

26 November 2010

NSX RELEASE

Scheme Implementation Agreement

The Chairman of Ricegrowers Limited (trading as SunRice) today advised shareholders that SunRice has executed a Scheme Implementation Agreement with Ebro Foods S.A.

That letter noted that a copy of the Scheme Implementation Agreement would be separately available on the NSX.

Please see the attached copy of the Scheme Implementation Agreement.

Mandy Del Gigante
Company Secretary

Scheme Implementation Agreement

Ricegrowers Limited

Ebro Foods S.A.



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Table of Contents

1.	Defined terms & interpretation	4
1.1	Defined terms	4
1.2	Interpretation	13
1.3	Headings	13
2.	Agreement to propose Scheme and Board recommendation	14
2.1	Board recommendation	14
2.2	Agreement to propose Scheme	14
3.	Conditions precedent and pre-implementation steps	14
3.1	Conditions to Scheme	14
3.2	Benefit and waiver of conditions precedent	16
3.3	Reasonable endeavours	16
3.4	Notifications	17
3.5	Certificate	17
3.6	Conditions not met or not likely to be met	17
4.	Scheme	18
4.1	Scheme	18
4.2	Scheme Consideration	18
4.3	Deed Poll	18
4.4	Continuity Undertaking	18
5.	Scheme – parties' respective implementation obligations	19
5.1	SunRice obligations	19
5.2	Ebro's obligations	21
5.3	Scheme Implementation	22
5.4	Explanatory Booklet - preparation principles	23
5.5	Change of SunRice Board recommendation	25
5.6	Court Proceedings	25
6.	Conduct of business before the Implementation Date	25
6.1	Conduct of SunRice business	25
6.2	Permitted activities	26
6.3	Change of control rights	26
6.4	Discussions with RMB	27
6.5	Access to information	28
7.	Reconstitution of the board of each member of the SunRice Group	28
8.	Representations and warranties	28
8.1	Ebro representations and warranties	28
8.2	Ebro's indemnity	30
8.3	SunRice representations and warranties	30
8.4	SunRice's indemnity	31
8.5	Notifications	31
8.6	Survival of representations	31
8.7	Survival of indemnities	31
8.8	Liability of directors and Authorised Persons	32
9.	Confidentiality and Public Announcement	32
9.1	Confidentiality	32
9.2	Public Announcements on execution	32
9.3	Further public announcements	32
9.4	Required disclosure	32
10.	Termination	32
10.1	Termination by notice	32

10.2	Automatic termination	34
10.3	Effect of termination	34
11.	SunRice Break Fee	34
11.1	Payment by SunRice to Ebro	34
11.2	Compliance with law	35
11.3	Regulatory Intervention	35
11.4	Acknowledgements by SunRice	35
11.5	Acknowledgements by Ebro	36
12.	Exclusivity	36
12.1	No shop and no talk	36
12.2	Exception	36
12.3	SunRice warranty	36
12.4	Notice of Competing Proposal	36
13.	SunRice officers and SunRice Directors	37
14.	Continuity Undertaking	37
15.	Notices	38
16.	General	39
16.1	Further acts	39
16.2	Timetable	39
16.3	Payments	39
16.4	Consents or approvals	39
16.5	GST	40
16.6	Stamp duty	40
16.7	Expenses	40
16.8	Amendments	40
16.9	Assignment	40
16.10	Business Day	40
16.11	Waiver	41
16.12	Release of officers and directors	41
16.13	Counterparts	41
16.14	Entire agreement	41
16.15	No representation or reliance	42
16.16	No merger	42
16.17	Governing law	42
	Schedule 1 – Indicative Timetable	43
	Schedule 2 – Deed Poll	44
	Schedule 3 – Scheme	45
	Schedule 4 – Continuity Undertaking	46

Scheme Implementation Agreement

Date **25 November 2010**

Parties

Name **Ricegrowers Limited ACN 007 481 156** of Level 2, 66 Clarence Street, Sydney, NSW 2000 (**SunRice**)

Name **Ebro Foods S.A.** of 20 Paseo de la Castellana, 28046 Madrid, Spain (**Ebro**)

Background

- A SunRice and Ebro have agreed to implement the Proposed Transaction on and subject to the terms and conditions of this agreement.
- B SunRice and Ebro have agreed certain other matters in connection with the Proposed Transaction as set out in this agreement.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this agreement, unless the context otherwise requires, the following words and expressions have meanings as follows:

ACCC means the Australian Competition and Consumer Commission.

Adviser means any person who is engaged to provide professional advice of any type (including legal, accounting, consulting or financial advice) to SunRice or Ebro in respect of the Proposed Transaction.

Agreed Commitment means a capital works project or any contract or commitment in relation to a capital works project described on the Agreed Commitments Schedule.

Agreed Commitments Schedule means schedule 1 to the Disclosure Letter.

ASIC means the Australian Securities and Investments Commission.

A Share means an A Class Share in the capital of SunRice as provided in the Constitution.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act.

Authorised Person means, in respect of a person, including Ebro:

- (a) a director, officer, employee, contractor or agent of the person;
- (b) an Adviser of the person; and
- (c) a director, officer, partner or employee of an Adviser of the person.

B Share means a B Class Share in the capital of SunRice as provided in the Constitution.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia.

C Class Shares means non transferable (except to SunRice in a buy back), non voting preference shares in the capital of SunRice to be issued at an issue price of \$1.00 per share and entitling the holder to receive, subject to the Corporations Act, an annual dividend in arrears in preference to the holders of B Class shares at the rate which is LIBOR plus 2.3% per annum unless the Scheme is not implemented following the Effective Date and no later than the End Date as a result of default of Ebro, in which case the rate will be 0%.

Change in Law means:

- (a) new Law or a change in the Law or its interpretation becoming known and taking effect on or after the date of this agreement but does not include a change to or repeal of the Rice Marketing Act 1983 (NSW); or
- (b) SunRice losing its ability to export rice grown in New South Wales or its status as an authorised buyer of rice grown in New South Wales and not being able to regain the same by 8:00am on the Second Court Date.

Competing Proposal means any expression of interest, offer or proposal:

- (a) in respect of a transaction (including, by way of takeover bid or scheme of arrangement) under which, if ultimately completed, a person (other than Ebro or an Associate of Ebro) or two or more persons who are Associates would:
 - (i) acquire an interest in or become the holder of the whole or substantially the whole of the business or property of SunRice or the SunRice Group; or
 - (ii) acquire an interest in more than 26% of the entire issued capital of SunRice or any class of voting shares in the issued capital of SunRice or acquire voting power in SunRice in excess of 26%; or
 - (iii) otherwise acquire or merge with SunRice; or
- (b) to form a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as an acquisition of, or scheme of arrangement or merger in respect of, SunRice as contemplated in paragraph (a) above.

Conditions means the conditions set out in clause 3.1 and Condition means any one of them.

Confidentiality Agreement means the confidentiality deed between SunRice and Ebro dated 28 June 2010.

Constitution means the constitution of SunRice.

Continuing SunRice Directors means such of the SunRice Directors on the Implementation Date who are Elected RMB Members.

Continuity Undertaking means the deed poll to be executed by Ebro and SunRice under clause 4.4, in the form of Schedule 4 or as otherwise agreed by Ebro and SunRice.

Control, as used with respect to any person (other than an individual), has the meaning in section 50AA of the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act determined by SunRice.

Deed Poll means the deed poll to be executed by Ebro under clause 5.2(h) prior to the date the Explanatory Booklet is despatched to SunRice Shareholders, in the form set out in Schedule 2 or as otherwise agreed by Ebro and SunRice.

Delisting Resolution means a resolution of the holders of B Shares in accordance with Listing Rule 2.25 to voluntarily withdraw the listing of the B Shares from the NSX effective from the close of the NSX market on the Business Day following the Implementation Date.

Disclosure Letter means the letter so entitled from SunRice provided to Ebro prior to the date of this agreement.

Dividend Payment Date means the date for payment of the SunRice Dividend being no earlier than the Business Day after the Dividend Record Date and no later than the Business Day before the Scheme Record Date.

Dividend Record Date means the record date for the SunRice Dividend being 7.00 pm on the Business Day before the Dividend Payment Date and at least three clear Business Days before the Scheme Record Date.

DLA means DLA Phillips Fox, the Australian solicitors for Ebro.

DLA Trust Account means a trust account operated by DLA.

DLA Trust Terms means the basis upon which the Implementation Funds are held by DLA in the DLA Trust Account being that they are paid and applied in accordance with clause 4.5(a)(i) of the Scheme and can only be returned to Ebro if the Scheme is not implemented following the Effective Date and no later than the End Date, other than as a result of default of Ebro.

Due Diligence Material means the information disclosed by or on behalf of SunRice and its Subsidiaries (including management presentations and in response to requests for information) to Ebro or any of its Authorised Persons no later than two Business Days prior to the date of this agreement, as evidenced conclusively by the index annexed to the Disclosure Letter.

Ebro Act means a deliberate or reckless act of Ebro.

Ebro Group means Ebro and its Related Bodies Corporate.

Ebro Indemnified Parties means Ebro and its Related Bodies Corporate and Authorised Persons.

Ebro Information means such information regarding the Ebro Group that is provided by Ebro to SunRice to enable the Explanatory Booklet to be prepared and completed by SunRice in accordance with the terms of this agreement.

Ebro Material Adverse Change means one or more Ebro Acts or Changes in Law occurs which (whether individually or when aggregated with all such Ebro Acts and/or Changes in Law) has had or is reasonably likely to have a material adverse effect on the ability of Ebro to carry out its obligations under this agreement, other than an Ebro Act required to be undertaken under this agreement or the Scheme.

Ebro Prescribed Occurrence means the occurrence of an Insolvency Event in relation to Ebro.

Ebro Warranties means the representations and warranties set out in clause 8.1.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date, with respect to the Scheme, means the date on which the Scheme becomes Effective.

EGM Resolutions means:

- (a) the Resolution for Constitutional Change;
- (b) the Implementation Shares Resolutions; and

(c) the Delisting Resolution.

Elected RMB Members has the meaning provided in the Constitution.

End Date means;

- (a) 30 April 2011; or
- (b) such other date and time agreed in writing between Ebro and SunRice.

Exclusivity Period means the period commencing on the date of this agreement and ending on the earliest of:

- (a) the End Date;
- (b) the Implementation Date; and
- (c) the date this agreement is terminated in accordance with its terms.

Explanatory Booklet means the explanatory booklet to be prepared by SunRice in respect of the Proposed Transaction in accordance with the terms of this agreement and to be despatched to SunRice Shareholders.

Export Agreement means the Sole and Exclusive Export Agreement between SunRice, the RMB and Riviana Australia Pty Ltd and dated 28 June 2007.

Extraordinary General Meeting means an extraordinary general meeting of the holders of A Shares to consider, and if thought fit pass, the EGM Resolutions by the requisite majorities.

FATA means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

Government Agency means any government or any public statutory, governmental (including local government), semi-government, local government or judicial body, entity, department or authority and includes any self regulatory organisation established under statute.

Grandfathered Retirement Benefits means the retirement benefit amounts for each non executive SunRice Director, described as an "Existing Amounts" in the notice of meeting for the annual general meeting of SunRice on 27 August 2010 and considered and approved by holders of A Shares at that annual general meeting.

Implementation Date means, with respect to the Scheme, the Business Day following the Scheme Record Date, or such later Business Day as the parties agree.

Implementation Funds means an amount equal to the aggregate of the Scheme Consideration payable to all Scheme Shareholders.

Implementation Shares means 76,965,697 C Class Shares issued for an aggregate issue price of \$76,965,697.

Implementation Shares Resolutions means:

- (a) any resolution of the holders of A Shares required to approve the issue by SunRice of the Implementation Shares to Ebro;
- (b) any resolution of the holders of B Shares required to approve the issue by SunRice of the Implementation Shares to Ebro.

Implementation Subscription means the subscription by Ebro for the Implementation Shares in accordance with clause 5.3(b).

Implementation Subscription Payment means the amount of \$76,965,697, representing an interest free prepayment of the subscription price for the Implementation Shares.

Independent Expert means an expert, independent of the parties, engaged by SunRice in good faith to opine on whether the Scheme is in the best interest of SunRice Shareholders.

Independent Expert's Report means the report prepared by the Independent Expert and stating whether the Scheme is in the best interest of SunRice Shareholders.

Informal Clearance means that the ACCC has written to Ebro or its Advisers stating in substance that, based on the information available to it, the ACCC does not intend to take any action to oppose the Proposed Transaction.

Insolvency Event means in relation to a person:

- (a) **insolvency official**: the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days, or if earlier, by 8.00am on the Second Court Date;
- (b) **arrangements**: the entry by the person into a compromise or arrangement with its creditors generally;
- (c) **winding up**: the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days, or if earlier, by 8.00am on the Second Court Date;
- (d) **suspends payments**: the person suspends or threatens to suspend payment of its debt as and when they become due;
- (e) **ceasing business**: the person ceases or threatens to cease to carry on business;
- (f) **insolvency**: the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;
- (g) **deregistration**: the person being deregistered as a company or otherwise dissolved;
- (h) **deed of company arrangement**: the person executing a deed of company arrangement; or
- (i) **analogous events**: anything analogous to those set out in any of paragraphs (a) to (h) inclusive occurs in relation to the person under the laws of a foreign jurisdiction.

Law means:

- (a) principles of law or equity established by decisions of the courts in a relevant jurisdiction;
- (b) statutes, regulations or by-laws of the Commonwealth, a State or a Territory of Australia or a Government Agency of Australia;
- (c) statutes, regulations or by laws of the jurisdiction in which Ebro is incorporated or a Government Agency in that jurisdiction;
- (d) requirements and approvals (including conditions) of the Commonwealth, a State a Territory or a Government Agency of Australia that have the force of law; and
- (e) requirements and approvals (including conditions of the jurisdiction in which Ebro is incorporated) which have the force of law.

Listing Rules means the official listing rules of NSX as amended from time to time.

New SunRice Directors means SunRice Directors appointed under clause 7(a) on the Implementation Date.

NSX means National Stock Exchange of Australia Limited (ABN 11 000 902 063) or, if the context requires, the financial market operated by it.

Proposed Transaction means the scheme of arrangement between SunRice and its shareholders under which Ebro will acquire all the issued share capital of SunRice and including binding and enforceable arrangements for the acquisition of New South Wales rice into the future by the Ebro Group in accordance with the Continuity Undertaking.

Receiving Party has the meaning provided in clause 16.3.

Regulatory Approvals means the approvals set out in clause 3.1(a).

Related Body Corporate of a person, means a related body corporate of that person under section 50 of the Corporations Act.

Resolution for Constitutional Change means a resolution to amend the Constitution the form of which will be determined under clause 3.3(c).

RG 60 means Regulatory Guide 60 issued by ASIC on 11 December 2009.

RMB means the Rice Marketing Board for the State of New South Wales.

Scheme means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between SunRice and Scheme Shareholders in respect of all Scheme Shares, substantially in the form set out in Schedule 3 or in such other form as the parties agree in writing, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by each party.

Scheme Consideration means:

- (a) in respect of each Scheme Share which is an A Share held by a Scheme Shareholder, A\$50,000 in cash; and
- (b) in respect of each Scheme Share which is a B Share held by a Scheme Shareholder, \$3.618 in cash (or \$5.025 if the Directors revoke their decision to pay the SunRice Dividend).

Scheme Meetings means the meetings of SunRice Shareholders by Voting Class and ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of any such meeting.

Scheme Shareholder means a person who holds one or more Scheme Shares.

Scheme Share means an A Share or B Share on issue as at the Scheme Record Date.

Scheme Record Date means the record date for the Scheme which is 7.00pm on the Business Day which is three clear Business Days after the Dividend Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Share means an issued A Share or B Share.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

SunRice Act means a deliberate or reckless act of SunRice.

SunRice Break Fee has the meaning provided in clause 11.1.

SunRice Board means the board of directors of SunRice as constituted from time to time (or any committee of the board of directors of SunRice constituted to consider the Proposed Transaction on behalf of SunRice).

SunRice Director means a director of SunRice.

SunRice Dividend means a cash special dividend of \$1.407 per B Share (being an aggregate maximum dividend of \$76,965,697) to be:

- (a) determined by SunRice and, provided it is not revoked, paid by SunRice following the Implementation Subscription on the Dividend Payment Date out of retained earnings of SunRice;
- (b) fully franked, subject to the then available franking credits of SunRice; and
- (c) paid to each SunRice Shareholder holding a B Share on the Dividend Record Date.

SunRice Employee Share Plan means the employee share plan of SunRice.

SunRice Group means SunRice and its Subsidiaries.

SunRice Impugned Amount has the meaning provided in clause 11.2.

SunRice Indemnified Parties means each member of the SunRice Group and their Authorised Persons.

SunRice Information means information to be included by SunRice in the Explanatory Booklet that explains the effect of the Scheme and sets out the information prescribed by the Corporations Act and the Corporations Regulations 2001 (Cth), and any other information that is material to the making of a decision by SunRice Shareholders whether or not to vote in favour of the Scheme, being information that is within the knowledge of the SunRice Directors and has not previously been disclosed to SunRice Shareholders, other than the Ebro Information and the Independent Expert's Report.

SunRice Material Adverse Change means one or more SunRice Acts or Changes in Law occurs which (whether individually or when aggregated with all such SunRice Acts and/or Changes in Law) has had or is reasonably likely to have a material adverse effect on the business assets, liabilities, financial or trading position, profitability or prospects of the SunRice Group taken as a whole, other than:

- (a) a SunRice Act required to be done or procured by SunRice pursuant to this agreement or the Scheme;
- (b) a SunRice Act or Change in Law Fairly Disclosed in the Due Diligence Material or the Disclosure Letter, provided that such disclosure disclosed that the SunRice Act or Change in Law would occur, be carried out by or affect the SunRice Group between the date of this agreement and the Implementation Date;
- (c) a SunRice Act or Change in Law to the extent that it was Fairly Disclosed from information that was publicly available at least two Business Days prior to the date of this agreement from public filings with NSX or ASIC, provided that such public filings disclosed that the SunRice Act or Change in Law would occur, be carried out by or affect the SunRice Group between the date of this agreement and the Implementation Date;
- (d) a Change in Law publicly announced prior to the date of this agreement;
- (e) a Change in Law or SunRice Act resulting from changes to generally accepted accounting principles or their interpretation; or
- (f) declaration or payment by SunRice of the SunRice Dividend.

