed price purchase contract or fixed price purchase contracts;
- (b) will, accept offers by Growers to supply the Variety under a fixed price purchase contract on a first-in-first-served basis (up to the total quantity determined by SunRice);
- (c) may vary the total quantity of the Variety that it will acquire under fixed price purchase contracts (or cease accepting offers from growers) at any time; and
- (d) may vary the fixed price per tonne that it offers to growers for the Variety. However, SunRice cannot vary the Contract Price after entering into a Contract with a Grower.

The Grower acknowledges and agrees that SunRice will give priority to growers who have delivered high quality Paddy to SunRice in the previous year. This is important to ensure the quality of these premium varieties for export markets and to encourage the optimum level of production of these particular varieties and in particular quantities.

**Priority Access:** In order to qualify for priority access to any fixed priced contract in the C2021 season as a repeat grower of any nominated variety, all agronomic information associated with the Grower's C20 Crop must be entered into the GIS system prior to harvest.

**Force Majeure:** If the Grower is unable to deliver the Paddy 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



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obligations will be suspended to the extent they are affected by the force majeure event. If the Grower is unable to deliver the Paddy by the date that is 45 days after the expiry of the Nominated Period, SunRice may terminate this Contract by written notice to the Grower. 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.
- (b) A **Wash-Out 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 (outside the Tolerance). The wash out fee will be determined as follows:
  - (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 fixed price contracts, as advised by SunRice in writing (an estimate for the C20 crop year is \$168.25)
  - (ii) multiplied by the volume shortfall below 75%.

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. Ricegrowers will use reasonable endeavours to manage and mitigate the costs of sourcing replacement rice.

Any outstanding liabilities associated with the provision of the GrowRice facility by Moneytech are payable in addition to the Wash-Out fee.

For the purposes of this clause, "Tolerance" means +/- 2 Hectares.

For the purposes of this Contract, the **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).

**Determining quantity received:** After it takes physical possession of the Paddy, SunRice will, in its reasonable discretion, determine the total quantity of Paddy received from the Grower in accordance with this Contract. The Grower will be bound by SunRice's determination in the absence of manifest error.

**Excess Hectares:** The Grower agrees that SunRice is only obliged to pay the Contract Price for the Paddy produced on the Hectares in accordance with this Contract, and that any paddy produced by the Grower on any additional hectares ("**Additional Paddy**") will be dealt with under the traditional pool. The Grower acknowledges that this may result in the Grower being paid a lower price for that Additional Paddy.

**Insurance:** SunRice requires that each Grower must insure his/her crop in order to supply the Paddy to SunRice in accordance with this Contract. SunRice offers Growers the opportunity to participate in the SunRice Crop Insurance Program. For more information please refer to the SunRice Grower Portal under Forms and Documents/Crop Management Documents (<https://www.sunrice.com.au/grower-services/>). By making the offer set out in the Confirmation Sheet, the Grower agrees to acquire the insurance specified in the SunRice Crop Insurance Program, unless he/she notifies SunRice in writing (and provides evidence) that he/she has acquired comparable insurance from another insurer.

**Maximum Liability:** The maximum aggregate liability of the Grower to SunRice for any breach of this Contract relating to its supply of the Paddy to SunRice is limited to an amount equal to the purchase price payable to that Grower by SunRice.

**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 receival depots.



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(c) will comply with Anti-Bribery Laws, Business Ethics Laws, and SunRice's Anti-Bribery and Corruption Policy, and other policies are available on SunRice's web site available [here](#).

In this Contract:

**"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.

**Encumbrances:** Unless otherwise agreed by SunRice in writing, all Paddy must, at the time of receipt by SunRice, 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 payments for the Paddy.

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

#### **PURCHASE OF SEED**

**Offer Only:** The *Rice Seed Order Form & Paddy Supply Offer (Form)* for the 2019/20 crop year (**C2020**) constitutes an offer by the Grower to purchase rice seed (**Seed**) on the terms below and on the accompanying Form. This offer is not binding on SunRice until it is accepted by SunRice in writing.

**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 non-rebated price set out in the Form for 2019/2020 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 rebated 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.

**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, Opus and Topaz Seed:** The Grower acknowledges that all Paddy grown from Reiziq, Opus and Topaz 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.

**Seed Ballots:** While SunRice intends to accept offers to purchase seed for the C2020 on a first in first served basis, it reserves the right to conduct ballots for accepting offers if deemed necessary.

