



## BRIEF OVERVIEW

### The Company

SunRice is the consumer brand and trading name of Ricegrowers Limited (RL) a large Australian owned company with offices in Sydney, Leeton and Melbourne. RL is one of Australia's largest exporters of branded food products, as well as being a significant supplier to the domestic market. RL was originally the Ricegrowers Co-operative Limited, a group of rice farmers based in the Riverina District of NSW. Today it is a truly international business, with an ownership structure reflecting its origins, while recognising the size and scale of operations beyond the Riverina, with revenue in 2017-18 financial year of \$1.2 billion, and after tax profit of \$45.1 million.

RL operates two businesses, which are separate and complementary, and each is run for the benefit of respective stakeholders. The Rice Pool Business is for the benefit of growers (who are able to hold A Class Shares, which are voting) and the Profit Business is for the benefit of investors (who hold B Class Shares, which are non-voting). In April 2019 SunRice listed on the Australian Securities Exchange (ASX) with a market capitalisation around \$400 million and the Company now has better access to funding, when it is required, to deliver on our 2022 Growth Strategy which is focused on reducing business risk and building resilience.

In the past financial year, the Rice Pool Business accounted for around one third of RL revenue, with a larger proportion generated by the Profit Business. While the proportion of Rice Pool revenue will depend on the amount of rice grown locally, the Profit Business is expected to continue to grow in the future.

There are approximately 2,000 staff within the SunRice Group, which consists of nine individual businesses based in Australia, the United States, the Middle East, the Solomon Islands, Papua New Guinea and Singapore. SunRice has over 30 major brands and a presence in around 50 global markets.

In Australia, the focus is on mills in Leeton and Deniliquin, with CopRice stockfeed plants in Leeton and Tongala and Cobden in Victoria.

## The Future

SunRice's 2022 Growth Strategy provides a roadmap for future growth and opportunity for diversification. If successful, it will establish SunRice as a multi-national branded food company of scale with market leading positions in a variety of food and companion animal segments across many geographies, sourced from a globally cost competitive, flexible and secure supply network. This will provide opportunities as the Group takes advantage of the following global themes: sushi rice growth opportunities; growth in international demand for snacks; Low GI product offerings; development of new rice-based value-added ingredients; increasing demand for branded rice products; and growth opportunities in animal nutrition both locally and internationally.

## The Board

Under the Constitution, the Board of Directors can include up to 11 Directors, comprising:

- Up to seven Grower Directors (three of whom can be Elected RMB Members); and
- Up to four Non-Grower Directors, one of whom may be an Executive Director.

Grower Directors, including Elected RMB Members, must hold or be the representative of a body corporate that holds an A Class Share.

The three Elected RMB Members ("RMB Directors") are, in the first instance, elected by rice growers through an election process conducted under the Rice Marketing Act and the Rice Marketing Regulation 2015 (NSW). The Sole and Exclusive Export Agreement requires that Elected RMB Members be appointed to the SunRice Board for their term of office with the RMB, provided they meet eligibility requirements under the Constitution. That appointment is initially made by the SunRice Board and then confirmed by A Class Shareholders.

The four remaining Grower Directors who are rice growers and hold an A Class Share ("SunRice Grower Directors") are elected by A Class Shareholders. For Laurie Arthur, Glen Andreazza, Mark Robertson and Leigh Vial, their current term concludes at the Annual General Meeting in 2019. SunRice will therefore be conducting an election for these positions, currently planned to take place prior to the 2019 AGM.

The Non-Grower Directors currently comprise three Independent Directors and the Managing Director (being SunRice's CEO). Non-Grower Directors ("External Directors") who are not employees are persons who, in the opinion of the Board, have appropriate experience to be appointed as a Director, and are generally selected for complementary skills and expertise. They are nominated by the Board before being elected by A Class Shareholders.

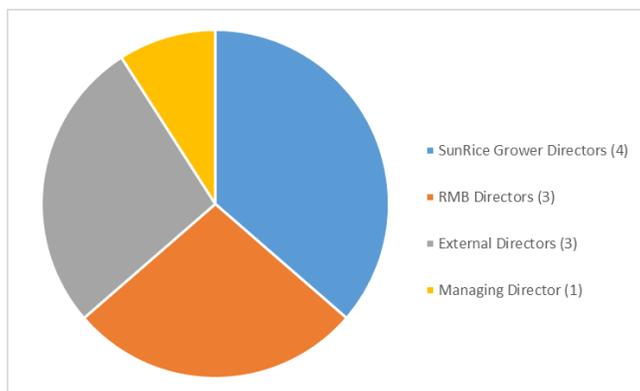
Terms of appointment for SunRice Grower Directors and RMB Directors are generally four years and External Directors for three years. The Board intends to introduce a policy to limit reappointments, so that a Director can serve for a maximum of 12 years, in line with current practice for many ASX listed company boards.