SunRice Prescribed Occurrence means the occurrence of any of the following on or after the date of this agreement:

- (a) SunRice converts all or any of its shares into a larger or smaller number of shares;
- (b) any member of the SunRice Group resolves to reduce its share capital in any way;
- (c) any member of the SunRice Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1);
- (d) any member of the SunRice Group issues shares, or grants a right or an option over its shares, or agrees to make such an issue or grant such a right or an option;
- (e) any member of the SunRice Group issues, or agrees to issue, convertible notes or other instruments convertible into shares or other equity or debt securities;
- (f) any member of the SunRice Group creates or agrees to create, any mortgage, charge, lien or encumbrance over the whole, or a substantial part, of its business or property, other than in the usual and ordinary course of business consistent with past practice;
- (g) other than the Resolution for Constitutional Change, a member of the SunRice Group making any change to its constitution;
- (h) an Insolvency Event occurs in relation to any member of the SunRice Group which owns material assets;
- (i) SunRice declares, pays or distributes any dividend (other than the SunRice Dividend), bonus or other share of its profits or assets or returns or agrees to return any capital to its members;
- (j) the SunRice Group acquires or disposes of, or agrees to acquire or dispose of, any business, entity or undertaking (in one transaction or a series of related transactions), the value of which exceeds \$5 million, individually or when aggregated with all such businesses, entities or undertakings (other than the acquisition or disposal of inventory in the ordinary course of business consistent with past practice);
- (k) the SunRice Group disposes of, or agrees to dispose of, any assets (in one transaction or a series of related transactions), the value of which exceeds \$2.5 million, individually or when aggregated with all such assets (other than the disposal of inventory in the ordinary course of business consistent with past practice);
- (l) any member of the SunRice Group:
 - (i) increases the level of their external financial indebtedness as at the date of this agreement (except for draw-downs on existing banking facilities or utilisation of existing securitisation programs in the ordinary and usual course of business);
 - (ii) guarantees, indemnifies or provides security for, or agrees to guarantee, indemnify or provide security for, the obligations of any person, other than a member of the SunRice Group, other than in the usual and ordinary course of business consistent with past practice; or
 - (iii) materially breaches any external debt financing agreement to which it is a party or there is otherwise an event of default under any such agreement and such breach or default is not remedied in accordance with the provisions of the relevant debt financing agreement; or

- (iv) waives any third party default where the financial impact on the SunRice Group would be in excess of \$2 million;
- (m) any member of the SunRice Group makes, or agrees to make, any loans, advances or capital contributions to or any investment in, any person other than another member of the SunRice Group, other than in the ordinary course of business consistent with past practice;
- (n) (subject to clause 6.3) any member of the SunRice Group enters into, materially varies or terminates any contract or commitment involving total expenditure over the term of such contract or commitment greater than \$10 million, individually or when aggregated with all such related contracts or commitments (that is, contracts having a related subject matter), other than a contract or commitment in respect of the acquisition or disposal of inventory in the ordinary course of business consistent with past practice and other than the entry into a contract or commitment in respect of an Agreed Commitment which is:
 - (i) identified in the Agreed Commitment Schedule; or
 - (ii) contained in or contemplated by the budget of the SunRice Group in effect as at the date of this agreement,
 as being a contract or commitment which a member of the SunRice Group intends to enter into prior to the End Date;
- (o) any member of the SunRice Group incurs any capital expenditure in respect of any individual item or matter, or any number of like or related items or events, greater than \$5 million, other than capital expenditure incurred with respect to an Agreed Commitment which does not exceed the aggregate amount identified in the Agreed Commitment Schedule as being incurred by the SunRice Group with respect to that Agreed Commitment prior to the End Date;

provided that a matter which would otherwise be a SunRice Prescribed Occurrence as set out above will not constitute a SunRice Prescribed Occurrence if such matter:

- (i) is required to be done or procured by SunRice pursuant to this agreement or the Scheme;
- (ii) was Fairly Disclosed in documents that were publicly available at least two Business Days prior to the date of this agreement from public filings with NSX or ASIC, provided that such public filings disclosed that the matter would be carried out by the SunRice Group between the date of this agreement and the Implementation Date;
- (iii) is Fairly Disclosed in the Due Diligence Material or the Disclosure Letter, provided that such disclosure identified that the matter would be carried out by the SunRice Group between the date of this agreement and the Implementation Date;
- (iv) has been approved by Ebro in writing (for this purpose, where Ebro's consent is requested in respect of a matter which would otherwise be a SunRice Prescribed Occurrence, Ebro cannot unreasonably withhold or delay its consent where the undertaking of that matter is consistent with the previous conduct of the business of the SunRice Group); or
- (v) relates to the declaration or payment by SunRice of the SunRice Dividend.

SunRice Shareholder means each person who is registered in the register maintained by SunRice under section 168(1) of the Corporations Act as a holder of Shares.

SunRice Warranties means the representations and warranties of SunRice set out in clause 8.3.

Timetable means the indicative timetable in relation to the Proposed Transaction set out in Schedule 1 with such modifications as may be agreed in writing by the parties.

Trade Practices Act means the Trade Practices Act 1975 (Cth).

Treasurer means the Treasurer of the Commonwealth of Australia.

Voting Class means a group of SunRice Shareholders constituting a class for the purposes of the Scheme.

1.2 Interpretation

In this agreement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, \$A, dollar or \$ is to Australian currency;
- (f) a reference to time is to Sydney, Australia time;
- (g) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it;
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day;
- (n) an agreement, representation or warranty in favour of two or more persons is for the benefit of each and all of them; and
- (o) a reference to Fairly Disclosed means disclosed in sufficient detail so as to enable a reasonable and sophisticated buyer (or one of its Authorised Persons) experienced in transactions similar to the Proposed Transaction and experienced in a business similar to any business conducted by the SunRice Group, to identify the nature and scope, budgeted cost (if any) and intended timing for implementation of the relevant matter, event or circumstance.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2. Agreement to propose Scheme and Board recommendation

2.1 Board recommendation

- (a) SunRice represents and warrants to Ebro that the SunRice Board considers it to be in the best interests of SunRice Shareholders that the Proposed Transaction be put before SunRice Shareholders for their consideration.
- (b) Immediately after the execution of this agreement, SunRice must procure that each member of the SunRice Board publicly:
 - (i) recommends that SunRice Shareholders vote in favour of the Proposed Transaction; and
 - (ii) states that he or she intends to vote in favour of the Proposed Transaction, unless:
 - (i) the Independent Expert opines either prior to the despatch of the Explanatory Booklet or prior to the Scheme Meeting to the effect that the Scheme is not in the best interest of SunRice Shareholders and the Independent Expert does not withdraw or qualify this conclusion prior to 8.00am on the Second Court Date; or
 - (ii) a Competing Proposal is publicly announced by SunRice following compliance by SunRice at all times prior to such public announcement with its obligations under clause 12.
- (c) If the obligation in clause 2.1(b) above is not satisfied by 5.00pm on the Business Day which is three clear Business Days after the date of this agreement, Ebro may terminate this agreement in accordance with clause 10.1.

2.2 Agreement to propose Scheme

- (a) SunRice agrees to propose and implement the Scheme on and subject to the terms and conditions of this agreement, and substantially in accordance with the Timetable.
- (b) Ebro agrees to assist SunRice in proposing and implementing the Scheme on and subject to the terms and conditions of this agreement, and substantially in accordance with the Timetable.

3. Conditions precedent and pre-implementation steps

3.1 Conditions to Scheme

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme will not be binding, until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in this clause 3:

- (a) **(Regulatory Approvals):**
 - (i) **(ASIC and NSX)** before 8.00am on the Second Court Date, ASIC and NSX issue or provide such consents or approvals as are necessary or which SunRice and Ebro agree are necessary or desirable to implement the Scheme and such consent, approval or other act has not been withdrawn or revoked before 8.00am on the Second Court Date;
 - (ii) **(FIRB)** before 8.00am on the Second Court Date, either:
 - (A) the Treasurer (or his delegate) has provided a notice in writing (without any term or condition which Ebro reasonably considers unacceptable) stating or to the effect that, in terms of Australia's

foreign investment policy, the Australian Government does not object to Ebro acquiring the Scheme Shares pursuant to the Scheme; or

- (B) the period provided for under the FATA during which the Treasurer may make orders under section 18 or 22 of the FATA prohibiting the acquisition of the Scheme Shares by Ebro has elapsed without any such order being made; or
 - (C) if an interim order under section 22 of the FATA prohibiting such acquisition is made, the subsequent period for making a final order prohibiting the acquisition of the Scheme Shares by Ebro having elapsed without any such order being made;
 - (iii) **(ACCC)** before 8:00am on the Second Court Date the ACCC provides Informal Clearance; and
 - (iv) **(US Anti-Trust)** all applicable filings having been made under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 or the regulations made under that Act and all applicable waiting periods under that Act or those regulations having expired, lapsed or been terminated as appropriate, in each case in connection with the Proposed Transaction.
- (b) **(No SunRice Material Adverse Change)** no SunRice Material Adverse Change occurs between the date of this agreement and 8.00am on the Second Court Date;
 - (c) **(No SunRice Prescribed Occurrence)** no SunRice Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Second Court Date (unless it is capable of being remedied and is so remedied by SunRice as soon as practicable and in any event no later than 8:00am in the Second Court Date);
 - (d) **(No Ebro Material Adverse Change)** no Ebro Material Adverse Change occurs between the date of this agreement and 8.00am on the Second Court Date;
 - (e) **(No Ebro Prescribed Occurrence)** no Ebro Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Second Court Date (unless it is capable of being remedied and is so remedied by Ebro as soon as practicable and in any event no later than 8:00am in the Second Court Date);
 - (f) **(SunRice Warranties)** each of the SunRice Warranties being true and correct in all material respects on the date of this agreement and at 8.00am on the Second Court Date;
 - (g) **(Ebro Warranties)** each of the Ebro Warranties being true and correct in all material respects on the date of this agreement and at 8.00am on the Second Court Date;
 - (h) **(EGM Resolutions approval)** each of the EGM Resolutions is approved at the Extraordinary General Meeting by the requisite majority of holders of A Shares and, where applicable, B Shares in accordance with the Constitution and the Corporations Act;
 - (i) **(Scheme approval)** the Scheme is approved by each Voting Class of SunRice Shareholders at the Scheme Meetings by the majorities required under section 411(4)(a)(ii) of the Corporations Act;
 - (j) **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably);
 - (k) **(Independent Expert)** the Independent Expert concluding in the Independent Expert's Report that in its opinion the Scheme is in the best interest of SunRice Shareholders and the Independent Expert not having publicly withdrawn or qualified this conclusion on or before the Second Court Date;

- (l) **(No prohibitive orders)** no Government Agency takes any action, or imposes any legal restraint or prohibition, to prevent the implementation of the Scheme prior to 8.00 am on the Second Court Date and which remains in force at 8.00 am on the Second Court Date; and
- (m) **(Trukai Industries Limited change of control waiver)** before 8:00am on the Second Court Date Melanesian Trustees Limited has provided a binding written waiver, in a form acceptable to Ebro, of its rights under clause 4.1 of the constitution of Trukai Industries Limited resulting from the change in control of SunRice that will arise on the implementation of the Proposed Transaction.

3.2 Benefit and waiver of conditions precedent

- (a) The Conditions in clauses 3.1(a), 3.1(k) and 3.1(l) are for the benefit of each party and any breach or non-fulfilment of them may only be waived (if capable of waiver) with the written consent of both parties.
- (b) The Conditions in clauses 3.1(b), 3.1(c), 3.1(f) and 3.1(m) are for the sole benefit of Ebro and any breach or non-fulfilment of them may only be waived by Ebro giving its written consent.
- (c) The Conditions in clauses 3.1(d), 3.1(e) and 3.1(g) are for the sole benefit of SunRice and any breach or non-fulfilment of them may only be waived by SunRice giving its written consent.
- (d) A party entitled to waive a Condition pursuant to this clause 3.2 may do so in its absolute discretion. Any waiver of a Condition by a party for whose benefit the condition applies must take place on or prior to 8.00am on the Second Court Date. The Conditions in clauses 3.1(h), 3.1(i) and 3.1(j) cannot be waived.
- (e) If a party waives the breach or non-fulfilment of any of the Conditions in clause 3.1, that waiver will not preclude it from suing the other party for any breach of this agreement including without limitation a breach that resulted in the non-fulfilment of the Condition that was waived.

3.3 Reasonable endeavours

- (a) SunRice and Ebro will use their respective reasonable endeavours to procure that each of the Conditions is satisfied as soon as reasonably practicable after the date of this agreement or continues to be satisfied at all times until the last time they are to be satisfied (as the case may require), including by providing all reasonable assistance to the other party which is necessary to satisfy the Conditions.
- (b) Without limiting clauses 3.4 and 3.5 below, each of SunRice and Ebro must:
 - (i) promptly apply for all relevant Regulatory Approvals and provide the other party with a copy of all applications for Regulatory Approvals;
 - (ii) take all the steps for which it is responsible as part of the Regulatory Approvals process;
 - (iii) respond to all requests for information in respect of the applications for Regulatory Approvals at the earliest practicable time;
 - (iv) promptly provide the other with all information reasonably requested in connection with the applications for Regulatory Approvals, provided that where the information is confidential or commercially sensitive to the party, it may provide the information directly to the relevant regulatory body; and
 - (v) use reasonable endeavours to consult with the other party in advance in relation to all material communications with any regulatory body relating to any Regulatory Approval and, so far as it is able, allow the other and its Authorised Persons the opportunity to be present and make submissions at

any meetings with any regulatory body relating to the Regulatory Approvals in respect of the Scheme.

- (c) Without limiting any other provisions of this agreement Ebro and SunRice must expeditiously consult in good faith and cooperate to agree the wording of the Resolution for Constitutional Change including to make provision for the issue to Ebro of the C Class Shares.

3.4 Notifications

Each of Ebro and SunRice must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the other in writing if it becomes aware that any Condition has been satisfied; and
- (c) promptly notify the other in writing if it becomes aware that any Condition is or has become incapable of being satisfied or is not reasonably capable of being satisfied (having regard to the respective obligations of each party under clause 3.3).

3.5 Certificate

On the Second Court Date:

- (a) Ebro and SunRice will provide a joint certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(a), 3.1(h), 3.1(i), 3.1(l) and 3.1(k) have been satisfied or waived in accordance with the terms of this agreement;
- (b) SunRice will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(b), 3.1(c), 3.1(f) and 3.1(m) have been satisfied or waived in accordance with the terms of this agreement; and
- (c) Ebro will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(d), 3.1(e) and 3.1(g) have been satisfied or waived in accordance with the terms of this agreement.

3.6 Conditions not met or not likely to be met

- (a) If:
 - (i) any Condition is not satisfied or (where capable of waiver) waived by the date specified in this agreement for its satisfaction;
 - (ii) a circumstance occurs with the result that a Condition is not reasonably likely to be fulfilled and, if the Condition is able to be waived by a party under clause 3.2; the party does not waive the Condition within five Business Days after the occurrence of the circumstance (or, if earlier, by 8.00am on the Second Court Date); or
 - (iii) the Scheme does not become Effective by the End Date,
and
 - (iv) a Competing Proposal has not been publicly recommended by SunRice,
then SunRice and Ebro must consult in good faith with a view to determining whether:
 - (v) the Scheme may proceed by way of alternative means or methods;
 - (vi) to extend the relevant time or date for satisfaction of the Conditions;

- (vii) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties; or
 - (viii) to extend the End Date.
- (b) Subject to clauses 3.6(c) and 3.6(d), if a Condition becomes incapable of being satisfied before the End Date and SunRice and Ebro are unable to reach agreement under clause 3.6(a) within five Business Days of the date on which they both become aware that the Condition has become incapable of being satisfied (or, if earlier, by 8.00am on the Second Court Date), then unless the condition precedent in clause 3.1 (where capable of waiver) is waived, either Ebro or SunRice may terminate this agreement by giving the other notice without any liability to any party by reason of that termination alone.
- (c) A party will not be entitled to terminate this agreement pursuant to clause 3.6(b) if the relevant Condition has not been satisfied or is incapable of being satisfied as a result of:
- (i) a breach of this agreement by that party; or
 - (ii) a deliberate act or omission of that party which either alone or together with other circumstances prevents that Condition being satisfied.
- (d) Subject to the rights of the parties under clauses 9, and 16.3 to 16.17 inclusive, following any termination under clause 3.6(b), no party will have any liability to any other party in respect of this agreement, other than in respect of a breach of this agreement occurring prior to such termination or in relation to the SunRice Break Fee, if payable in accordance with clauses 11.

4. Scheme

4.1 Scheme

SunRice must, as soon as reasonably practicable after the date of this agreement and substantially in compliance with the Timetable, propose the Scheme under which, subject to the Scheme becoming Effective, all of the Scheme Shares will be transferred to Ebro and the Scheme Shareholders will be entitled to receive, for each Scheme Share held at the Scheme Record Date, the relevant Scheme Consideration.

4.2 Scheme Consideration

- (a) Ebro covenants in favour of SunRice, in consideration for and simultaneously with the transfer to Ebro of the Scheme Shares held by each Scheme Shareholder under the terms of the Scheme, to provide to each Scheme Shareholder the relevant Scheme Consideration on the Implementation Date and otherwise in accordance with the Scheme and the Deed Poll.
- (b) For the avoidance of doubt, the parties agree that this clause does not create an agreement for sale as between Ebro and any Scheme Shareholder.

4.3 Deed Poll

Ebro covenants in favour of SunRice (in its own right and separately as trustee for each of the Scheme Shareholders) to execute and deliver the Deed Poll and to perform its obligations under the Deed Poll to implement the Scheme.

4.4 Continuity Undertaking

Ebro and SunRice will each execute and deliver the Continuity Undertaking to the other prior to the despatch of the Explanatory Booklet.