**Crop Information and Inspection:** The Grower authorises SunRice to obtain any information it requires about the rice crop being grown for supply to SunRice for 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. SunRice will endeavour to provide 48 hours' prior notice to such inspection. The Grower agrees not to supply any data or information on the growing, harvesting, processing or marketing to any other party unless authorised to do so by SunRice.

**Best Management Practice:** The Grower must do everything possible to grow the Paddy using Best Management Practice to produce and supply 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).

**Provision of Advance Paddy Samples:** Growers contracting any Organic variety under this contract must supply and deliver to Grower Services a 2kg sample of paddy rice from each contracted paddock (sampled diagonally across the field) three weeks prior to harvest to SunRice Grower Services for the purpose of pre-delivery analysis.



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**Passing of Title and Risk in Seed:** Risk in Seed passes from SunRice to the Grower on collection, with title passing on payment. The Grower acknowledges and agrees that:

- (a) The retention of title in this clause creates a Security Interest in the Goods and their Proceeds in favour of SunRice and that Security Interest is a Purchase Money Security Interest;
- (b) It will not allow anything to be done or act in a way that might adversely affect the Security Interest in the Goods that is granted to SunRice by virtue of this clause;
- (c) 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; and
- (d) It will and hereby does indemnify SunRice for all of its direct costs associated with enforcing its Security Interest.
- (e) To the extent permitted by law, the Company and the Buyer contract out of sections 95, 121(4), 125, 130, 132(3)(d), 132(4), 135, 142 and 143 of the Personal Properties Security Act 2009 (Cth).

The terms "Security Interest", "Proceeds", "Purchase Money Security Interest" and "Personal Property Securities Register" used in this clause have the respective meanings given to those terms in the Personal Property Securities Act 2009 (Cth).

#### **OTHER TERMS**

**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.

**Inconsistency:** The Confirmation Sheet and these Conditions as amended and varied from time to time amend and override any other terms agreed between the parties to the extent of any inconsistency. For the avoidance of doubt, notwithstanding anything to contrary (including, but not limited to, in the 2020 Seed Circular) payments made to the Grower for the Paddy will be calculated and made in accordance with the Confirmation Sheet and these Conditions, and any such payments will be separate from any pool pricing terms.

**Shared farming:** If the Grower Details specify more than one Grower, then:

- (a) the rights and obligations set out in this Contract apply severally to each of those Growers in accordance with the respective Proportion of Contract Quantity for which that Grower is responsible;
- (b) the amount payable to each Grower under this Contract will be calculated as the total price payable by SunRice for Paddy under this Contract multiplied by the Proportion of Contract Quantity for which that Grower is responsible; and
- (c) each Grower authorises SunRice to pay the amount specified in paragraph (b) above into their nominated bank account as previously notified to SunRice.

**Set-Off:** Whenever any amount is recoverable from or payable by the Grower under this Contract relating to its supply of the 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 is without prejudice to any other rights or remedies available to SunRice under any contract, or otherwise at law or in equity.

**Dispute Resolution:** Any dispute arising out of or in connection with this Contract ("**Dispute**") will, unless otherwise expressly agreed to the contrary by the parties, be resolved in accordance with this clause:

- (a) Any party claiming that a Dispute has arisen must notify the other party in writing giving details of the Dispute ("**Dispute Notice**").
- (b) Within 5 business days of a party giving the other a Dispute Notice, a senior representative from each party will meet and use reasonable endeavours acting in good faith to resolve the Dispute by joint discussions.
- (c) If the senior representatives are unable to resolve the Dispute within 5 business days, either party may, by notice in writing, refer the dispute to an independent arbitrator appointed by the parties. If the parties cannot agree on the appointment of an arbitrator within a further 5 business days, either party may request the Institute of Arbitrators and Mediators Australia to appoint an independent arbitrator to resolve the Dispute.



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- (d) The arbitrator may specify the process for resolving the Dispute. The decision of the arbitrator will be binding. Unless specified otherwise by the arbitrator, each party will bear their own costs in respect of the arbitration and the arbitrator's costs will be shared equally.
- (e) Nothing in this clause prevents any party from seeking urgent interim orders from a court.

**Confidentiality:** The Grower must keep the terms of this Contract, and any other information relating to the negotiation of this Contract, strictly confidential, unless it is required by law or with SunRice's written consent. This obligation survives termination of this Contract.

**Governing Law:** This contract is governed by the laws in the state of New South Wales and the parties submit to the non-exclusive jurisdiction of the Courts of that place.

**Entire Agreement:** This contract and any documents expressly referred to herein constitute the entire agreement between the parties about this subject matter and supersedes all previous agreements, representations, understandings and negotiations on the subject matter.

SAMPLE