The Board has a Charter describing its role and responsibilities which is available at:

<https://investors.sunrice.com.au/investors/?page=corporate-governance>. The composition of the SunRice

Board is shown graphically below and the Directors' profiles are on the SunRice website at:

<https://investors.sunrice.com.au/investors/?page=board-profiles>



## Director Responsibilities

SunRice Directors are responsible for the oversight and governance of the company and for ensuring its long-term sustainability. All Directors are expected to have the ability to understand the business operations and be financially literate; be willing to develop grower and industry knowledge; and understand the role of a Director and a board. SunRice also requires all Directors to have successfully completed the Australian Institute of Company Directors' (AICD) Course, within an agreed timeframe.

The Board currently has 10 scheduled meetings per year, inclusive of the AGM (meetings are not scheduled in January, July and November). Meetings are held in the Sydney, Leeton and Melbourne offices and run for the most part of the day (generally 8am – 3pm).

Directors need to have flexibility and must be organised to be able to attend to their commitments with SunRice. It is estimated that SunRice Board duties require around four days each month that Meetings are held, to attend to Board and Committee preparation, attendance and follow up, stakeholder responsibilities and any other roles allocated to them.

SunRice Board Directors all have responsibilities to serve on Committees, and these are allocated according to experience and skills. Committees meet quarterly and there are currently five:

- Finance, Risk and Audit
- Grower Services
- Remuneration
- Nominations
- Safety, Health and Environment

The charters of the committees are available at:

<https://investors.sunrice.com.au/investors/?page=corporate-governance>

### **Key criteria for the role**

#### 1. Experience:

- Prior experience in leadership roles or position of influence in a business, association, community group or corporate;
- Practical experience and skills in business management, preferably agribusiness
- A strong background in the Australian rice industry and a demonstrated commitment and understanding of the issues that affect the industry.

#### 2. Ability to Challenge and Question:

*As one of Australia's largest branded food exporters, SunRice has ambitions to sustainably increase revenue, profitability and optimise market, channel and product diversity over the next five years.*

- In this context, as a Board member, this individual will demonstrate the ability to review the strategy through constructive questioning and suggestion and contribute to the effective decision making of the Board

#### 3. Knowledge of Directors' Responsibilities:

- Understanding of the role that a Non-Executive Director has on a Company board and possesses knowledge of the legal, ethical, fiduciary and financial responsibilities of this position
- It is expected that SunRice Directors will have completed, or will complete, the AICD Course

#### 4. Accounting, Finance and Risk Management:

- The ability to read and comprehend the Company's accounts and financial material presented to the Board
- Experience in managing areas of major risk management to an organisation

## 5. Legal:

- The Board's responsibility involves overseeing compliance with numerous laws as well as understanding the individual Directors' legal duties and responsibilities

## 6. Collaboration and Influence:

- Has the ability to articulate own thoughts in a collaborative and influential way
- Is receptive to the views of others and when necessary prepared to challenge in a constructive way

## 7. Personal Characteristics:

- Possesses the personal values and leadership qualities to fulfil the Directors' duties and responsibilities in an ethical and collegial way
- Directors are expected to be forthright people who can digest and absorb lots of written and spoken material, hear and reflect on conflicting views and have credibility with stakeholders and in the regional community
- SunRice has a culture of collaborative effort and productive meetings are dependent on a shared commitment to the future and the ability to be respectful of others and their divergent views.

## **Remuneration**

SunRice Director positions are paid and this remuneration is paid to the Director. Details of Directors' fees are available in the Annual Report at <https://investors.sunrice.com.au/investors/?page=annual-reports> and are currently approximately \$75,500 per annum, with additional fees payable for Committee membership. Directors' fees are paid monthly and expenses are reimbursed at costs.

## **Other information**

Further information available at <https://www.sunrice.com.au/> or by contacting Mandy Del Gigante, Company Secretary, on 02 6953 0405 or [mdelgigante@sunrice.com.au](mailto:mdelgigante@sunrice.com.au)