5. Scheme – parties' respective implementation obligations

5.1 SunRice obligations

SunRice must take all steps reasonably necessary to implement the Scheme as soon as reasonably practicable after the date of this agreement and substantially in accordance with the Timetable, including without limitation taking each of the following steps:

- (a) **(Explanatory Booklet)** prepare the Explanatory Booklet in accordance with clause 5.4;
- (b) **(Independent Expert)** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Explanatory Booklet;
- (c) **(approval of draft for ASIC)** as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the SunRice Board, or of a committee of the SunRice Board appointed for the purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;
- (d) **(liaison with ASIC)** as soon as reasonably practicable after the date of this agreement:
 - (i) provide an advanced draft of the Explanatory Booklet, in a form approved in accordance with clauses 5.1(c) and 5.2(e), to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
 - (ii) liaise with ASIC during the period of its consideration of that draft of the Explanatory Booklet; and
 - (iii) keep Ebro reasonably informed of any matters raised by ASIC in relation to the Explanatory Booklet and use all reasonable endeavours in co-operation with Ebro to resolve any such matters;
- (e) **(approval of Explanatory Booklet)** as soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the SunRice Board, or of a committee of the SunRice Board appointed for the purpose, is held to consider approving the Explanatory Booklet for despatch to the SunRice Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act;
- (f) **(section 411(17)(b) statements)** apply to ASIC for the production of statements in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (g) **(first Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that promptly after, and provided that, the approvals in clauses 5.1(e) and 5.2(f) have been received, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing SunRice to convene the Scheme Meetings;
- (h) **(registration of explanatory statement)** request ASIC to register the explanatory statement included in the Explanatory Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (i) **(convening Extraordinary General Meeting)** take all steps necessary to convene the Extraordinary General Meeting to be held on the same day as, and prior to, the Scheme Meetings;

- (j) **(convening Scheme Meeting)** take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Explanatory Booklet to the SunRice Shareholders and convening and holding the Scheme Meetings;
- (k) **(Court approval application if parties agree that conditions are capable of being satisfied)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act and, if necessary, the parties agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the Conditions will be satisfied prior to the proposed Second Court Date, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme;
- (l) **(appeal process)** if the Court refuses to make any orders directing SunRice to convene the Scheme Meeting or approving the Scheme, SunRice and Ebro must consult with each other in good faith as to whether to appeal the Court's decision. If, in the opinion of independent Queen's Counsel or Senior Counsel, practising in Melbourne or Sydney in the area of corporate law, obtained by either SunRice or Ebro within 15 Business Days of the Court's decision, there are reasonable prospects of successfully appealing the Court's decision:
 - (i) SunRice must appeal the Court's decision, the cost of which is to be borne equally by SunRice and Ebro; and
 - (ii) the parties must extend the End Date and make other necessary changes to this agreement required to take into account the period for determination of the appeal on an expedited basis and any consequences arising from the same;
- (m) **(implementation of Scheme)** if the Scheme is approved by the Court:
 - (i) subject to the Listing Rules, promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
 - (ii) determine the entitlements to the SunRice Dividend as at the Dividend Record Date;
 - (iii) determine entitlements to the Scheme Consideration as at the Scheme Record Date in accordance with the Scheme;
 - (iv) accept the Implementation Subscription Payment and, in accordance with clause 5.3(a), the Implementation Subscription, issue the Implementation Shares to Ebro and register Ebro as the holder of the Implementation Shares in the SunRice register of members;
 - (v) execute proper instruments of transfer of and effect and register the transfer of the Scheme Shares to Ebro on the Implementation Date; and
 - (vi) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme and payment of the SunRice Dividend;
- (n) **(Regulatory notifications)** in relation to the Regulatory Approvals, lodge with any regulatory authority within the relevant time periods all documentation and filings required by law to be so lodged by SunRice in relation to the Proposed Transaction;
- (o) **(Ebro Information)** without the prior written consent of Ebro, not use the Ebro Information or any other information regarding the Ebro Group, which has been provided to SunRice to enable the Regulatory Approvals to be made, for any purposes other than those expressly contemplated by this agreement or the Scheme;

- (p) **(Documents)** consult with Ebro in relation to the content of the documents required for the purpose of the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders);
- (q) **(Engage suitable counsel)** engage Senior Counsel to represent SunRice in all Court proceedings related to the Scheme;
- (r) **(SunRice Dividend Reinvestment Plan)** on the date of this agreement, procure that the SunRice Board resolves to suspend the operation of the SunRice Dividend Reinvestment Plan and send a written notice of such suspension to SunRice Shareholders under the SunRice Dividend Reinvestment Plan;
- (s) **(SunRice Employee Share Plan)** on the date of this agreement, procure that the SunRice Board resolves to suspend the operation of the SunRice Employee Share Plan;
- (t) **(Reasonable assistance)** provide any assistance or information reasonably requested by Ebro in relation to the Scheme and which is consistent with Ebro's obligations under this agreement;
- (u) **(Notice of voluntary withdrawal of listing of B Shares)** provide NSX with a written notice in accordance with Listing Rule 2.25 (including within the relevant time period for such a notification as specified in that Listing Rule) that, subject to the passing of the Delisting Resolution and the Scheme becoming Effective, SunRice will voluntarily withdraw the listing of the B Shares effective from the close of the market on the Business Day immediately following the Implementation Date; and
- (v) **(Compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this agreement are effected in accordance with all applicable laws and regulations.

5.2 Ebro's obligations

Ebro must take all steps reasonably necessary to assist SunRice to implement the Proposed Transaction as soon as reasonably practicable and substantially in accordance with the Timetable including, without limitation, taking each of the following steps:

- (a) **(Ebro Information)** provide to SunRice, in a form appropriate for inclusion in the Explanatory Booklet, the Ebro Information, which information must (without limiting the foregoing):
 - (i) contain such information as SunRice reasonably requests from Ebro for the purpose of SunRice ensuring that the Explanatory Booklet, in so far as it relates to Ebro, complies with the obligations of SunRice under clause 5.4(a);
 - (ii) not be misleading or deceptive in any material respect (whether by omission or otherwise) including in the form and context in which it appears in the Explanatory Booklet; and
 - (iii) be updated by all such further or new material information which may arise after the Explanatory Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that it is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (b) **(Regulatory notifications)** in relation to the Regulatory Approvals, lodge with any regulatory authority within the relevant time periods all documentation and filings required by law to be so lodged by Ebro in relation to the Proposed Transaction;
- (c) **(Independent Expert)** subject to the Independent Expert entering into arrangements with Ebro including in relation to confidentiality in a form reasonably acceptable to Ebro, promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report for inclusion in the Explanatory Booklet;

- (d) **(review of Explanatory Booklet)** as soon as reasonably practicable after delivery, review the drafts of the Explanatory Booklet prepared by SunRice and provide comments on those drafts in good faith;
- (e) **(approval of draft for ASIC)** as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the appropriate decision-making organ of Ebro is held to consider approving those sections of that draft that relate to Ebro as being in a form appropriate for provision to ASIC for review and to agree to expressly take responsibility for such sections in the Explanatory Booklet as contemplated by clause 5.4(d);
- (f) **(approval of Explanatory Booklet)** as soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the appropriate decision-making organ of Ebro is held to consider approving those sections of the Explanatory Booklet that relate to Ebro as being in a form appropriate for despatch to SunRice Shareholders, subject to approval of the Court;
- (g) **(Representation)** procure that Ebro is represented by counsel at the Court hearings convened for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act, at which, through its counsel, Ebro will (if requested by the Court) give all undertakings reasonably required on an individual basis and take all such reasonable steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this agreement and the Scheme;
- (h) **(Deed Poll)** prior to the despatch of the Explanatory Booklet, enter into the Deed Poll and deliver the executed Deed Poll to SunRice;
- (i) **(Scheme Consideration)** if the Scheme becomes Effective, provide the Scheme Consideration in accordance with the Scheme;
- (j) **(SunRice Information)** without the prior written consent of SunRice, not use SunRice Information for any purposes other than those expressly contemplated by this agreement or the Scheme or as otherwise permitted under the Confidentiality Agreement;
- (k) **(Reasonable assistance)** provide any assistance or information reasonably requested by SunRice in relation to the Scheme and which is consistent with the obligations of the parties under this agreement; and
- (l) **(Compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this agreement are effected in accordance with all applicable laws and regulations.
- (m) **(DLA undertaking)** procure that DLA provides to SunRice as soon as practicable following the date of this agreement an undertaking to hold the Implementation Funds on the DLA Trust Terms.

5.3 Scheme Implementation

- (a) On the Dividend Record Date
 - (i) Ebro will deposit on or before 9.30 am:
 - (A) the Implementation Subscription Payment in cleared funds into a separate bank account opened by SunRice for this purpose;
 - (B) in cleared funds, an amount equal to the Implementation Funds into the DLA Trust Account to be held on the DLA Trust Terms; and
 - (ii) at the same time, Ebro will deliver to SunRice the Implementation Subscription directing SunRice to apply the Implementation Subscription Payment on the Dividend Record Date to fully pay up the aggregate

subscription price for the Implementation Shares and to issue to Ebro the Implementation Shares on that date.

- (b) Subject to the payments being made by Ebro in accordance with clause 5.3(a), on the Dividend Record Date SunRice will issue the Implementation Shares to Ebro and procure that Ebro is entered in the SunRice register of members in respect of those shares on the Dividend Record Date.
- (c) SunRice must use the Implementation Subscription Payment to fund the payment of, and must pay, the SunRice Dividend on the Dividend Payment Date.
- (d) If Ebro does not make the Implementation Subscription Payment in breach of its obligations to do so, SunRice may terminate the Scheme and this agreement without prejudice to any accrued rights.
- (e) On or before 9.30 am on the Implementation Date, the transactions required for and relevant to the Scheme will be implemented in the following sequence:
 - (i) Ebro will provide to SunRice an amount equal to the aggregate Scheme Consideration to be held by SunRice on trust for the Scheme Shareholders in accordance with their entitlements under the Scheme;
 - (ii) Ebro will acquire the whole of the issued capital of SunRice pursuant to the Scheme; and
 - (iii) SunRice will disburse the Scheme Consideration in accordance with the Scheme.
- (f) In the event that, after issue of the Implementation Shares to Ebro, the Scheme is not implemented as contemplated by this agreement (except in circumstances of a default by Ebro), SunRice will take all steps within its power to effect a buy back or capital reduction of the Implementation Shares at face value and with accrued dividends (if any) as soon as possible.

5.4 Explanatory Booklet - preparation principles

- (a) As soon as reasonably practicable after the date of this agreement and substantially in accordance with the Timetable, SunRice must prepare the Explanatory Booklet in compliance with:
 - (i) all applicable laws, in particular with the Corporations Act, RG 60 and the Listing Rules; and
 - (ii) this clause 5.4.
- (b) The Explanatory Booklet will include:
 - (i) the terms of the Scheme;
 - (ii) the notice of Scheme Meeting, and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme, together with a proxy form for the Scheme Meeting and for any ancillary meeting;
 - (iii) the SunRice Information;
 - (iv) the Ebro Information;
 - (v) unless there has been a change in recommendation permitted by clause 5.5, a statement that each SunRice Director:
 - (A) recommends that SunRice Shareholders vote in favour of the Proposed Transaction and the EGM Resolutions; and
 - (B) intends to vote in favour of the Proposed Transaction;

- (vi) a copy of this agreement (without the schedules or annexures);
 - (vii) a copy of the executed Deed Poll;
 - (viii) a copy of the Continuity Undertaking;
 - (ix) information relevant to the EGM Resolutions; and
 - (x) a copy of the Independent's Expert Report;
- (c) must consult with Ebro in relation to the content and presentation of the Explanatory Booklet, including:
- (i) providing to Ebro drafts of the Explanatory Booklet for the purpose of enabling Ebro to review and comment on those draft documents;
 - (ii) taking all comments made by Ebro in good faith into account in good faith when producing as revised draft of the Explanatory Booklet; and
 - (iii) providing to Ebro a revised draft of the Explanatory Booklet within a reasonable time before the draft to be lodged with ASIC is finalised.
- (d) If the parties disagree on the form or content of the Explanatory Booklet, they must consult in good faith to try and settle an agreed form of the Explanatory Booklet. If within five Business Days of such consultation having commenced there is still no agreement between the parties, the final form and content of the Explanatory Booklet shall be determined by SunRice, acting reasonably and if Ebro disagrees with such final form and content:
- (i) SunRice must include a statement to that effect in the Explanatory Booklet; and
 - (ii) if SunRice's concerns relate to Ebro Information, SunRice must include a statement that SunRice takes no responsibility for the relevant form or content to the extent that Ebro disagrees with the final form and content.
- (e) SunRice must seek approval from Ebro for the form and context in which the Ebro Information appears in the Explanatory Booklet, which approval Ebro must not unreasonably withhold or delay, and SunRice must not lodge the Explanatory Booklet with ASIC until such approval is obtained from Ebro.
- (f) SunRice must take all reasonable steps to ensure that the Explanatory Booklet (other than the Ebro Information) is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date it is despatched to SunRice Shareholders.
- (g) Ebro must take all reasonable steps to ensure that the Ebro Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Explanatory Booklet is despatched to SunRice Shareholders.
- (h) SunRice must provide to Ebro all such further or new information of which SunRice becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Explanatory Booklet, in relation to the SunRice Information in it, continues to comply with the Corporations Act, RG 60 and the Listing Rules does not contain any material misstatement that is false or misleading in a material respect including because of any material omission from that statement.
- (i) Ebro must provide to SunRice all such further or new information of which Ebro becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to rectify any statement in the Ebro Information that is false or misleading in a material respect or

is or may be material to the making of a decision by a SunRice Shareholder whether or not to agree to the Scheme.

- (j) SunRice and Ebro each agree that the efficient preparation of the Explanatory Booklet and the implementation of the Scheme are in the interests of SunRice Shareholders and Ebro and that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 5.4 and to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.

5.5 Change of SunRice Board recommendation

- (a) If the recommendation contemplated by clause 2.1 is made, the SunRice Board collectively, and the members of the SunRice Board individually, must not change, withdraw or modify its, his or her recommendation in favour of the Proposed Transaction or the EGM Resolutions or their intention to vote in favour of the Proposed Transaction and the EGM Resolutions unless:
 - (i) the Independent Expert opines that the Scheme is not in the best interest of SunRice Shareholders; or
 - (ii) a Competing Proposal is publicly announced by SunRice following compliance by SunRice at all times prior to such public announcement with its obligations under clause 12.

5.6 Court Proceedings

- (a) SunRice and Ebro are entitled to separate representation at all Court proceedings affecting the Proposed Transaction.
- (b) This agreement does not give SunRice or Ebro the right or power to give undertakings to the Court for or on behalf of the other party without that party's prior written consent.

6. Conduct of business before the Implementation Date

6.1 Conduct of SunRice business

- (a) From the date of this agreement up to and including the Implementation Date, SunRice must conduct and must cause each of its Subsidiaries to conduct their businesses in the ordinary and usual course of business and, subject to doing so, make all reasonable efforts to:
 - (i) operate those businesses consistent with past practice, in substantially the same manner as previously conducted and in accordance with SunRice's current internal policies, procedures and guidelines relating to trading, market risk limits, operational thresholds and risk; and
 - (ii) not take or fail to take any action that constitutes a SunRice Prescribed Occurrence or that could reasonably be expected to result in a SunRice Prescribed Occurrence.
- (b) Without limiting clause 6.1(a), SunRice must, and must procure that its Subsidiaries must, from the date of this agreement up to and including the Implementation Date:
 - (i) make all reasonable efforts to preserve its relationships with suppliers, landlords, licensors, licensees and others having material business dealings with it;
 - (ii) maintain its business and assets, including having in place, and maintaining until the Implementation Date, insurance over its assets and business to at least the same extent as that in place at the date of this agreement;

- (iii) not settle any legal proceedings, claim, investigation, arbitration or other like proceeding where the settlement amount exceeds \$1 million;
- (iv) not enter into a joint venture or strategic partnership with any person; and
- (v) except as required by law or as provided in an existing contract in place as at the date of this agreement, not:
 - (A) enter into (except to replace an employee who has ceased to be employed), materially vary or terminate (other than for cause), any individual employment contract pursuant to which the total remuneration package (including the then market value of any benefit received as party of the package) is \$220,000 or more per annum; or
 - (B) increase or agree to increase the remuneration of, or pay or agree to pay any termination payment to, any director, officer or management-level employee of any member of the SunRice Group other than in the ordinary course of business of SunRice;
 - (C) pay or agree to pay any bonus payment to any director, officer or employee of the SunRice Group, other than bonuses for which SunRice has budgeted and to which SunRice is committed at the date of this agreement; or
 - (D) accelerate the rights of any employees of a member of the SunRice Group to compensation or benefits of any kind, other than as required by law or in accordance with contractual arrangements in place as at the date of this agreement;
 - (E) enter into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in place as at the date of this agreement.

6.2 Permitted activities

The obligations of SunRice under clause 6.1 do not apply in respect of any matter:

- (a) required to be done or procured by SunRice pursuant to this agreement or the Scheme;
- (b) Fairly Disclosed in the Due Diligence Material or the Disclosure Letter, provided that such disclosure identified that the matter would be carried out by the SunRice Group between the date of this agreement and the Implementation Date; or
- (c) the undertaking of which Ebro has approved in writing (which approval must not be unreasonably withheld or delayed).

6.3 Change of control rights

As soon as practicable after the date of this agreement, SunRice and Ebro must seek to identify any change of control or similar provisions in leases, licenses, permits, facility agreements and other documents related to external indebtedness, and material contracts to which SunRice or a SunRice Group company is a party (including to the Export Agreement) which may be triggered by the implementation of the Proposed Transaction. In respect of those leases, licenses, permits and other relevant agreements and documents, the parties agree as follows:

- (a) SunRice and Ebro will agree a proposed course of action and then jointly initiate contact with the relevant landlords, regulatory or government agencies and other counterparties and provide any required notifications or request that they provide any consents required. None of Ebro or any of their Authorised Persons may contact any landlords, regulatory or government agencies or other counterparties without SunRice;

- (b) SunRice and Ebro must cooperate with, and provide reasonable assistance to, each other to make such notifications and obtain such consents as expeditiously as possible; and
- (c) SunRice and Ebro must take all actions necessary to seek to comply with any reasonable requirements of the landlords and other counterparties under the property leases or other relevant agreements and documents that are required to be complied with by an assignee or transferee or new controller, including, without limitation, to:
 - (i) provide any information reasonably required by counterparties and (if the counterparty is a landlord) their mortgagees;
 - (ii) provide viable parent company guarantees or such other forms of guarantee, security or third party credit support as counterparties may reasonably require in relation to contracted obligations; and
 - (iii) make representatives available, where necessary, to meet with counterparties including landlords, head landlords or mortgagees to deal with issues arising in relation to the transfer or assignment (or deemed transfer or assignment) of relevant contracts,

provided that SunRice will not have any authority to bind Ebro or any parent company of Ebro to provide any guarantee, security or third party credit support.
- (d) A failure to obtain any counterparty or third party consent or modification of a contract required in connection with the implementation of the Proposed Transaction will not constitute a breach of this agreement by SunRice or Ebro and, together with any consequences that arise, will be disregarded when assessing the operation of any other provision of this agreement, unless the same constitutes a Change in Law, provided that this clause shall not apply to the Condition set out in clause 3.1(m) or a party's obligations with respect to that Condition.

