



The Rice Food Experts

NOTICE OF MEETING

The Annual General Meeting of the Members of Ricegrowers Limited (ABN 55 007 481 156) (“the Company”) will be held at Jerilderie Civic Hall, 33 Jerilderie Street, Jerilderie, at 10.30 am on Friday 24 August 2007.

AGENDA

1. Financial Reporting

Consideration of the Financial Report, Directors’ Report and Independent Audit Report for the year ended 30 April 2007.

2. Remuneration Report

To adopt the Remuneration Report for the year ended 30 April 2007.

EXPLANATORY NOTES

The Remuneration Report forms part of the Directors’ Report. The vote on this resolution is advisory only and will not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

3. Election of Active Grower Directors

Announcement of the results of the election of Active Grower Directors.

4. Proposed Constitution Change – Deletion of Rule 9.6

To consider and, if thought fit, pass the following resolution as a special resolution:

That the Constitution be amended by deleting Rule 9.6.

EXPLANATORY NOTES

Rule 9.6 gives the Board power to refuse the registration of any transfer of shares in the Company. The National Stock Exchange of Australia (“NSX”) has expressed the view that Rule 9.6 is inconsistent with general market principles and NSX Listing Rules 3.8 and 5.11 and has requested that Rule 9.6 be deleted. In conjunction with the Company’s application to list on NSX, the Board gave an undertaking to NSX that it would put a special resolution to the annual general meeting to delete Rule 9.6 and, in the interim period, the Board would adopt the view that Rule 1.4(f) of the Constitution qualifies its powers under Rule 9.6 such that it would not exercise those powers in a manner which is inconsistent with the NSX Listing Rules. The Board recommends that shareholders vote in favour of this special resolution.

5. **Proposed Constitution Change – Deletion of Rule 9.7**

To consider and, if thought fit, pass the following resolution as a special resolution:

That the Constitution be amended by deleting Rule 9.7.

EXPLANATORY NOTES

Rule 9.7 gives the Board power to suspend the registration of transfers of shares in the Company for up to 30 days each year. The NSX has expressed the view that Rule 9.7 of the Constitution is problematic in the context of an efficient registration of transfers and the operation of an efficient market in the Company's shares and has requested that Rule 9.7 be deleted. In conjunction with the Company's application to list on the NSX, the Board gave an undertaking to the NSX that it would put a special resolution to the annual general meeting to delete Rule 9.7 and, in the interim period, the Board would adopt the view that Rule 1.4(f) of the Constitution qualifies its powers under Rule 9.7 such that it would not exercise those powers in a manner which is inconsistent with the NSX Listing Rules. The Board recommends that shareholders vote in favour of this special resolution.

6. **Proposed Constitution Change – ASTC Business Rules**

To consider and, if thought fit, pass the following resolution as a special resolution:

That the Constitution be amended as follows:

- (a) By inserting the following new definitions in Rule 1.1 in their appropriate alphabetical order:

“**ASTC**” means ASX Settlement and Transfer Corporation Pty Limited as approved as the Securities Clearing House under the Act.

“**ASTC Business Rules**” means the Business Rules of ASTC from time to time.

“**CHESS approved securities**” means securities approved by ATSC in accordance with the ATSC Business Rules.

- (b) By inserting the following new Rule 1.6:

ASTC Business Rules

Despite anything contained in this Constitution, the Company must comply with the ASTC Business Rules if any of its securities are CHESS approved securities. In particular, the Company must comply with the requirements of the ASTC Business Rules regarding the maintenance of registers, the issuing of holding statements and transfers in relation to its CHESS approved securities.

EXPLANATORY NOTES

The NSX has requested that, in conjunction with the Company's application to list on the NSX, a special resolution be put to the annual general meeting for the purpose of formally incorporating the ASTC Business Rules into the Constitution. ASTC is the body which operates the electronic system for the transfer of securities known as CHESS. The Board recommends that shareholders vote in favour of this special resolution.

7. **Proposed Constitutional Change – Maximum Shareholding**

To consider and, if thought fit, pass the following resolution as a special resolution:

That the Constitution be amended by deleting the existing Rule 4.2 replacing it with the following:

4.2 Maximum B Class Shareholding

A person must not hold a number of B Class Shares which, when aggregated with any B Class Shares held by all Associates of that person, exceeds 5% of the total number of issued B Class Shares.

