

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 27 August 2010.

AGENDA

1. Financial Reporting

Consideration of the Financial Report, Directors' Report and Independent Audit Report for the year ended 30 April 2010.

2. Remuneration Report

To adopt the Remuneration Report for the year ended 30 April 2010.

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 Rice Marketing Board Members

- a) "That Mr Noel Graham, being an elected Rice Marketing Board Member, be elected as a Director of Ricegrowers Limited for the term of his office on the Rice Marketing Board."
- b) "That Mrs Gillian Kirkup, being an elected Rice Marketing Board Member, be elected as a Director of Ricegrowers Limited for the term of her office on the Rice Marketing Board."
- c) "That Mr Gerry Lawson, being an elected Rice Marketing Board Member, be elected as a Director of Ricegrowers Limited for the term of his office on the Rice Marketing Board."

EXPLANATORY NOTES

The Ricegrowers Limited Constitution "Appointment and Removal of Directors" - Rule 11.1(f) anticipates that the elected Rice Marketing Board Members will be elected as Directors of the Company. The Sole and Exclusive Export Agreement between the Rice Marketing Board and Ricegrowers Limited under which the Company acts as the sole and exclusive exporter of rice grown in New South Wales, requires that these appointments will be made and provides that the Rice Marketing Board may terminate the agreement if this obligation is not fulfilled.

4. Remuneration of Non-Executive Directors

To consider, and if thought fit to pass, the following resolution:

"That, subject to the passing of Resolution 5, the shareholders approve the amount of \$750,000 as the total remuneration available for payment to the Non-Executive Directors of the Company under Rule 11.4(a) in each financial year commencing on or after 1 May 2010, including any superannuation contributions made for the benefit of the Directors under the *Superannuation Guarantee (Administration) Act 1992* (Cth)."

EXPLANATORY NOTES

The current remuneration structure for Non-Executive Directors was approved by shareholders at the 2002 Annual General Meeting, when the Company was still a co-operative.

The particulars of this remuneration structure and the amounts paid to Non-Executive Directors in the financial year ending 30 April 2010, including superannuation contributions made by the Company for the benefit of the Directors, are set out in the 2010 Annual Report.

There is also a retirement allowance scheme for Non-Executive Directors, which provides for Directors to accumulate a retirement benefit on a pro-rata basis to a total of 3 years emoluments (less superannuation contributions made by the Company for the benefit of the Director, including earnings on those contributions) after 8 years service. Further particulars of this scheme are set out in the Explanatory Notes to Resolution 5.

The estimated aggregate amount paid to or for the benefit of Non-Executive Directors in the year ending 30 April 2010 was approximately \$511,000, made up of \$425,800 of fees and superannuation contributions and a further \$85,000 attributable to the annualised value of benefits accrued under the retirement allowance scheme.

After reviewing the current remuneration structure with the assistance of expert consultant Egan Associates, the Board is recommending the following changes to the remuneration for Non-Executive Directors:

- a) replace the current structure of allowances and fees with a total fixed annual amount of \$750,000, to be available for payment to Non-Executive Directors each year as remuneration (inclusive of superannuation contributions made for their benefit under the Superannuation Guarantee (Administration) Act 1992 (Cth)) for the performance of their role as Directors; and
- b) subject to shareholders approving this increased remuneration, the Directors will cease to accrue benefits under the Company's retirement allowance scheme as at 30 April 2010, on the basis that the Board will have the discretion to pay the allowances accrued by existing Directors up to that date, upon their retirement.

The Board believes that a total fixed annual fee pool and the ceasing of the accrual of retirement benefits will bring the Company's remuneration practices for Non-Executive Directors more into line with other listed companies.

In particular, the proposed annual amount of \$750,000 was selected by the Board after consideration of information provided by Egan Associates on the remuneration paid by comparable companies.

If shareholders approve the proposed new remuneration, the Board will have the right to allocate up to \$750,000 among the individual Non-Executive Directors in each financial year.

VOTING NOTES

In accordance with NSX Listing Rule 6.46, the Non-Executive Directors of the Company must not vote on this resolution unless the vote is cast as a proxy for a person entitled to vote:

- a) by the Chairman of the meeting; or
- b) by any other Non-Executive Director in accordance with the directions on the form of proxy.

5. Changes to Retirement Allowance

To consider, and if thought fit to pass, the following resolution:

“That subject to the passing of Resolution 4, and in the context of the discontinuation of the Company’s retirement allowance scheme for Non-Executive Directors, the shareholders approve the payment of amounts upon the retirement of the current Non-Executive Directors as outlined in this Notice of Meeting, including their accrued entitlements under the retirement allowance scheme as at 30 April 2010.”