6.4 Discussions with RMB

- (a) Notwithstanding clause 6.3, SunRice and Ebro agree to meet with RMB in relation to the Proposed Transaction, in particular:
 - (i) to seek the consent of RMB to a change of control of SunRice under clause 15 of the Export Agreement;
 - (ii) to assess any other matters relevant to RMB in relation to the continuation of the Export Agreement following implementation of the Proposed Transaction; and
 - (iii) to provide for any processes or conditions that may apply to the same.
- (b) Each party acknowledges and agrees that it must:
 - (i) use reasonable endeavours and commit necessary resources;
 - (ii) procure that its Authorised Persons work in good faith and in a timely and co-operative fashion with the Authorised Persons of the other party (including by attending meetings and providing information); and
 - (iii) prepare and sign all documents that are necessary or advisable for it to sign for the purposes of the consultation between SunRice, Ebro and RMB,

in order that the objectives of the discussions with RMB can be achieved prior to the First Court Date.
- (c) Nothing in this clause 6.4 prevents SunRice or its Authorised Persons from conducting discussions with RMB without Ebro being present, provided that SunRice:
 - (i) has first given reasonable prior notice of the discussions to Ebro;

- (ii) has invited and arranged for Ebro to be present, unless in good faith SunRice considers that it would not be appropriate to do so; and
- (iii) that to the extent which it considers it can do so, acting prudently, SunRice keeps Ebro informed of the content and outcome of discussions with RMB to the extent that Ebro has not joined or was not present at any meeting that has been scheduled with RMB.

6.5 Access to information

- (a) During the Exclusivity Period, SunRice must provide to Ebro and its Authorised Persons:
 - (i) within a reasonable time following a request by Ebro, reasonable access during normal business hours to SunRice's directors, officers, management-level employees, offices, properties and other facilities and all information concerning SunRice including information contained in any books and records of any member of the SunRice Group, for the purposes of the implementation of the Scheme or that may reasonably be required by Ebro, Ebro's Authorised Persons; and
 - (ii) monthly management accounts and monthly operations reports of the members of the SunRice Group within three Business Days of the date on which each such report is provided to the SunRice Board.
- (b) Nothing in this clause 6.5 obliges SunRice to provide to Ebro or its Authorised Persons any information:
 - (i) concerning the SunRice Directors' consideration of the Scheme;
 - (ii) which would breach an obligation of confidentiality to any person or any applicable privacy laws; or
 - (iii) in the case of information provided under clause 6.5(a)(ii), that is different or in addition to the information SunRice provides to the SunRice Board in the usual and ordinary course consistent with past practice.

7. Reconstitution of the board of each member of the SunRice Group

On the Implementation Date, but subject to the Scheme Consideration having been paid in full to the Scheme Shareholders and receipt by SunRice of signed consents to act, SunRice must:

- (a) take all actions necessary to appoint the persons nominated by Ebro as new SunRice Directors and new directors of each Subsidiary of SunRice; and
- (b) provided that Ebro has complied with its obligations in accordance with clause 13 to pay them their full entitlements and benefits on retirement, procure that all SunRice Directors (other than the New SunRice Directors and the Continuing SunRice Directors) resign from the SunRice Board,

in each case in accordance with SunRice's constitution and the Corporations Act.

8. Representations and warranties

8.1 Ebro representations and warranties

Ebro represents and warrants to SunRice (on its own behalf and separately as trustee for each of the other SunRice Indemnified Parties) each of the matters set out in this clause 8.1 as at the date of this agreement and on each subsequent day until 8.00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date):

- (a) Ebro is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement has been properly authorised by all necessary corporate action and Ebro has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) this agreement constitutes legal, valid and binding obligations on it and this agreement does not result in a breach of or default under any deed or any writ, order or injunction, rule or regulation to which Ebro is a party or is bound;
- (d) the Ebro Information provided to SunRice in accordance with clause 5.2(a) for inclusion in the Explanatory Booklet will:
 - (i) be provided in good faith and in the context of the obligations of SunRice under clause 5.4(a);
 - (ii) not contain any material misstatement that is false or misleading in a material respect including because of any material omission from that statement; and
 - (iii) be provided on the understanding that each of the SunRice Indemnified Parties will rely on that information for the purposes of preparing the Explanatory Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- (e) all information provided by or on behalf of Ebro to the Independent Expert to enable the Independent Expert's Report to be included in the Explanatory Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's Report for inclusion in the Explanatory Booklet;
- (f) as at the date the Explanatory Booklet is despatched to SunRice Shareholders, the Ebro Information, in the form and context in which that information appears in the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (g) Ebro will, as a continuing obligation, provide to SunRice all such further or new information which may arise after the Explanatory Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the Ebro Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act, is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (h) no Ebro Prescribed Occurrence has occurred;
- (i) by 8.00am on the Second Court Date, Ebro will have available to it on an unconditional basis sufficient cash amounts (whether from internal cash resources or external funding arrangements (including direct and indirect debt and equity financing or a combination of both)) to satisfy Ebro's obligation to pay the Scheme Consideration on the Implementation Date in accordance with its obligations under this agreement, the Scheme and the Deed Poll;
- (j) Ebro will have available to it as at 8.00am on the Implementation Date sufficient cash amounts to satisfy Ebro's obligation to pay the Scheme Consideration in accordance with its obligations under this agreement, the Scheme and the Deed Poll; and
- (k) Ebro will have available to it as at 8.00am on the Implementation Date sufficient cash amounts to satisfy Ebro's obligation to make the Implementation Subscription and pay for the Implementation Shares in accordance with its obligations under this agreement, the Scheme and the Deed Poll.

8.2 Ebro's indemnity

Ebro agrees with SunRice (on SunRice's own behalf and separately as trustee or nominee for each of the other SunRice Indemnified Parties) to indemnify and keep indemnified the SunRice Indemnified Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the SunRice Indemnified Parties may suffer or incur by reason of any breach of any of the Ebro Warranties.

8.3 SunRice representations and warranties

SunRice represents and warrants to Ebro (on its own behalf and separately as trustee for each of the other Ebro Indemnified Parties) and agrees to each of the matters set out in this clause 8.3 as at the date of this agreement and on each subsequent day until 8.00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date):

- (a) SunRice is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by SunRice has been properly authorised by all necessary corporate action and SunRice has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) this agreement constitutes legal, valid and binding obligations on SunRice and this agreement does not result in a breach of or default under any provision of its constitution or any agreement or deed or any writ, order or injunction, rule or regulation to which SunRice or any of its Subsidiaries is a party or to which they are bound;
- (d) the SunRice Information contained in the Explanatory Booklet:
 - (i) will be prepared and included in the Explanatory Booklet in good faith;
 - (ii) will comply in all material respects with the requirements of the Corporations Act, Listing Rules and RG 60; and
 - (iii) be provided on the understanding that each of the Ebro Indemnified Parties will rely on that information for the purposes of preparing the Ebro Information;
- (e) all information provided by SunRice to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing its report for inclusion in the Explanatory Booklet;
- (f) as at the date the Explanatory Booklet is despatched to SunRice Shareholders, the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the Ebro Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (g) SunRice will, as a continuing obligation, after the Explanatory Booklet has been despatched until the date of the Scheme Meeting ensure that the SunRice Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act, is not misleading or deceptive in any material respect (whether by omission or otherwise);

- (h) subject to the announcement of the Proposed Transaction in accordance with clause 9.2, as at the date of this agreement, SunRice is not relying on Listing Rule 6.5 to withhold any information from disclosure under the Listing Rules and is not in breach of its continuous or periodic financial disclosure obligations under the Listing Rules; and
- (i) as at the date of this agreement, the total issued capital of SunRice is:
 - (i) 800 A Shares; and
 - (ii) 54,701,988 B Shares,
 and there are no other SunRice options, rights, performance rights, shares, convertible notes or other securities (or offers or agreements to issue any of the foregoing);
- (j) no Insolvency Event has occurred in relation to SunRice;
- (k) SunRice has not deliberately or recklessly:
 - (i) omitted anything from the Due Diligence Material such as to make any part of the Due Diligence Material materially false or misleading; or
 - (ii) included anything materially false or misleading in the Due Diligence Material;
- (l) the Due Diligence Material has been prepared and compiled in good faith;
- (m) If, after the date of this agreement, SunRice has provided written information about the SunRice Group to a third party (in reliance on clause 12.2) and that information was not disclosed to Ebro prior to the date of this agreement, that information has been made available to Ebro.

8.4 SunRice's indemnity

SunRice agrees with Ebro (on Ebro 's own behalf and separately as trustee for each of the other Ebro Indemnified Parties) to indemnify and keep indemnified the Ebro Indemnified Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the Ebro Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 8.3, provided that SunRice will have no indemnification obligations pursuant to this clause 8.4 in relation to any breach of a SunRice Warranty where SunRice pays the SunRice Break Fee under clause 11.1.

8.5 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 8 and provide reasonable details of the fact, matter or circumstance.

8.6 Survival of representations

Each representation and warranty in clauses 8.1 and 8.3:

- (a) is severable;
- (b) will survive the termination of this agreement; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this agreement.

8.7 Survival of indemnities

Each indemnity in this agreement (including those in clauses 8.2 and 8.4) will:

- (a) be severable;
- (b) be a continuing obligation;
- (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this agreement; and
- (d) survive the termination of this agreement.

8.8 Liability of directors and Authorised Persons

- (a) Each party releases its rights against, and will not make any claim against, any past or present director or Authorised Person of any other party in relation to information provided to it or in relation to its execution or delivery of this agreement to the extent that the past or present director or Authorised Person has acted in good faith.
- (b) Each party holds the releases in clause 8.8(a) in respect of its directors and Authorised Persons as trustee for its directors and Authorised Persons.

9. Confidentiality and Public Announcement

9.1 Confidentiality

Each party agrees and acknowledges that it is bound by the terms of the Confidentiality Agreement save that the terms of this agreement will prevail over the Confidentiality Agreement to the extent of any inconsistency.

9.2 Public Announcements on execution

Immediately after the execution of this agreement, the parties must issue public announcements in a form previously agreed to in writing between them.

9.3 Further public announcements

Any further public announcements by SunRice or Ebro in relation to, or in connection with, the Proposed Transaction or any other transaction the subject of this agreement or the Scheme may only be made in a form approved by each party in writing (acting reasonably).

9.4 Required disclosure

If SunRice or Ebro is required by law, the Listing Rules or the rules of any other recognised financial exchange to make any announcement or to make any disclosure of the Confidential Information (as such term is defined in the Confidentiality Agreement), the relevant discloser may do so only after it has:

- (a) given at least one Business Days notice, or such lesser period as may be required or permitted by the effect of the relevant legal obligation, Listing Rule or other exchange's rule but in any event prior notice, to the other party;
- (b) used all reasonable endeavours to consult with the other party so notified; and
- (c) taken all reasonable steps to restrict that disclosure to the greatest extent possible.

10. Termination

10.1 Termination by notice

- (a) Ebro or SunRice may, by notice in writing to the other, terminate this agreement at any time prior to the Second Court Date:
 - (i) if the other is in breach of any of its material obligations under this agreement and the other has failed to remedy that breach within five Business Days of receipt by it of a notice in writing from the terminating party setting out details

- of the relevant circumstance and requesting the other party to remedy the breach or by 8:00am on the Second Court Date if that is sooner;
- (ii) in accordance with clause 3.6;
 - (iii) if the SunRice Board has publicly recommended a Competing Proposal, provided that SunRice may only terminate this agreement pursuant to this clause 10.1(a)(iii) if at all times prior to putting such Competing Proposal to relevant SunRice Shareholders SunRice has complied with its obligations under clause 12;
 - (iv) if the Court refuses to make any order directing SunRice to convene the Scheme Meeting or to approve the Scheme in accordance with section 411(4)(b) of the Corporations Act, provided that both SunRice and Ebro have met and consulted in good faith and agreed that they do not wish to appeal such decision and SunRice is not otherwise obliged to appeal such decision in accordance with clause 5.1(l); or
 - (v) if the Effective Date for the Scheme has not occurred on or before the End Date.
- (b) SunRice may, by notice in writing to Ebro, terminate this agreement on or before 8.00am on the Second Court Date if:
- (i) Ebro has failed by 7.00am on the Second Court Date to execute and deliver to SunRice the Continuity Undertaking; or
 - (ii) at any time prior to 8.00am on the Second Court Date Ebro commits a breach of an Ebro Warranty; and
 - (A) Ebro fails to remedy that breach within five Business Days of receipt by it of a notice in writing from SunRice setting out details of the relevant circumstance and requesting Ebro to remedy the breach or the breach cannot be remedied by subsequent action on the part of Ebro by 8.00am on the Second Court Date and the breach is of a kind that, had it been disclosed to SunRice prior to its entry into this agreement, could reasonably be expected to have resulted in SunRice either not entering into this agreement or entering into it on materially different terms; or
 - (B) the breach amounts to or results in or discloses an Ebro Material Adverse Change.
- (c) Ebro may, by notice in writing to SunRice, terminate this agreement:
- (i) in accordance with clause 2.1; or
 - (ii) at any time prior to 8.00am on the Second Court Date if at any time before then SunRice commits a breach of a SunRice Warranty and:
 - (A) SunRice fails to remedy that breach within five Business Days of receipt by it of a notice in writing from Ebro setting out details of the relevant circumstance and requesting the other party to remedy the breach or the breach cannot be remedied by subsequent action on the part of SunRice before 8.00am on the Second Court Date and the breach is of a kind that, had it been disclosed to Ebro prior to its entry into this agreement, could reasonably be expected to have resulted in Ebro either not entering into this agreement or entering into it on materially different terms; or
 - (B) the breach amounts to, results in or discloses a SunRice Material Adverse Change.

- (d) This agreement may not be terminated by a party under clauses 10.1(a)(iv) or 10.1(a)(v) if the relevant event described in the applicable clause is a result of a breach by that party of its obligations under this agreement.

10.2 Automatic termination

Without limiting any other term of this agreement, this agreement will terminate automatically if the Scheme is not approved by the necessary majorities at both the Scheme Meetings or the EGM Resolutions (not including for this purpose the Delisting Resolution) are not approved by the necessary majority at the Extraordinary General Meeting.

10.3 Effect of termination

- (a) In the event of termination of this agreement under clause 10.1 or 10.2, this agreement will become void and have no effect, except that the provisions of clauses 1, 8.6, 8.7, 9, 10, 11, 16.3 to 16.17 (inclusive) survive termination.
- (b) Termination of this agreement does not affect any accrued rights of a party in respect of a breach of this agreement prior to termination.

11. SunRice Break Fee

11.1 Payment by SunRice to Ebro

- (a) SunRice agrees to pay to Ebro A\$3,148,000 (exclusive of GST) (**SunRice Break Fee**) if at any time during the term of this agreement a Competing Proposal is announced and within nine (9) months thereafter the Competing Proposal is implemented or becomes free of any defeating conditions. For the avoidance of doubt and if relevant, this obligation survives termination of this agreement for the requisite nine (9) month period.
- (b) SunRice must pay Ebro the SunRice Break Fee within 10 Business Days of receipt by SunRice of a demand for payment from Ebro made after the occurrence of the event referred to in clause 11.1(a). SunRice's obligation to make the payment referred to in this clause will be satisfied by the payment of the relevant amount in immediately available funds to the account nominated by Ebro for the purposes of this clause.
- (c) For the avoidance of doubt, the SunRice Break Fee is payable only once and is not payable merely because the resolution submitted to the Scheme Meetings in respect of the Scheme is not approved by the majorities required under section 411(4)(a)(ii) of the Corporations Act or the EGM Resolutions are not passed by the requisite majorities.
- (d) Notwithstanding the occurrence of any event described in clause 11.1(a), no amount will be payable by SunRice to Ebro under this clause 11.1(a) if:
 - (i) the Scheme becomes Effective. To the extent any amounts have already been paid under this clause 11.1 and the Scheme becomes Effective, such amounts shall be refunded to SunRice within two Business Days of the Scheme becoming Effective; or
 - (ii) prior to the SunRice Break Fee becoming payable to Ebro, SunRice has validly terminated this agreement pursuant to any of clauses 10.1(a)(i), 10.1(b)(i), and 10.1(b)(ii)(A).
- (e) Ebro acknowledges and agrees that its sole remedy against SunRice in relation to any event referred to in clauses 11.1(a) will be to seek and enforce payment of the SunRice Break Fee.
- (f) The SunRice Break Fee is only payable once and the maximum amount payable by SunRice under this clause 11.1 is A\$3,148,000 (exclusive of GST).

11.2 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the SunRice Break Fee (**SunRice Impugned Amount**):

- (a) is unlawful;
- (b) involves a breach of directors' duties; or
- (c) constitutes unacceptable circumstances or breaches an order of the Takeovers Panel,

then:

- (d) the requirement to pay the SunRice Break Fee does not apply to the extent of the SunRice Impugned Amount; and
- (e) if Ebro has received the SunRice Impugned Amount, it must refund it within five Business Days of the final determination being made.