EXPLANATORY NOTES

In conjunction with its listing on the NSX, the Board gave an undertaking to NSX that it would put a special resolution to the annual general meeting to increase the maximum B Class shareholding limit to 5% (including Associates' shareholdings). At present Rule 4.2(a) sets maximum B Class shareholding limits of 1% for individual shareholders and 2% for individual shareholders and their Associates. NSX has expressed the view that these limits are very low. The Board accepts that this is the case and has included this special resolution to increase the B Class shareholding limit to 5% on the basis that the decision to change this aspect of the Company's constitution is ultimately one for the A Class shareholders to make. In recommending that A Class shareholders support the change to a 5% B Class shareholding limit by voting in favour of this special resolution, the Board notes that:

- there are a small number of shareholders who are close to the existing maximum shareholding limits and this restricts their ability to acquire further B Class Shares;
- the Company, through its Capital Raising Program, is seeking to increase the Company's share capital base through the issue of additional B Class Shares and the proposed new maximum shareholding limit will improve the right of those shareholders, who are close to the existing limits, to participate in this Program;
- the proposed new limit of 5% (including Associates' shareholdings) is still quite restrictive and will ensure that no single shareholder has a dominant shareholding interest;
- as B Class Shares are non-voting shares, the increased limit will not affect voting control of the Company.

8. Approval of Share Issue

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That for the purposes of NSX Listing Rule 6.25(1), and all other purposes, consent is given to the issue by the Directors of B Class Shares in the Company paid up by the application of any of the outstanding rice bonds in the Company (approximately \$32.5 million) or the outstanding payments under the Rice Marketing Board Capital Equity Rollover Scheme (approximately \$88 million).

EXPLANATORY NOTES

NSX Listing Rule 6.25(1) broadly provides that, subject to certain exceptions, the Company can not issue a number of new shares which would exceed 15% of its existing share capital without the prior consent of its shareholders.

In November 2006 the Company made an offer to the Company's shareholders, by way of a prospectus dated 27 October 2006, to subscribe for additional B Class Shares on the basis that the issue price could be paid in cash or satisfied by way of the application of rice bonds in the Company ("Rice Bonds") or payments under the Rice Marketing Board Capital Equity Rollover Scheme ("RMB Equity"). The aim of this offer was to continue to build the permanent capital base of the Company and, in particular, to enable the conversion of Rice Bonds and RMB Equity into B Class Shares. There is approximately \$32.5 million of Rice Bonds currently outstanding with different series of Rice Bonds maturing up to June 2010. As at the end of July 2007 there will be approximately \$88 million of RMB Equity outstanding, with rollover payments due up to 2016.

In late 2007, the Company proposes to make a further offer, by way of a prospectus along the same lines as the offer made in November 2006, to enable shareholders to take up additional B Class Shares, with the right to pay for the shares in cash or by application of Rice Bonds or RMB Equity. This process will be repeated in future years, if necessary, to achieve the maximum conversion of Rice Bonds and RMB Equity. The issue price of B Class Shares in the proposed offer in 2007 and subsequent years will be set by the Board having regard to the prevailing trading price of B Class Shares on NSX and the need to encourage shareholders to participate in the offers. A prospectus for these future offers of B Class Shares will be made available when the offers are made and shareholders who want to acquire further B Class Shares will need to complete the application form that will be in the prospectus. It is impossible to predict how many B Class Shares will be issued under each of these future offers.

The purpose of this resolution is to seek the consent of the shareholders to the issue of B Class Shares paid up by the application of Rice Bonds or RMB Equity. This will ensure that the Company can convert Rice Bonds and RMB Equity into B Class Shares without being restricted by the 15% annual share issue limit set by NSX Listing Rule 6.25(1). No approval is sought in respect of B Class Shares that may be issued for cash on the basis that the number of B Class Shares issued for cash each year is unlikely to exceed the 15% limit.

BY ORDER OF THE BOARD

M. Del Gigante

M Del Gigante
Company Secretary

20 July 2007

NOTES

1. Under the Constitution of the Company only A Class Shareholders are entitled to vote at general meetings of the Company. However, B Class shareholders are invited to attend the annual general meeting.
2. Each A Class Shareholder has one vote at general meetings.
3. Each A Class Shareholder may appoint a proxy to attend and vote on their behalf at a general meeting. A proxy does not need to be a member of the Company.
4. In order for the appointment of a proxy to be valid, the proxy form and the original or an attested copy of the power of attorney or other authority under which it is signed, must be received by the Company not less than 48 hours before the annual general meeting. Duly signed proxy forms must be lodged with the Company either:
 - (a) At the registered office, Yanco Avenue, Leeton, NSW; or
 - (b) By facsimile at the Company's fax number 02 6953 7208.
5. In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that the time as at which a person will be recognized as an A Class Shareholder for the purposes of voting at the annual general meeting is 7 pm (EST) on 23 August 2007.