EXPLANATORY NOTES

The Company’s retirement allowance scheme for Non-Executive Directors was approved by shareholders in 1993, and provides for Directors to accumulate a retirement benefit on a pro-rata basis to a total of 3 years emoluments (less superannuation contributions, including earnings on those contributions, made by the Company for the benefit of the Director) after 8 years service.

It is proposed that the retirement allowance scheme will be terminated and that the current entitlements of Non-Executive Directors under the scheme be calculated as at 30 April 2010.

Retirement allowances up to these amounts (“Existing Amounts”) may be paid out, in whole or in part, on retirement of the relevant Director at the discretion of the Board. The retirement allowance scheme will not apply to any new Directors who are subsequently appointed.

The aggregate of those Existing Amounts, net of superannuation entitlements calculated as at 30 April 2010, is approximately \$800,000 and a provision for this amount is already included in the Company’s accounts (refer to note 21 of the Company’s financial statements included in the 2010 Annual Report).

The entitlements of individual Directors that make up this aggregate amount are set out in the following table.

Name	Entitlement \$
G F Lawson (Chairman)	174,477
D M Robertson (Deputy Chairman)	117,412
G F Latta AM (Independent Director)	132,138
R A Higgins AO (Independent Director)	60,521
N McAllister (Active Grower)	68,804
A D Walsh (Active Grower)	84,717
N G Graham (Active Grower)	73,747
G L Kirkup (Active Grower)	49,576
L J Arthur (Active Grower)	25,641

In addition to the Existing Amounts accrued under the retirement allowance scheme as at 30 April 2010, Directors will continue to be entitled to any superannuation benefits accrued either before or after this date.

Subject to the passing of Resolution 4, Non-Executive Directors will receive the increased level of fees provided for in that Resolution as from 30 April 2010. This will coincide with the date on which existing Non-Executive Directors will cease to accrue entitlements under the retirement allowance scheme.

In this respect, Resolutions 4 and 5 are linked and, accordingly, they have been expressed to be interdependent. That is, they will only take effect if both are passed by shareholders.

Shareholder approval to the payment of amounts on retirement of the Non-Executive Directors, which include the Existing Amounts, is sought pursuant to Part 2D.2 of the *Corporations Act 2001* (Cth).

In broad terms, Part 2D.2 prohibits a company from giving a benefit in connection with a Director's retirement which exceeds one year's average annual remuneration of the Director, without shareholder approval and includes a requirement that neither the recipient nor any of their associates can vote on the relevant resolution.

Prior to 24 November 2009, Part 2D.2 allowed for the payment of a retirement benefit of up to 3 years remuneration of the Director and the Company's current retirement allowance scheme was formulated in accordance with these provisions. Part 2D.2 of the *Corporations Act 2001* (Cth) was amended as at 24 November 2009 to reduce the maximum termination payment to an amount equal to the remuneration payable in a single year.

The amended provisions of Part 2D.2 only apply to persons retiring from an office, or position of employment, held under an agreement entered into, renewed, extended or varied after 24 November 2009.

Although each of the current Non-Executive Directors of the Company was appointed before 2009 and the retirement allowance scheme dates back to 1993, the Board considers it appropriate to seek shareholder approval for the payment of the retirement benefits outlined in these Explanatory Notes.

VOTING NOTES

In accordance with Section 200E of the *Corporations Act 2001* (Cth) a vote on this resolution must not be cast (in any capacity) by or on behalf of any of the Non-Executive Directors of the Company, or an associate of a Non-Executive Director unless:

- a) the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- b) the vote is not cast on behalf of any of the Non-Executive Directors or their associates.

BY ORDER OF THE BOARD

M Del Gigante
Company Secretary

23 July 2010

NOTES

Under the Constitution of the Company only A Class Shareholders are entitled to vote at general meetings of the Company. B Class shareholders are entitled to receive notice of and attend general meetings, but are not entitled to vote at those meetings.

Each A Class Shareholder has one vote at general meetings.

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.

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 general meeting. Duly signed proxy forms must be lodged with the Company either:

At the registered office, Yanco Avenue, Leeton, NSW 2705; or
By facsimile at the Company's fax number 02 6953 7208.

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 recognised as an A Class Shareholder for the purposes of voting at the general meeting is 7.00 pm (EST) on Thursday 26 August 2010.