11.3 Regulatory Intervention

- (a) If any regulatory body (including ASIC or the Takeovers Panel) or a Court requires any modification (including requiring such a modification as a condition of consenting to or approving the Scheme or as a condition of not opposing the Scheme) to the SunRice Break Fee including as to the amount or circumstances in which it is to be paid, then:
 - (i) the parties will accept this determination and amend this agreement to that extent, and
 - (ii) it will not result in a breach of this agreement or termination of the transactions contemplated by it.
- (b) Subject to clause 11.3(c), if the Takeovers Panel indicates to SunRice or Ebro or either of them that in the absence of a written undertaking pursuant to section 201A of the Australian Securities and Investments Commission Act 2001 (Cth) it will make a declaration of unacceptable circumstances, each of SunRice and Ebro (as the case may be) may give that undertaking on their own behalf and must give reasonable consideration to giving that undertaking if requested by the other party. Where such undertakings are given, this clause 11 will operate in a manner consistent with the terms of such undertakings.
- (c) Nothing in this clause 11.3 precludes either party from bringing or requires either party (where entitled to do so) to bring appeal or review proceedings in relation to any determination referred to in clause 11.3(a). If either party brings such proceedings:
 - (i) the other must make submissions in the course of those proceedings supporting to the fullest extent reasonably practicable the review application made by the first party; and
 - (ii) for the purposes of this clause 11.3, the determination subject of the appeal or review proceeding shall be deemed not to have been made and clauses 11.3(a) and 11.3(b) shall have effect only in relation to any determination made in the appeal or review proceedings.

11.4 Acknowledgements by SunRice

SunRice confirms that:

- (a) it has received legal advice on the operation of this clause;

- (b) it considers the clause to be fair and reasonable and that it is appropriate to agree to the terms in this clause in order to secure the significant benefits to it and the SunRice Shareholders resulting from the implementation of the Scheme; and
- (c) the SunRice Break Fee represents a genuine and reasonable estimate of the cost and loss that would be suffered by Ebro if this agreement was entered into and the Proposed Transaction is not subsequently implemented.

11.5 Acknowledgements by Ebro

Ebro confirms that:

- (a) it has received legal advice on the operation of this clause; and
- (b) that it considers the clause to be fair and reasonable and that it is appropriate to agree to the terms in this clause in order to secure the significant benefits to it and its shareholders resulting from the implementation of the Scheme.

12. Exclusivity

12.1 No shop and no talk

During the Exclusivity Period, SunRice must not, and must ensure that its Authorised Persons do not, except with the prior written consent of Ebro:

- (a) negotiate or enter into a Competing Proposal;
- (b) continue to negotiate or participate in negotiations or discussions in relation to, or in the expectation of receiving, a Competing Proposal;
- (c) solicit or invite any Competing Proposal or expression of interest or offer or invitation which may lead to a Competing Proposal; or
- (d) initiate discussions with any third party with a view to obtaining any expression of interest, offer or proposal from any person in relation to, or which may reasonably be expected to lead to, a Competing Proposal.

12.2 Exception

Clause 12.1 does not apply to the extent that the SunRice Board, acting in good faith, determines:

- (a) the relevant action is in response to a bona fide Competing Proposal which was not solicited or invited in contravention of clause 12.1; or
- (b) where there is a bona fide third party expression of interest or offer or invitation or proposal with respect to a transaction which the SunRice Board reasonably expects to lead to a Competing Proposal and which was not solicited or invited in contravention of Clause 12.1; and
- (c) after receiving written legal advice from SunRice's external legal advisers, that failing to respond to the said Competing Proposal expression of interest, offer, invitation or proposal would be likely to involve a breach of its fiduciary or statutory duties.

12.3 SunRice warranty

SunRice warrants as at the date of this agreement that neither it, any Subsidiary of SunRice nor any of their respective Authorised Persons are in discussions or negotiations with any party which may reasonably be expected to lead to a Competing Proposal.

12.4 Notice of Competing Proposal

- (a) During the Exclusivity Period, SunRice must promptly notify Ebro (and in any event within 48 hours) if it or any of its Authorised Persons receive a Competing Proposal

or a communication, invitation, approach or enquiry which could reasonably be expected to lead to a Competing Proposal.

- (b) If SunRice gives Ebro a notice under clause 12.4(a), Ebro agrees that the notice will be Confidential Information of SunRice (as defined in the Confidentiality Agreement).
- (c) The obligations in clauses 12.4(a) do not apply to the extent that SunRice has received legal advice from SunRice's external legal advisers that notifying Ebro of the communication, invitation, approach or enquiry (as relevant) would be likely to involve a breach of a duty of SunRice Directors or otherwise be a breach of law (except breach of a confidentiality agreement in relation to the communication, invitation, approach or enquiry).

13. SunRice officers and SunRice Directors

- (a) Ebro acknowledges that the non-executive SunRice Directors have been acting in their positions on the basis of a directors' retirement plan terminated by vote of the holders of A Shares at the annual general meeting of SunRice on 27 August 2010 and replaced with the Grandfathered Retirement Benefits.
- (b) Ebro acknowledges the entitlement of the resigning non-executive SunRice Directors to the Grandfathered Retirement Benefits on their retirement from SunRice Board on the Implementation Date.
- (c) Subject to the Scheme being Effective and the Proposed Transaction completing, Ebro undertakes that it will:
 - (i) pay to any director retiring in accordance with clause 7(b)(2) their full entitlements and benefits owing, including under the Grandfathered Retirement Benefits;
 - (ii) for a period of 7 years from the Implementation Date, ensure that the Constitution and the constitution of each Subsidiary of SunRice (and their successor companies) continues to contain such rules as exist at the date of this agreement which provide for each of them to indemnify their directors and officers against any liability incurred by those directors or officers, in that capacity, to any person other than SunRice or a Subsidiary of SunRice; and
 - (iii) procure that SunRice and each other member of the SunRice Group complies with the deeds of indemnity access and insurance made by them in favour of their respective directors and officers from to time and without limiting the foregoing, unless SunRice has itself already procured run off insurance cover after prior consultation with Ebro, shall ensure that so far as is reasonably available at reasonably cost, and consistent with generally acceptable insurance industry practices (including all applicable exclusions and conditions) directors and officers run off insurance cover or equivalent alternative insurance cover for such directors and officers is maintained for a period of 7 years from the Implementation Date).
- (d) The undertakings contained in this clause 13 are subject to any Corporations Act restrictions and will be read accordingly.
- (e) SunRice receives and holds benefit of clause 13 to the extent it relates to the directors and officers of SunRice and other members of the SunRice Group as trustee for those persons.

14. Continuity Undertaking

Ebro acknowledges and agrees that notwithstanding any other provision of this agreement:

- (a) the Continuity Undertaking contains covenants which are essential to and relied on by SunRice Shareholders;

- (b) SunRice would not enter into this agreement but for the agreement of Ebro to execute and deliver the Continuity Undertaking; and
- (c) without limiting the foregoing, execution and delivery of the Continuity Undertaking by Ebro is a fundamental term of this agreement.

15. Notices

Any communication under or in connection with this agreement:

- (a) must be in writing;
- (b) must be addressed as shown below:

SunRice

Address: 37 Yanco Avenue, Leeton, New South Wales, 2705

Facsimile: +61 2 8916 8360

Email: mdelgigante@sunrice.com.au

For the attention of: Mandy DelGigante

With a copy to Mark Pistilli, Chang, Pistilli & Simmons:

Address: 95 Pitt Street, Sydney NSW 2000

Fax: +61 2 8922 8088

Email: mpistilli@cpscorplaw.com.au

Attention: Mark Pistilli

Ebro

Address: 20, Paseo de la Castellana, 28046 Madrid, Spain

Fax: +34917245296

Email: Miguelangel.perez@ebrofoods.es

Attention: Miguel Angel Pérez

Address: 20 Paseo de la Castellana, 28046 Madrid, Spain

Fax: +34917245385

Email: jaime.carbo@ebrofoods.es

Attention: Jaime Carbó

With a copy to David Morris, DLA Phillips Fox:

Address: 201 Elizabeth Street, Sydney NSW 2000

Fax: +61 2 9283 4144

Email: David.Morris@dlaphillipsfox.com

Attention: David Morris

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or by a person duly authorised by that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with clause 15(b); and
- (e) will be deemed to be received by the addressee:
 - (i) **(in the case of prepaid post)** on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;
 - (ii) **(in the case of fax)** at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day; and
 - (iii) **(in the case of delivery by hand)** on delivery at the address of the addressee as provided in clause 15(b), unless that delivery is not made on a Business Day, or after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day.

16. General

16.1 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this agreement.

16.2 Timetable

The parties agree that the Timetable is indicative only and is not binding on the parties, provided that the parties shall use all reasonable endeavours to implement the Proposed Transaction in accordance with the Timetable.

16.3 Payments

Unless otherwise expressly provided in this agreement, where an amount is required to be paid to a party (the **Receiving Party**) by another party under this agreement, that amount shall be paid:

- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties may agree; and
- (b) without deduction, withholding or set-off.

16.4 Consents or approvals

A party may:

- (a) give conditionally or unconditionally; or
- (b) withhold,

its approval or consent in its absolute discretion unless this agreement expressly provides otherwise.

16.5 GST

- (a) Any reference in this clause 16.5 to a term defined or used in the A New Tax System (Goods and Services Tax) Act 1999 is, unless the context indicates otherwise, a reference to that term as defined or used in that Act.
- (b) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (c) To the extent that any supply made by a party (Supplier) to another party (Recipient) under or in connection with this agreement is a taxable supply, the Recipient must pay to the Supplier, in addition to the consideration to be provided under this agreement but for the application of this clause 16.5(c) for that supply (GST Exclusive Consideration), an amount equal to the amount of the GST Exclusive Consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. This clause 16.5(c) does not apply to any taxable supply under or in connection with this agreement that is expressly stated to include GST.
- (d) Provided that the Supplier has provided the Recipient of the supply with a valid tax invoice, the amount on account of GST payable in accordance with this clause 16.5 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.
- (e) Any reference in the calculation of any consideration or of any indemnity, reimbursement or similar amount to a cost, expense or liability incurred by a person (Relevant Expense) is a reference to the relevant expense reduced by an amount equal to any input tax credit entitlement of that person (or of the representative member of any GST group to which the person belongs) in relation to the Relevant Expense. A party will be assumed to have an entitlement to a full input tax credit unless it demonstrates otherwise prior to the date on which the relevant payment or consideration must be provided.

16.6 Stamp duty

Ebro must pay all stamp duties (if any) and any fines and penalties with respect to stamp duty in respect of this agreement or the Scheme or the steps to be taken under this agreement or the Scheme (including without limitation the acquisition or transfer of Scheme Shares pursuant to the Scheme) and indemnify SunRice (on SunRice's own behalf and separately as trustee or nominee for the other SunRice Indemnified Parties and SunRice Shareholders) against any liability arising from failure to comply with this clause 16.6.

16.7 Expenses

Except as otherwise provided in this agreement, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this agreement and the Explanatory Booklet and the proposed, attempted or actual implementation of this agreement and the Scheme.

16.8 Amendments

This agreement may only be varied by a document signed by or on behalf of each of the parties.

16.9 Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior written consent of the other party.

16.10 Business Day

Except where otherwise expressly provided, where under this agreement the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing will be done on the next Business Day.

16.11 Waiver

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this agreement by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this agreement.
- (b) Any waiver or consent given by any party under this agreement will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this agreement will operate as a waiver of another breach of that term or of a breach of any other term of this agreement.
- (d) Nothing in this agreement obliges a party to exercise a right to waive any conditional term of this agreement that may be in its power.

16.12 Release of officers and directors

- (a) Subject to the Corporations Act, none of the past or present officers and directors of SunRice will be liable for anything done or purported to be done in connection with the Scheme or any transaction contemplated by this agreement in good faith, but nothing in this clause excludes any liability that may arise from wilful misconduct or from such person not having acted in good faith. SunRice receives and holds the benefit of this release, as agent for its directors and officers.
- (b) Subject to the Corporations Act, none of the past or present officers and directors of Ebro will be liable for anything done or purported to be done in connection with the Scheme or any transaction contemplated by this agreement in good faith, but nothing in this clause excludes any liability that may arise from wilful misconduct or from such person not having acted in good faith. Ebro receives and holds the benefit of this release, as agent for its directors and officers.

16.13 Counterparts

- (a) This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the agreement of each party who has executed and delivered that counterpart. Each counterpart is an original but the counterparts together are one and the same agreement.
- (b) This agreement is binding on the parties on the exchange of duly executed counterparts.
- (c) The parties agree that a copy of an original executed counterpart sent by facsimile machine to the facsimile number of the other party specified in clause 15, instead of the original, is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

16.14 Entire agreement

- (a) This agreement:
 - (i) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
 - (ii) supersedes any prior agreement (whether or not in writing) between the parties.
- (b) Despite clause 16.14(a), the Confidentiality Agreement continues to apply to the parties, in accordance with its terms, except to the extent of any express inconsistency, in which case this agreement prevails.

16.15 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.

16.16 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

16.17 Governing law

- (a) This agreement is governed by and will be construed according to the laws of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and of the courts competent to determine appeals from those courts.

Schedule 1 – Indicative Timetable

Event	Date
Lodge Explanatory Booklet with ASIC for review and comment	Wednesday 12 January 2011
First Court Date	Thursday 3 February 2011
Explanatory Booklet registered with ASIC	Friday 4 February 2011
Despatch Explanatory Booklet to SunRice Shareholders	Monday 14 February 2011
Scheme Meeting	Friday 18 March 2011
Second Court Date	Wednesday 23 March 2011
Effective Date – lodge office copy of Court order approving the Scheme with ASIC	Thursday 24 March 2011
Dividend Record Date *	Tuesday 29 March 2011
Implementation Subscription Payment made and Implementation Shares Issued *	Wednesday 30 March 2011
SunRice Dividend paid *	Wednesday 30 March 2011
Scheme Record Date *	Monday 4 April 2011
Implementation Date: Despatch cheques or electronically* transfer funds to participants in the Scheme. Reconstitute boards of each SunRice Group company	Tuesday 5 April 2011

* subject to that date which the Directors fix for payment of the SunRice Dividend under clause 14.1(a) and 14.1(b) of the Constitution.

Deed Poll

EBRO FOODS S.A.



Plaza Building, Australia Square
Level 13, 95 Pitt Street
Sydney NSW 2000 Australia

T +61 2 8922 8000

F +61 2 8922 8088

www.cpscorplaw.com.au

DEED POLL

Date

Parties:

Name: Ebro Foods S.A. (**Ebro**)

Background

- A. On [*insert date*], SunRice and Ebro entered into the Scheme Implementation Agreement (**Scheme Implementation Agreement**).
- B. Under the Scheme Implementation Agreement SunRice has agreed that it will propose and implement the Scheme in accordance with the Scheme Implementation Agreement.
- C. Under the Scheme Implementation Agreement, Ebro has agreed to take all steps reasonably necessary to assist SunRice in proposing and implementing the Scheme in accordance with the Scheme Implementation Agreement.
- D. Ebro is entering into this Deed Poll for the purposes of covenanting in favour of Scheme Shareholders to perform certain of its obligations under the Scheme Implementation Agreement and the Scheme.
- E. The effect of the Scheme will be that the Scheme Shares, together with all rights and entitlements attaching to them, will be transferred to Ebro in exchange for the Scheme Consideration.

Agreed Terms

1. Defined terms and interpretation

1.1 Definitions

Words and phrases defined in the Scheme Implementation Agreement have the same meaning in this Deed Poll unless the context requires otherwise.

1.2 Interpretation

- (a) In this Deed Poll, unless the context otherwise requires:
 - (i) the singular includes the plural and vice versa;
 - (ii) reference to a person includes references to corporations, partnerships, joint ventures, associations, bodies corporate and any Regulatory Authority;
 - (iii) references to agreements or deeds are to agreements or deeds as amended from time to time;
 - (iv) references to a party includes their executors, administrators and permitted assigns or, being a company, its successors and permitted assigns;
 - (v) an agreement, representation or warranty in favour of two or more persons is for the benefit of each and all of them;
 - (vi) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Deed

Poll and a reference to this Deed Poll includes any annexure, exhibit and schedule; and

- (vii) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacement to it.
- (b) Clause headings in this Deed Poll do not affect the interpretation of this Deed Poll.
- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

1.3 Time for performance

- (a) If the day on or by which a payment or an act is to be done under this Deed Poll is not a Business Day, that act must be done on the next Business Day.
- (b) In this Deed Poll, if a period occurs from, after or before a day or the day of an act or event, it excludes that day.
- (c) In this Deed Poll, a reference to a day is to be interpreted as the period of commencing at midnight and ending 24 hours later.
- (d) In this Deed Poll, a reference to time is a reference to Sydney time.

2. Nature of Deed Poll

Ebro acknowledges that this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

3. Condition

3.1 Condition

Ebro's obligations under clause 4 are subject to the Scheme becoming Effective.

3.2 Termination

Subject to clause 6, the obligations of Ebro under this Deed Poll to Scheme Shareholders will automatically terminate and the terms of this Deed Poll will be of no further force or effect if:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms prior to the occurrence of the Effective Date for the Scheme; or
- (b) The Scheme is not Effective by the End Date.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then in addition and without prejudice to any other rights, powers or remedies available to them:

- (a) Ebro is released from its obligations to further perform this Deed Poll except for any obligations which by their nature survive termination; and
- (b) Scheme Shareholders retain the rights they have against Ebro in respect of any breach of this Deed Poll which occurs before it is terminated.

4. Performance of Scheme obligations

4.1 Generally

Subject to clause 3, Ebro covenants in favour of Scheme Shareholders to:

- (a) perform the steps attributed to it under, and otherwise comply with, the Scheme as if Ebro were a party to the Scheme; and
- (b) comply with its obligations under the Scheme Implementation Agreement, in so far as that agreement relates to the Scheme, and do all things necessary to expedient on its part to implement the Scheme.

4.2 Payment of Scheme Consideration

Subject to clause 3, Ebro covenants in favour of each Scheme Shareholder to provide the Scheme Consideration to each Scheme Shareholder, in accordance with the terms of the Scheme.

4.3 Implementation Subscription

Subject to clause 3, Ebro covenants in favour of each Scheme Shareholder to:

- (a) make the Implementation Subscription Payment;
- (b) make the Implementation Subscription; and
- (c) accept the Implementation Shares,

in accordance with the terms of the Scheme.

5. Warranties

Ebro warrants that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll; and
- (d) this Deed Poll has been duly and validly executed and delivered by Ebro and is valid and binding upon it.

6. Continuing Obligations

6.1 Deed Poll irrevocable

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) Ebro having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.2.

6.2 Variation

A provision of this Deed Poll may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by SunRice; or

- (b) on or after the Second Court Date, the variation is agreed to in writing by SunRice and is approved by the Court,

in which event Ebro will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

7. General

7.1 Stamp duty

Ebro:

- (a) must pay all stamp duty (if any) and any related fines and penalties in respect of the Scheme and this Deed Poll (including without limitation the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this Deed Poll and each transaction effected by or made under or pursuant to the Scheme and this Deed Poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Further assurances

Ebro will, at its own expense, do all things reasonably required of it to give full effect to this Deed Poll.

7.3 Assignment

- (a) The rights and obligations of Ebro and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with without the prior consent of Ebro and SunRice.
- (b) Any purported dealing in contravention of clause 7.3(a) is invalid.

7.4 Waiver

A provision of a right under this Deed Poll may not be waived except in writing signed by the person granting the waiver.

7.5 Notices

Any communication to Ebro under or in connection with this Deed Poll must be in writing and:

- (a) sent to Ebro Foods S.A.
Address: 20 Paseo de la Castellana, 28046 Madrid, Spain
Facsimile: +34917245296
For the attention of: Miguel Angel Perez
(or as otherwise notified by that party to the other party from time to time);
- (b) must be signed by the party making the communication or by a person duly authorised by that party;
- (c) must be delivered or posted by prepaid post to the address, or sent by fax to the number of the addressee, in accordance with clause 7.5(a); and
- (d) will be deemed to be received by the addressee:

- (i) (in the case of prepaid post) on the third Business Day after the date of posting to an address within Australia and on the fifth Business Day after the date of posting to an address outside Australia;
- (ii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent as shown on the transmission of that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day; and
- (iii) (in the case of delivery by hand) on delivery at the address of the addressee as provided in clause 7.5(a), unless that delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

7.6 Cumulative rights

The rights, powers and remedies Ebro and the Scheme Shareholders under this Deed Poll are cumulative with the rights, powers or remedies provided by law independently of this Deed Poll.

7.7 Governing law and jurisdiction

- (a) This Deed Poll is governed by the laws of the State of New South Wales.
- (b) Ebro irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales.

Scheme of Arrangement

**This scheme of arrangement is made under section 411 of the Corporations
Act 2001 (Cth)**

Between

**Ricegrowers Limited
ACN 007 481 156**

and

Scheme Shareholders



Plaza Building, Australia Square
Level 13, 95 Pitt Street
Sydney NSW 2000 Australia
T +61 2 8922 8000
F +61 2 8922 8088
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1.	Defined terms and interpretation	3
1.1	Definitions	3
1.2	Interpretation	6
2.	Preliminary	6
2.1	Sunrice	6
2.2	SunRice securities	6
2.3	Ebro	7
2.4	Agreement to implement the Scheme	7
2.5	Ebro Deed Poll	7
2.6	Summary of Scheme	7
3.	Conditions Precedent	7
3.1	Conditions precedent	7
3.2	Effect of conditions precedent	8
3.3	Certificate	8
3.4	End Date	8
3.5	Termination	8
4.	The Scheme	8
4.1	Lodgement of Scheme Order with ASIC	8
4.2	Implementation Payment	8
4.3	Implementation Subscription	9
4.4	Transfer of Scheme Shares	9
4.5	Payment of Scheme Consideration	9
4.6	SunRice Dividend	10
5.	Entitlement to Participate and dealings in shares	10
5.1	Entitlement to participate	10
5.2	Recognised dealings	10
5.3	SunRice's obligations to register	10
5.4	Transfer requests received after Record Date	10
5.5	No disposal after Close of Trading	11
5.6	Maintaining the Register	11
5.7	Statements of holding cease to have any effect	11
5.8	Provision of Scheme Shareholder's details	11
6.	Quotation of Shares	11
6.1	Suspension of trading in NSX	11
6.2	Termination from official quotation	11
7.	General Provisions	11
7.1	SunRice to act on behalf of SunRice Shareholders	11
7.2	Status of Scheme Shares	11
7.3	Further assurances	12
7.4	Authority of SunRice	12
7.5	Scheme binding	12
7.6	Enforcement of Deed Poll	12
7.7	Variation, cancellation or modification of rights	12
7.8	Appointment of sole proxy	12
7.9	Notices	12
7.10	Alterations and conditions	13
7.11	Stamp duty	13
7.12	Governing Law	13

Scheme of Arrangement

Date [insert date]

Parties:

Name: Ricegrowers Limited ACN 007 481 156 (**SunRice**); and
Scheme Shareholders

Agreed Terms

1. Defined terms and interpretation

1.1 Definitions

In this Scheme, unless the context requires otherwise:

A Share means an A Class Share in the capital of SunRice as provided in the Constitution.

ASIC means the Australian Securities and Investments Commission.

B Share means a B Class Share in the capital of SunRice as provided in the Constitution.

Business Day has the meaning given in the Listing Rules.

C Class Shares means C Class Shares as provided in the Constitution as amended by the Resolution for Constitutional Change.

Close of Trading means the close of normal trading on NSX on the Effective Date.

Constitution means the constitution of SunRice.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Dividend Payment Date means the date for payment of the SunRice Dividend being no earlier than the Business Day after the Dividend Record Date and no later than the Business Day before the Scheme Record Date.

Dividend Record Date means the record date for the SunRice Dividend which is 7.00pm on the Business Day before the Dividend Payment Date and at least three clear Business Days before the Scheme Record Date).

Deed Poll means the Deed Poll dated [insert date] executed by Ebro, pursuant to which Ebro covenants in favour of the Scheme Shareholders to:

- (a) perform the steps attributed to it under, and otherwise comply with, this Scheme, as if Ebro were a party to this Scheme; and
- (b) comply with its obligations under the Scheme Implementation Agreement, in so far as that agreement relates to this Scheme, and do all things necessary or expedient on its part to implement this Scheme.

DLA Trust Account means a trust account operated by the Australian Solicitors for Ebro, DLA Phillips Fox.

DLA Trust Terms means the basis upon which the Implementation Funds are held in the DLA Trust Account being that they are paid and applied in accordance with clause 4.5(a) and can only be returned to Ebro if this Scheme is not implemented following the Effective Date and no later than the End Date, other than as a result of default of Ebro.

Ebro means Ebro Foods S.A.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the Scheme Order in relation to the Scheme.

Effective Date, with respect to the Scheme, means the date on which the Scheme becomes Effective.

End Date means 30 April 2011 or such other date as agreed by SunRice and Ebro in writing.

Explanatory Booklet means the information to be despatched to SunRice Shareholders in accordance with clause 5.4 of the Scheme Implementation Agreement

Implementation Date means the date that this Scheme will be implemented according to its terms, being the Business Day following the Scheme Record Date.

Implementation Funds means an amount equal to the aggregate of the Scheme Consideration payable to all Scheme Shareholders.

Implementation Shares means 76,965,697 C Class Shares issued for an aggregate issue price of \$76,965,697.

Implementation Subscription means a written application by Ebro for the Implementation Shares to be issued on the Dividend Record Date.

Implementation Subscription Payment means the amount of \$76,965,697, representing the subscription price for the Implementation Shares.

Listing Rules means the official listing rules of NSX.

NETS means the Newcastle Electronic Trading System, a computer system and associated network operated by the NSX in providing a market for the trading of securities.

NSX means National Stock Exchange of Australia Limited ABN 11 000 902 063.

Register means the register of members of SunRice maintained under and in accordance with section 169 of the Corporations Act.

Registered Address means the address of each SunRice Shareholder as recorded on the Register.

Resolution for Constitutional Change has the meaning provided in the Scheme Implementation Agreement.

Registrar means Link Market Services Limited.

Scheme means this scheme of arrangement pursuant to Part 5.1 of the Corporations Act between SunRice and Scheme Shareholders in respect of all Scheme Shares, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by SunRice and Ebro.

Scheme Consideration means:

- (a) in respect of each Scheme Share which is an A Share held by a Scheme Shareholder, A\$50,000 in cash; and

- (b) in respect of each Scheme Share which is a B Share held by a Scheme Shareholder, \$3.618 in cash (or \$5.025 if the Directors revoke their decision to pay the SunRice Dividend).

Scheme Implementation Agreement means the agreement between SunRice and Ebro dated [*insert date*], under which each party undertakes specific obligations to give effect to this Scheme.

Scheme Meetings means the meetings of SunRice Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Order means the orders of the Court approving the Scheme pursuant to section 411(4)(b) of the Corporations Act.

Scheme Record Date means the record date for the Scheme which is 7.00pm on the Business Day three clear Business Days after the Dividend Record Date.

Scheme Shareholder means a person who holds one or more Scheme Shares.

Scheme Share means a Share on issue as at the Scheme Record Date.

Scheme Share Transfer means for each Scheme Shareholder, a proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Second Court Hearing means the hearing of the application to the Court of the Scheme Order approving the Scheme.

Share means an A Share and a B Share.

SunRice Board means the board of directors of SunRice as constituted from time to time.

SunRice Dividend means a cash special dividend of \$1.407 per B Share (being an aggregate maximum dividend of \$76,965,697) to be:

- (a) determined by SunRice and, provided it is not revoked, paid by SunRice following the Implementation Subscription on the Dividend Payment Date out of retained earnings of SunRice;
- (b) fully franked, subject to the then available franking credits of SunRice; and
- (c) paid to each SunRice Shareholder holding a B Share on the Dividend Record Date.

SunRice Shareholder means a person who is registered in the Register as the holder of Shares.

SunRice Trust Account means an Australian dollar denominated trust account operated by SunRice as Trustee, provided that any interest on the amounts deposited in the Trust Account (less bank fees and other charges) will be credited to the account of Ebro.

Trustee means SunRice as trustee for Scheme Shareholders.

1.2 Interpretation

In this Scheme, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Scheme, and a reference to this Scheme includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated altered, supplemented or replaced from time to time;
- (e) a refer to A\$, \$A, dollar or \$ is to Australian currency;
- (f) a reference to time is to Sydney Australia time;
- (g) a reference to a party is to a party to this Scheme, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulation sand other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement of any part of it; and.
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

2. Preliminary

2.1 SunRice

SunRice is a public company incorporated in Australia and registered in New South Wales and is a company limited by shares. SunRice is admitted to the official list of NSX and its B Shares are officially quoted on the stock market conducted by NSX. Its registered office is at 37 Yanco Ave, Leeton, New South Wales, 2705, Australia.

2.2 SunRice securities

As at the date of the Explanatory Booklet, SunRice has on issue:

- (a) 800,000 A Shares; and
- (b) 54,701,988 B Shares.

2.3 Ebro

Ebro is a company incorporated in Spain and is a company limited by shares. Its registered office is at 20 Paseo de la Castellana, 28046 Madrid, Spain.

2.4 Agreement to implement the Scheme

Each of SunRice and Ebro have agreed, by executing the Scheme Implementation Agreement, to implement the terms of this Scheme and the steps contemplated to enable the implementation of this Scheme, to the extent those steps are required to be done by each of them.

2.5 Ebro Deed Poll

Ebro has agreed by executing the Deed Poll in favour of Scheme Shareholders to perform the matters required of it under this Scheme.

2.6 Summary of Scheme

If the Scheme becomes Effective:

- (a) Ebro will subscribe for and SunRice will issue to Ebro, the Implementation Shares in accordance with the terms of this Scheme;
- (b) all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) will be transferred to Ebro and SunRice will become a subsidiary of Ebro;
- (c) in consideration of the transfer of the Scheme Shares, Ebro will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with the terms of this Scheme;
- (d) SunRice will enter the name of Ebro in the Register as the holder of all the Scheme Shares;
- (e) the Scheme will bind SunRice and all Scheme Shareholders, including those who do not attend a Scheme Meeting, those who do not vote at a Scheme Meeting and those who vote against this Scheme at a Scheme Meeting; and
- (f) the Scheme will override the constitution of SunRice to the extent of any inconsistency.

3. Conditions Precedent

3.1 Conditions precedent

This Scheme is conditional upon and will have no force and effect until satisfaction of each of the following conditions precedent:

- (a) all the conditions precedent in clause 3.1 of the Scheme Implementation Agreement (other than clause 3.1(j)) having been satisfied or waived in accordance with the Scheme Implementation Agreement as at 8.00am on the Second Court Date or such other time specified in that condition precedent;
- (b) neither the Scheme Implementation Agreement nor the Deed Poll being terminated, as at 8.00am on the Second Court Date; and
- (c) this Scheme being approved for the purposes of section 411(4)(b) of the Corporations Act at the Second Court Hearing, subject to the matters noted in clause 7.10.

3.2 Effect of conditions precedent

The satisfaction or waiver of each condition precedent in clause 3.1 is a condition precedent to the operation of clause 4.

3.3 Certificate

SunRice and Ebro will provide to the Court at the Second Court Hearing certificates, or such other evidence as the Court requests, confirming, in relation to matters in their respective knowledge, whether or not the conditions precedent to this Scheme (other than the condition precedent in Clause 3.1(c) above and the condition precedent in clause 3.1(j) of the Scheme Implementation Agreement) have been satisfied, waived or taken to be waived. Such certificates constitute conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

3.4 End Date

This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

3.5 Termination

If the Scheme Implementation Agreement is terminated in accordance with its terms before this Scheme becomes Effective, subject to the terms of the Scheme Implementation Agreement, each of Ebro and SunRice are released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme.

4. The Scheme

4.1 Lodgement of Scheme Order with ASIC

If the conditions in clause 3.1 are satisfied, SunRice will lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Scheme Order as soon as practicable, and in any event by no later than 5.00pm on the first Business Day (or on such other Business Day as SunRice and Ebro agree) after the date on which the Court makes that Scheme Order. This Scheme will be Effective on and from the Effective Date and the provisions of the remainder of this clause 4 shall apply.

4.2 Implementation Payment

On the Dividend Record Date:

- (a) on or before 9 .30 am Ebro will deposit:
 - (i) the Implementation Subscription Payment in cleared funds into a separate bank account opened by SunRice for this purpose;
 - (ii) in cleared funds, an amount equal to the Implementation Funds into the DLA Trust Account to be held on the DLA Trust Terms; and
- (b) promptly after 9.30 am, Ebro will deliver to SunRice the Implementation Subscription directing SunRice to apply the Implementation Subscription Payment on the Dividend Record Date to fully pay up the aggregate subscription price for the Implementation Shares and to issue to Ebro the Implementation Shares on the Dividend Record Date , subject to clause 4.3.

4.3 Implementation Subscription

Subject to the payments being made by Ebro in accordance with clause 4.2(a), on the Dividend Record Date SunRice will issue the Implementation Shares to Ebro and procure that Ebro is entered in the SunRice register of members in respect of those shares on the Dividend Record Date.

4.4 Transfer of Scheme Shares

The following actions will occur (in the order set out below) on the Implementation Date:

- (a) on or before 9.30am Ebro must deposit or procure the deposit of the Implementation Funds as required under clause 4.5(a)(i);
- (b) after 9.30 am and subject to SunRice receiving the Implementation Funds and the Implementation Subscription Payment, all of the Scheme Shares held by Scheme Shareholders, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date will be transferred to Ebro without the need for any further act by any Scheme Shareholder, by SunRice effecting a valid transfer or transfers of the Scheme Shares to Ebro under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:
 - (i) SunRice delivering to Ebro a duly completed Scheme Share Transfer executed by SunRice as transferor (acting as the attorney and agent of each Scheme Shareholder under clause 7.1); and
 - (ii) Ebro duly executing the Scheme Share Transfer as transferee and deliver it to SunRice for Registration; and
- (c) as soon as possible after receipt from Ebro of the transfer of the Scheme Shares in accordance with clause 4.4(b)(ii), SunRice must enter the name of Ebro in the Register in respect of all of the Scheme Shares and pending such registration, Ebro is beneficially entitled to the Scheme Shares transferred to it under this Scheme.

4.5 Payment of Scheme Consideration

- (a) Ebro must pay or procure payment of the Scheme Consideration to Scheme Shareholders by:
 - (i) on or before 9.30 am on the Implementation Date depositing (or procuring the deposit) into the SunRice Trust Account of the Implementation Funds in cleared funds, such Implementation Funds to be held by the Trustee on trust for the purpose of paying the aggregate Scheme Consideration to the Scheme Shareholders provided that any interest on the Implementation Funds deposited in the SunRice Trust Account (less bank fees and other charges) will be credited to the account of Ebro;
 - (ii) the Trustee within five Business Days after the Implementation Date paying from the Trust Account to each Scheme Shareholder an amount equal to the Scheme Consideration due to that Scheme Shareholder in accordance with this Scheme by:
 - (A) despatching or procuring the despatch to the Scheme Shareholder (other than a Scheme Shareholder who has notified an account with an Australian bank as provided by clause 4.5(a)(ii)(B)) of a cheque, by pre-paid ordinary post (or, if the address of the Scheme Shareholder in the Register is outside Australia, by pre-paid airmail post) in an envelope addressed to the address shown in the Register as at the Record Date. In the case of Scheme Shares held in joint names any cheque required to be paid to Scheme

Shareholders must be payable to the joint holders and be forwarded to the holder whose name appears first in the Register as at the Record Date; or

- (B) making a deposit in an account with any ADI (as defined in the Banking Act 1959 (Cth)) in Australia notified by the Scheme Shareholder to SunRice or the Registrar and recorded in or for the purposes of the Register as at the Record Date.
- (b) To the extent that a cheque properly dispatched by or on behalf of the Trustee pursuant to this clause 4.5 is returned to the Trustee as undelivered or the cheque is not presented by a Scheme Shareholder earlier than six months after the Implementation Date (**Unclaimed Consideration**):
- (i) during the one year commencing on the Implementation Date, at the request of a Scheme Shareholder, the Trustee must reissue to that Scheme Shareholder a cheque previously cancelled under this clause;
 - (ii) the Trustee must deal with the Unclaimed Consideration in accordance with any applicable unclaimed moneys legislation; and
 - (iii) subject to the Trustee complying with its obligations under clause 4.6(b)(i) and 4.6(b)(ii), the Trustee is discharged from liability to any Scheme Shareholder in respect of the Unclaimed Consideration.

4.6 SunRice Dividend

SunRice must use the Implementation Subscription Payment to fund the payment of, and must pay, the SunRice Dividend on the Dividend Payment Date.

5. Entitlement to Participate and dealings in shares

5.1 Entitlement to participate

Each Scheme Shareholder will be entitled to participate in this Scheme.

5.2 Recognised dealings

For the purposes of determining who is a Scheme Shareholder, dealings in Shares will be recognised if:

- (a) in the case of dealings of the type effected by NETS, the transferee is registered in the Register as the holder of the relevant Shares by the Scheme Record Date; and
- (b) in all other cases share transfer forms in registerable form or transmission applications in respect of those dealings are received at the place where the Register is kept prior to the Scheme Record Date.

5.3 SunRice's obligations to register

SunRice must register any registerable transfers or transmission applications received in accordance with clause 5.2(b) by the Scheme Record Date.

5.4 Transfer requests received after Record Date

SunRice will not accept for registration or recognise for any purpose any transfer, transmission or application in respect of Shares received after 7.00pm on the Scheme Record Date, other than a transfer to Ebro in accordance with this Scheme.

5.5 No disposal after Close of Trading

No SunRice Shareholder shall dispose of or purport to agree to dispose of any Shares or any interest therein after the Close of Trading. Any dealings in Shares after Close of Trading shall not be recognised by the Registrar.

5.6 Maintaining the Register

For the purpose of determining entitlements to Scheme Consideration, SunRice must until the Scheme Consideration has been paid, maintain, or cause the Registrar to maintain, the Register in accordance with the provisions of this clause 5 and entitlements to the Scheme Consideration will be determined solely on the basis of the Register.

5.7 Statements of holding cease to have any effect

After 7.00pm on the Scheme Record Date, any share certificate or holding statement for Shares (other than statements of holding in favour of Ebro and its successors in title) will cease to have any effect as a document of title in respect of those Shares and each current entry on the Register as at 7.00pm on the Scheme Record Date will cease to have any effect other than as evidence of entitlement of Scheme Shareholders to the Scheme Consideration (other than the entries in respect of Ebro).

5.8 Provision of Scheme Shareholder's details

As soon as practicable after the Scheme Record Date, and in any event at least one Business Day before the Implementation Date, SunRice must ensure that a complete copy of the Register as at 7.00pm on the Scheme Record Date, including details of the names, registered addresses and holdings of Shares for each Scheme Shareholder are available to Ebro in the form Ebro reasonably requires.

6. Quotation of Shares

6.1 Suspension of trading in NSX

SunRice will apply to the NSX to suspend trading in the Shares on NSX from the Close of Trading.

6.2 Termination from official quotation

Provided that the Scheme has been fully implemented in accordance with its terms, SunRice will apply for termination of the official quotation of the Shares on NSX and removal from the official list of NSX as soon as practicable after the Implementation Date as determined by SunRice.

7. General Provisions

7.1 SunRice to act on behalf of SunRice Shareholders

Each Scheme Shareholder, without the need for any further act, irrevocably appoints SunRice and all of its directors and officers (jointly and severally) as its attorney and agent for the purposes of executing any document necessary or taking any other act necessary to give effect to this Scheme and the transactions contemplated by it including, without limitation, executing a proper instrument of transfer of its Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all the Shares held by Scheme Shareholders, and SunRice accepts such appointment.

7.2 Status of Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred under the Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.

- (b) Each Scheme Shareholder is deemed to have warranted to SunRice and Ebro and appointed and authorised SunRice as its attorney and agent to warrant to Ebro, that all their Shares (including any rights and entitlements attaching to those shares) transferred to Ebro under this Scheme will, at the date of transfer, be fully paid and free from mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and restrictions of transfer of any kind and that they have full power and capacity to sell and transfer their Shares (including any rights and entitlements attaching to those shares) to Ebro under this Scheme.

7.3 Further assurances

SunRice will execute documents and do all things and acts necessary or expedient in order to implement this Scheme.

7.4 Authority of SunRice

Each of the Scheme Shareholders consents to SunRice doing all things necessary for or incidental to the implementation of this Scheme.

7.5 Scheme binding

This Scheme binds SunRice and all Scheme Shareholders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at that meeting or vote against the Scheme) and, to the extent of any inconsistency, overrides the constitution of SunRice.

7.6 Enforcement of Deed Poll

SunRice undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Ebro on behalf of and as agent and attorney for the Scheme Shareholders.

7.7 Variation, cancellation or modification of rights

The Scheme Shareholders agree to the transfer of their Shares in accordance with this Scheme and agree to the variation, cancellation or modification of the rights attached to their Shares constituted or resulting from this Scheme (if any).

7.8 Appointment of sole proxy

As at the Scheme Record Date, pending registration by SunRice of Ebro in the Register as the holder of the Scheme Shares on the Implementation Date each Scheme Shareholder:

- (a) irrevocably appoints Ebro as attorney and agent (and directs Ebro in each such capacity) to appoint any director nominated by Ebro as its sole proxy and, where appropriate, its corporate representative to attend shareholder meetings of SunRice, exercise the votes attached to the Scheme Shares registered in the name of the Scheme Shareholder and sign any shareholders resolution of SunRice, and the Scheme Shareholder may not itself attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative; and
- (b) must take all other actions in the capacity of a registered holder of Scheme Shares as Ebro reasonably directs.

7.9 Notices

Where a notice, transfer, transmission application or other communication referred to in the Scheme is sent by post to SunRice, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at SunRice's registered office or at the office of the Registrar.

7.10 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, SunRice may, by its counsel on behalf of all persons concerned consent to only such of those conditions or alterations to this Scheme to which Ebro has consented.

7.11 Stamp duty

All stamp duty, and any related fines and penalties (if any) payable in connection with this Scheme and each transaction effected by or made under this Scheme will be payable by Ebro.

7.12 Governing Law

The governing law of the Scheme is the law in force in the State of New South Wales.

ANNEXURE A
CONTINUITY UNDERTAKING

Continuity Undertaking Deed Poll

Ebro Foods S.A.
- and -
Ricegrowers Limited ACN 007 481 156



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Table of Contents

1.	Definitions and interpretation	1
1.1	Definitions	1
1.2	Interpretation	6
1.3	Headings	6
1.4	Business Days	6
2.	Commencement	6
3.	Nature of this deed poll	6
3.1	Irrevocable	6
3.2	Joint and several	6
3.3	For the benefit of the Beneficiaries	7
3.4	RGA may enforce this deed poll for each Grower	7
3.5	Successor Entity	7
4.	Undertaking to purchase Rice Crops	7
5.	Compliance with Licences and Rice Marketing Act	7
5.1	All purchases to comply with regulation	7
5.2	Ebro not to do anything to cause SunRice to breach regulation	7
6.	Grower Advisory Board	8
6.1	Establishment of Grower Advisory Board	8
6.2	Compliance with Grower Advisory Board Rules	8
6.3	Adoption of recommendations of Grower Advisory Board	8
7.	SunRice Corporate Group's research and development	8
8.	Community relations and Grower relations	8
8.1	Community relations	8
8.2	Grower relations	8
9.	Extension of Initial Pricing Term and Notice to Terminate obligations to acquire rice under this deed poll	9
9.1	Extension of Initial Pricing Term	9
9.2	Notice to terminate the obligation to acquire rice	9
9.3	Notice to terminate for specific events	10
9.4	Notice to terminate the obligation to acquire rice beyond Medium Grain Pool 1	10
9.5	Effect of termination	10
9.6	Effect of termination	11
10.	Warranties	11
11.	Notices	11
11.1	Form of notices	11
11.2	Address for notices	11
12.	Jurisdictional matters	12
12.1	Governing law	12
12.2	Submission to jurisdiction	12
12.3	Waiver of objection	12
12.4	Damages an inadequate remedy	12
13.	General	12
13.1	Failure to enforce	12
13.2	Waiver, variation or termination	12
13.3	Cumulative rights	12
13.4	Assignment	12
13.5	Prohibition and severance	12
13.6	Further assurances	13

13.7 Attorneys	13
Schedule 1 – Paddy Purchase and Pricing Rules	14
Overview	14
2.1 Medium Grain Rice Crop	14
4.1 Pools	15
Schedule 2 – Grower Advisory Board Rules	19

Continuity Undertaking Deed Poll

Parties

Ebro Foods S.A. of 20, Paseo de la Castellana, 28046, Madrid, Spain (**Ebro Foods**)

Ricegrowers Limited ACN 007 481 156 of level 2, 66 Clarence Street Sydney NSW 2000 (**SunRice**)

Ebro Foods and SunRice are jointly and severally referred to as **Ebro**.

in favour of

The Beneficiaries and each of them.

Background

- (A) Ebro Foods and SunRice have entered into the Scheme Implementation Agreement.
- (B) The acquisition by Ebro Foods of the issued capital of SunRice is dependent upon Ebro giving the undertakings and covenants in this deed poll.

Agreement

1. Definitions and interpretation

1.1 Definitions

In this deed poll, unless the context requires otherwise:

Agreed Discount Criteria in relation to Medium Grain Pool 2 means the price for which Ebro is able to sell Medium Grain Pool 2 relative to Medium Grain Pool 1.

AGS means Australian Grain Storage Pty Ltd ACN 000 333 648 (formerly called Riviana Australia Pty Ltd).

Appraisal Regime means the regime of the Operating Company applicable to grading and categorising receivals of a Rice Crop including:

- (a) by reference to moisture content, quality and variety; and/or
- (b) for the purposes of ascertaining and allocating any varietal or appraisal premiums and discounts,

as amended and modified from time to time in accordance with the Grower Advisory Board Rules.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act.

Authorised Buyer's Licence means the Authorised Buyer's Licence issued to SunRice by RMB being licence number 2006/0001 as amended or replaced from time to time.

Beneficiaries means:

- (c) each Grower from time to time; and
- (d) RGA.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks open for ordinary banking business in Sydney, New South Wales.

Board means the Grower Advisory Board.

Board Member means a person appointed or elected to the Board in accordance with the Grower Advisory Board Rules and includes any alternate Board Member acting as a Board Member.

Chairman means the Chairman of the Board.

Californian Pools means, in relation to the application of the Medium Grain Crop Pricing Formula to any Medium Grain Rice Crop, the two Californian medium grain rice pools determined by the Board for the purposes of that Medium Grain Rice Crop in accordance with the selection process set out in section 5 of the Grower Advisory Board Rules, and a “**Californian Pool**” means one of such pools.

Cash Price Reference means, in relation to the application of the Medium Grain Crop Pricing Formula to any Medium Grain Rice Crop, the measure of the cash price for medium grain rice determined by the Board for the purposes of that Medium Grain Rice Crop in accordance with the selection process set out in section 5 of the Grower Advisory Board Rules.

Collaboration Agreement means the agreement titled Collaboration Agreement for Rice Varietal Improvement and Rice Quality Research and Development dated in or around November or December 2010 between SunRice, Rural Industries Research and Development Corporation ABN 25 203 754 319 and Department of Industry and Investment for and on behalf of the State of New South Wales.

Commencement Date means the date upon which the Scheme Shares as defined in the Scheme Implementation Agreement have been transferred to Ebro in accordance with the Scheme Implementation Agreement.

Corporate Group means a group of companies which are related bodies corporate.

Corporations Act means the Corporations Act 2001 (Cth).

Crop Year means the 12 months commencing on 1 May in each year and the Crop Year of a Rice Crop means the Crop Year commencing in the calendar year of harvest of that Rice Crop.

deed poll means this deed poll, including the recitals, Schedules and any annexures.

Export Termination means the termination of the ability of a Rice Buyer to export rice grown in New South Wales, provided that, if a form of authorisation to export is required to export rice, that Rice Buyer and all other Rice Buyers have used reasonable endeavours to obtain such an authorisation but it has been denied.

Final Price, in relation to a Californian Pool to be taken into account for application of the Medium Grain Crop Pricing Formula to a Medium Grain Rice Crop, means the final gross price per tonne (including premium and loan elements and before levies or taxes) for that pool determined and published in or about December of the Crop Year of that Medium Grain Rice Crop.

Grower means a person by whom or on whose behalf paddy rice is grown or produced for sale in New South Wales, and, where paddy rice is grown or produced pursuant to a written share-farming agreement, includes the parties to the agreement, but does not include a person engaged as an employee on wages or salary or piece work rates.

Grower Advisory Board means the Grower Advisory Board constituted under this deed poll and the Grower Advisory Board Rules.

Grower Advisory Board Rules means the rules of the Grower Advisory Board as set in Schedule 2 to this deed poll.

Grower Consultation Elements means the policies and procedures of SunRice in relation to the matters outlined in Annexure A.

Grower Interface means the Operating Company/Grower consultation process effected through the Grower Advisory Board consideration of Grower Issues.

Grower Issues means matters affecting Growers as Growers including, without limitation, matters such as:

- (a) economic, environmental and other factors affecting the growing of rice in New South Wales;
- (b) activities of the Ebro Corporate Group affecting the growing of rice in New South Wales;
- (c) Grower Services; and
- (d) Grower Consultation Elements.

Grower Representatives means, initially, persons nominated by SunRice and thereafter persons nominated to the Board following selection by Growers through processes implemented by the RGA.

Grower Services means services SunRice provides to Growers which at the Commencement Date are the services set out in Annexure B.

Independent Expert means a person who is independent and competent to determine the matters referred to them in accordance with the Grower Advisory Board Rules and appointed under section 19 of the Grower Advisory Board Rules.

Initial Pricing Term means the five Crop Years following the Crop Year of the Rice Crop 2011.

Licence Termination means termination of the Sole and Exclusive Export Agreement after amendment or repeal of the Rice Marketing Act 1983 so as to abolish vesting of rice and the operation of the single desk for the export of rice grown in New South Wales but not so as to prevent a Rice Buyer from exporting rice grown in New South Wales.

Long Grain Rice Crop means all long grain paddy rice of merchantable quality harvested by Growers in New South Wales during the period February to June in a calendar year.

Medium Grain Crop Pricing Formula means the basis set out in Schedule 1 to this deed poll for calculating the Pool Price in relation to each Medium Grain Rice Crop Post 2011.

Medium Grain Pool means Medium Grain Pool 1, Medium Grain Pool 2 and Medium Grain Pool 3.

Medium Grain Pool 1 means a Pool of all the medium grain rice of a Medium Grain Rice Crop offered to Rice Buyers up to the first 400,000 tonnes.

Medium Grain Pool 2 means a Pool of all medium rice of a Medium Grain Rice Crop offered to Rice Buyers up to the second 400,000 tonnes.

Medium Grain Pool 3 means a Pool of any of a Medium Grain Rice Crop offered to Rice Buyers in excess of the aggregate of Pool 1 and Pool 2.

Medium Grain Pool 2 Discount means the discount of between US\$50 and US\$90 per tonne as determined in respect of Medium Grain Pool 2 under section 5 of the Grower Advisory Board Rules.

Medium Grain Pool Price Post 2011 means the price for a Pool of the Medium Grain Rice Crop Post 2011 determined in accordance with the Paddy Purchase and Pricing Rules.

Medium Grain Rice Crop means all medium grain paddy rice of merchantable quality harvested in New South Wales during the period February to June in a calendar year.

Medium Grain Rice Crop 2010 means such of the Medium Grain Rice Crop harvested in New South Wales during the period February to June 2010 as is offered by Growers for sale to SunRice.

Medium Grain Rice Crop 2011 means such of the Medium Grain Rice Crop harvested in New South Wales during the period February to June 2011 as is offered by Growers for sale to a Rice Buyer.

Medium Grain Rice Crop Post 2011 means each Medium Grain Rice Crop harvested in New South Wales during the period February to June in each calendar year after the calendar year 2011.

Multiplier means the multiplier used in the Medium Grain Crop Pricing Formula to provide for the relativity between pool and cash price elements as factors in the determination of the price for Medium Grain Pool 1.

Number 2 Pool 2010 means the Rice Crop 2010 other than the Premium Pool and any rice which is not offered by Growers for sale to SunRice.

Number 2 Pool Price 2010 means the price for the Number 2 Pool 2010 as determined in accordance with section 2.1(b) of the Paddy Purchase and Pricing Rules.

Operating Company means Riceworkers Limited ACN 007 481 156 and/or any other company which makes the decisions in respect of New South Wales rice acquisitions by all or any of the members of its Corporate Group.

Operating Company Representatives means persons nominated by the Operating Company.

Other Rice Varieties Crop means the Long Grain Rice Crop and any other Rice Crop of merchantable quality harvested in New South Wales during the period February to June in a calendar year but not including the Medium Grain Rice Crop in that calendar year.

Other Rice Varieties Pool means a Pool of all the Other Rice Varieties Crop which is offered to Rice Buyers up to a maximum of 100,000 tonnes.

Paddy Purchase and Pricing Rules means the rules set out in Schedule 1 to this deed poll for determining certain prices applicable to the undertakings and covenants of Ebro to acquire rice grown in New South Wales.

Pool means a designated amount and/or type of rice of a Rice Crop to bear the same Pool Price.

Pool 3 Market Information means in respect of a Medium Grain Rice Crop Post 2011, information relating to prices for Australia medium grain rice in markets into which Medium Grain Pool 3 of that Medium Grain Price Crop Post 2011 will be sold, including if held over for sale in another year.

Pool Price means the price per tonne of rice which is the benchmark for the Pool and against which appraisal premiums and discounts, calculated by reference to the Appraisal Regime (on a basis consistent with the historical practice of SunRice), are measured for application to price rice received into the Pool.

Pool Price 2011 means the Pool Price for the Rice Crop 2011 determined in accordance with section 3.1 and section 3.2 of the Paddy Purchase and Pricing Rules.

Premium Pool 2010 means approximately 86,500 tonnes of the Rice Crop 2010 (currently anticipated to be 86,225.97 tonnes) contracted for purchase by SunRice.

Premium Pool Price 2010 means the Pool Price for the Premium Pool 2010 determined in accordance with section 2.1(a) of the Paddy Purchase and Pricing Rules.

Pricing Majority means a resolution of the Board passed by not less than four of the six voting members of the Board.

Pricing Term means the Initial Pricing Term and each successive 5 Crop Year extension of the Initial Pricing Term or part thereof until the termination by Ebro in accordance with clause 9.2.

Prior Californian Crop Year means, at any time, the immediately preceding full year terminating on 30 September.

Prior Final Price for the purposes of an estimate of Rice Price Entitlements by reference to the Pool Price for a Medium Grain Pool of a Medium Grain Rice Crop Post 2011 means the final gross price per tonne (including premium and loan elements and before levies and taxes) for that Californian Pool determined in or about December prior to the harvest of the relevant Medium Grain Rice Crop Post 2011.

related bodies corporate has the meaning given to that term in the Corporations Act.

RGA means Ricegrowers' Association of Australia Inc or its successor or another body selected by Growers for the purpose of these Rules and/or the Grower Advisory Board Rules.

Rice Buyer means each of Ebro Foods, SunRice and any member of the Ebro Corporate Group or the SunRice Corporate Group and their Associates and each Successor Entity acquiring rice in New South Wales.

Rice Crop means all paddy rice of any variety harvested in New South Wales during the period February to June in a calendar year.

Rice Crop 2010 means the Rice Crop harvested in 2010.

Rice Crop 2011 means the Rice Crop harvested in 2011.

Rice Crop Post 2011 means each Rice Crop harvested in New South Wales during the period of a February to June in each calendar year after the calendar year 2011.

Rice Marketing Act means the Rice Marketing Act 1983 (NSW).

Rice Price Entitlement means the aggregate price a Grower is entitled to receive in respect of rice of a Rice Crop delivered to Pools, calculated in respect of medium grain rice where there is more than one Medium Grain Pool in relation to the Rice Crop, pro rata against all relevant pools so that each Grower receives the same dollar amount per tonne of rice delivered (subject to appraisal premiums and discounts)

RMB means The Rice Marketing Board of New South Wales.

RRAPL means Rice Research Australia Pty Ltd ACN 003 678 644.

Schedules means the schedules annexed to and forming part of this deed poll and Schedule shall be construed accordingly.

Scheme Implementation Agreement means the document titled Scheme Implementation Agreement between Ebro Foods and SunRice dated 25 November 2010.

Sole and Exclusive Export Agreement means the agreement so titled dated 28 June 2007 between RMB, SunRice and AGS as amended or replaced from time to time and includes any other agreement under which a Rice Buyer holds the sole and exclusive licence to export medium grain rice from New South Wales.

Successor Entity means any person who acquires SunRice or the SunRice Business and their Associates.

SunRice Business means the business of acquiring and storing rice in New South Wales and manufacturing, distributing and selling rice and rice products in Australia and/or internationally.

Total Pricing Term means the aggregate of the Pricing Terms.

1.2 Interpretation

In this deed poll, unless the context requires otherwise:

- (a) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (b) singular words include the plural and vice versa;
- (c) a reference to a clause, paragraph, Schedule or annexure is to a clause, paragraph, schedule or annexure of or to this document and a reference to this document includes any Schedules and annexures;
- (d) a reference to a document (including this document) includes that document as amended, novated or replaced from time to time;
- (e) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it, and all regulations and statutory instruments issued under it;
- (f) a reference to a party means a party to this document and includes that party's executors, administrators, substitutes, successors and permitted assigns;
- (g) a reference to A\$, AUD or Australian Dollars is to the currency of the Commonwealth of Australia; and
- (h) a reference to US\$, USD or United States Dollars is to the currency of the United States of America.

1.3 Headings

Headings are for ease of reference only and do not affect the meaning of this deed poll.

1.4 Business Days

Where something is required by this deed poll to be done on a day which is not a Business Day in the place where it is to be done, it must be done on the next day which is a Business Day in that place.

2. Commencement

- (a) This deed poll commences on the Commencement Date and has no effect unless the Commencement Date occurs on or before the "End Date" as defined in the Scheme Implementation Agreement.
- (b) For avoidance of doubt, this deed poll has no force or effect until the Commencement Date.

3. Nature of this deed poll

3.1 Irrevocable

This deed poll is irrevocable and remains in full force and effect until Ebro Foods and SunRice have fully performed their obligations under this deed poll.

3.2 Joint and several

SunRice and Ebro Foods give the undertakings and covenants of Ebro in this deed poll jointly and severally.

3.3 For the benefit of the Beneficiaries

Ebro Foods and SunRice each acknowledge and agree that this deed poll is for the benefit of, and may be relied on and enforced by, each Beneficiary in accordance with its terms even though no Beneficiary is a party to it.

3.4 RGA may enforce this deed poll for each Grower

Ebro Foods and SunRice each acknowledges and agrees that RGA is entitled to enforce the provisions of this deed poll against Ebro directly and for its own benefit and, on the application of a Grower, on behalf of each Grower as if RGA was party to this deed poll.

3.5 Successor Entity

Ebro undertakes to require and procure that each Rice Buyer, including each Successor Entity, undertakes the obligations of Ebro under this deed poll.

4. Undertaking to purchase Rice Crops

Ebro covenants and undertakes:

- (a) to buy and pay for, or procure that one or more other Rice Buyers buy and pay for, in accordance with the Paddy Purchase and Pricing Rules, such of the entire Rice Crop 2010 and the entire Rice Crop 2011 as is offered or contracted to any Rice Buyer by Growers or their representatives; and
- (b) during the Total Pricing Term, to buy and pay for, or procure that one or more other Rice Buyers buy and pay for, in accordance with the Paddy Purchase and Pricing Rules, such of each entire Rice Crop Post 2011 as is offered or contracted to any Rice Buyer by Growers or their representatives; and
- (c) not intentionally prevent a Rice Buyer from buying and paying for such of a Rice Crop as is referred to in paragraphs (a) and (b) or impair its ability to do so.

5. Compliance with Licences and Rice Marketing Act

5.1 All purchases to comply with regulation

- (a) The obligations set out in clause 4 do not derogate from the obligations of Rice Buyers to comply with the terms of the Sole and Exclusive Export Agreement and the Authorised Buyer's Licence.
- (b) Ebro undertakes that all purchases of any of a Rice Crop during the Total Pricing Term by a Rice Buyer will be made in compliance with the Sole and Exclusive Export Agreement and the Authorised Buyer's Licence, the Rice Marketing Act and any other rules and regulations in place from time to time in connection with the purchase of paddy rice grown in New South Wales.
- (c) In the event of an inconsistency between the terms of the Paddy Purchase and Pricing Rules and the terms of either the Sole and Exclusive Export Agreement or the Authorised Buyer's Licence, the terms of the Sole and Exclusive Export Agreement or the Authorised Buyer's Licence (as relevant) will prevail to the extent of the inconsistency.

5.2 Ebro not to do anything to cause SunRice to breach regulation

- (a) Ebro must not cause or do anything to cause a Rice Buyer to breach the terms of either the Sole and Exclusive Export Agreement or the Authorised Buyer's Licence, the Rice Marketing Act or any other rules and regulations in place from time to time in connection with the purchase of paddy rice grown in New South Wales.
- (b) Ebro must use all reasonable endeavours to ensure that a member of the Ebro Corporate Group retains both the Sole and Exclusive Export Agreement and the

Authorised Buyer's Licence and must not surrender or terminate either of them except for renewal or replacement and except, in respect of the Sole and Exclusive Export Agreement, following Licence Termination.

6. Grower Advisory Board

6.1 Establishment of Grower Advisory Board

On the Commencement Date Ebro undertakes to take all action necessary on its part to establish the Grower Advisory Board and to ensure that the Operating Company Representatives have been appointed to the Grower Advisory Board.

6.2 Compliance with Grower Advisory Board Rules

Ebro undertakes to ensure that:

- (a) the Operating Company Representatives comply with the Grower Advisory Board Rules; and
- (b) Ebro provides reasonable funding and provides administrative and resource support for the Grower Advisory Board as set out in the Grower Advisory Board Rules.

6.3 Adoption of recommendations of Grower Advisory Board

- (a) Subject to clause 6.3(b), Ebro undertakes to ensure that the recommendations of the Grower Advisory Board under sections 4 and 5 of the Grower Advisory Board Rules are applied by each and all Rice Buyers in acquiring rice from each relevant Rice Crop.
- (b) Ebro undertakes not to publish Pool Price indications for any Rice Crop without having consulted the Grower Advisory Board.

7. SunRice Corporate Group's research and development

- (a) Ebro undertakes to support rice research and development through RRAPL on a scale that, as a minimum, is equal to the average annual amount expended by the SunRice Corporate Group over the 3 years prior to the date of this deed poll, and indexed annually by reference to changes in the "All Groups" consumer price index in Australia.
- (b) Ebro acknowledges that the commitment of SunRice under the Collaboration Agreement is in addition to the commitment of Ebro under paragraph (a).

8. Community relations and Grower relations

8.1 Community relations

- (a) Ebro acknowledges the significance of SunRice to the economic and social wellbeing of the Riverina district of New South Wales.
- (b) Ebro undertakes to continue the SunRice Corporate Group's support of the Riverina region of New South Wales, the New South Wales rice farming industry and the local community including continuing support for the RGA consistent with the past practices of SunRice.
- (c) Ebro acknowledges that an element of community support will include sponsorship of regional events consistent with past practice of SunRice.

8.2 Grower relations

- (a) Ebro undertakes to share its seeding and agronomical experience with the New South Wales rice industry, by providing such experience in a timely fashion to

either the RGA or other appropriate industry body with the power and obligation to share such experience with Growers.

- (b) Ebro acknowledges that the objectives of Grower Interface are to develop, implement and improve policies and procedures of the Operating Company in order to:
 - (i) maintain positive relationships between Growers and the Operating Company;
 - (ii) work continuously to provide mutually beneficial and efficient practices in the New South Wales rice industry; and
 - (iii) ensure the continuity of the supply of paddy rice to the Operating Company.
- (c) Ebro undertakes that the Operating Company will continue to provide the Grower Interface through the Grower Advisory Board.
- (d) The Operating Company may vary the level and type of Grower Services from time to time, but it will not discontinue or materially change any Grower Service without first consulting with the Grower Advisory Board about such discontinuance or material change.
- (e) Subject to clause 8.2(f), the Operating Company may vary the level and type of Grower Consultation Elements but it will not discontinue or materially change any Grower Consultation Element without first consulting with the Grower Advisory Board about such discontinuance or material change.
- (f) The Appraisal Regime will only be varied or changed in accordance with section 9(b) of the Grower Advisory Board Rules.

9. Extension of Initial Pricing Term and Notice to Terminate obligations to acquire rice under this deed poll

9.1 Extension of Initial Pricing Term

Subject to clause 9.2 and 9.3, the Initial Pricing Term will automatically be extended for a further five (5) Crop Years from the last day of the Initial Pricing Term and each further Pricing Term will be automatically extended for a further five (5) Crop Years from the last day of the previous Pricing Term.

9.2 Notice to terminate the obligation to acquire rice

- (a) Notwithstanding any other provision of this deed poll, at any time during the third Crop Year of any Pricing Term, Ebro may give written notice of the termination of its obligations to purchase rice under clause 4 of this deed poll with effect from the end of that Pricing Term.

For example, this means that Ebro may give the following written notices of termination on the following dates:

- (i) during the Crop Year commencing 1 May 2014 Ebro may give written notice that termination of the obligations to purchase rice under clause 4 of this deed poll will end after the Crop Year commencing 1 May 2016 (**First Notice Date**); or
- (ii) if no notice is given on the First Notice Date, during the Crop Year commencing 1 May 2019 Ebro may give written notice that termination of the obligations to purchase rice under clause 4 of this deed poll will end after the Crop Year commencing 1 May 2021 (**Second Notice Date**); or
- (iii) if no notice is given on the First Notice Date or the Second Notice Date, during the Crop Year commencing 1 May 2024 Ebro may give written

notice that termination of the obligations to purchase rice under clause 4 of this deed poll will end after the Crop Year commencing 1 May 2026,

and so on at 5 yearly intervals.

(b) Notice to terminate must be given by:

- (i) notice in writing to all Growers who have delivered rice to a Rice Buyer so far during the then current Pricing Term (with notice deemed given on the third Business Day after posting to the last known address of the relevant Growers);
- (ii) notice in writing to the RGA; and
- (iii) not later than 14 days after posting the last of the above notices, placing a half page advertisement in The Australian newspaper (or if it is no longer published an equivalent national publication,

and notice will be deemed to have been given on the date the advertisement is published.

9.3 Notice to terminate for specific events

(a) If at any time after the Commencement Date, no Rice Buyer:

- (i) has the right to purchase and sell Rice Crop; or
- (ii) has the right to export Rice Crop at all from Australia following an Export Termination,

Ebro shall have the right to terminate its obligations to purchase rice under clause 4 of this deed poll with immediate effect by giving written notice of the termination in accordance with the procedure set out in clause 9.2(b).

9.4 Notice to terminate the obligation to acquire rice beyond Medium Grain Pool 1

(a) If at any time during the Total Pricing Term, no Rice Buyer has the right to exclusively export rice under (or on terms similar to) the Sole and Exclusive Export Agreement, Ebro shall have the right to terminate its obligations to purchase rice under clause 4 of this deed poll in so far as that obligation extends to Medium Grain Pool 2 and Medium Grain Pool 3 under the Paddy Purchase and Pricing Rules (**Pools 2 and 3 Termination Notice**) from the earlier of the following dates:

- (i) the expiry of the Total Pricing Term; or
- (ii) 2 years after the loss of the right to exclusively export rice under (or on terms similar to) the Sole and Exclusive Export Agreement,

whichever is the earlier.

For the avoidance of doubt, a Pools 2 and 3 Termination Notice does not impact at all on the obligations under clause 4 to purchase Medium Grain Pool 1 under the Paddy Purchase and Pricing Rules.

(b) Any Pools 2 and 3 Termination Notice must be given in accordance with the procedure set out in clause 9.2(b).

9.5 Effect of termination

Ebro undertakes to consult with the Grower Advisory Board in relation to implementation of any measures necessary to ensure that Growers are informed of any impact of any notice given under this clause 9.

9.6 Effect of termination

Notwithstanding termination of any obligation under this deed poll, obligations accrued as at the date of termination or which are not terminated (whether expressed to have effect after such termination or not), are unaffected.

10. Warranties

Each of Ebro Foods and SunRice warrants that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll; and
- (d) this deed poll has been duly and validly executed and delivered by Ebro and is valid and binding upon it.

11. Notices

11.1 Form of notices

Any notice or other communication (including any request, demand, approval or consent) to Ebro in relation to this deed poll:

- (a) must be in legible writing and in English;
- (b) must be signed by the sender or on its behalf by an officer, attorney, solicitor or other authorised agent of the sender;
- (c) must be hand delivered or sent by prepaid post, email or facsimile to Ebro's address or facsimile number set out in clause 12.2 or such other address, email or facsimile number that is publicly notified as the head office of SunRice or of Ebro Foods from time to time;
- (d) if posted internationally, must be sent by airmail; and
- (e) if sent by email, must be in the form of an attached pdf or other scanned image of an original communication that includes a handwritten signature and the accompanying email must state that the attachment is a communication under this deed poll.

11.2 Address for notices

Ebro addresses and facsimile numbers for service of notices and other communications under this deed poll are:

Ebro Foods:

Address: 20 Paseo del la Castellana, 28046 Madrid, Spain

Email: miguelangel.perez@ebrofoods.es

Facsimile: +34 917 245 296

Attention: Miguel Angel Perez

SunRice;

Address: 37 Yanco Avenue, Leeton, New South Wales, 2705

Email: ghelou@sunrice.com.au
Facsimile: +61289168360
Attention: Gary Helou

12. Jurisdictional matters

12.1 Governing law

This deed poll is governed by and will be construed according to the laws of New South Wales.

12.2 Submission to jurisdiction

Ebro submits to the non-exclusive jurisdiction of the courts in New South Wales and the courts that may hear appeals from them in respect of all disputes arising under this deed poll and matters relating thereto.

12.3 Waiver of objection

Ebro waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

12.4 Damages an inadequate remedy

Ebro acknowledges and agrees that damages are an inadequate remedy for its failure to comply with the undertakings and covenants in this deed poll.

13. General

13.1 Failure to enforce

The failure of a Beneficiary to require performance of any obligation under this deed poll is not a waiver of that Beneficiary's right:

- (a) to insist on performance of, or to claim damages for breach of, that obligation unless that party acknowledges in writing that the failure is a waiver; or
- (b) to require performance of that or any other obligation under this deed poll.

13.2 Waiver, variation or termination

A provision of this deed poll or a right created under it may not be waived, varied or terminated except in writing, signed by the party or parties to be bound.

13.3 Cumulative rights

The rights of the Beneficiaries arising out of or under this deed poll are cumulative and additional to any rights provided in law or equity.

13.4 Assignment

Ebro must not assign its rights under this deed poll or transfer or purport to transfer its obligations under this deed poll.

13.5 Prohibition and severance

- (a) Any provision of this deed poll which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) If a provision of this deed poll is illegal, void or unenforceable in any jurisdiction, that fact does not affect the legality, validity or enforceability of:
 - (i) the remaining provisions in that or any other jurisdiction; or

- (ii) that provision in any other jurisdiction.
- (c) Any provision of this deed poll that is illegal, void or unenforceable may be severed from this document and the remaining provisions continue in force unless this would materially change the intended effect of this document.

13.6 Further assurances

Ebro must:

- (a) do all things reasonably necessary to give full effect to this deed poll and the transactions contemplated by it (including signing any other documents needed to do that);
- (b) not do anything that might hinder performance of this deed poll; and
- (c) use all reasonable endeavours to cause relevant third parties to do likewise.

13.7 Attorneys

Each person who executes this deed poll on behalf of Ebro under a power of attorney declares that they are not aware of any fact or circumstance that might affect their authority to do so under the power of attorney.

Schedule 1 – Paddy Purchase and Pricing Rules

Overview

1. Overview

1.1 Principles

This Schedule sets out quantities of rice to be purchased by Rice Buyers at minimum prices in accordance with specified calculations. It does not address the prices at which Rice Buyers must acquire New South Wales rice under the Sole and Exclusive Export Agreement or the Authorised Buyer's Licence other than the quantities set out in this Schedule.

For avoidance of doubt, this Schedule does not derogate from the obligations of Ebro under each of the Sole and Exclusive Export Agreement and the Authorised Buyer's Licence.

1.2 Pool Price is gross price

All Pool Prices are calculated as gross prices before deduction for any applicable levies or taxes.

1.3 Grower Advisory Board

- (a) Reference in this Schedule 1 to a determination made by the Grower Advisory Board includes a determination made by an Independent Expert after referral of a decision to the Independent Expert in accordance with the Grower Advisory Board Rules.
- (b) Reference in this Schedule 1 to a recommendation made by the Grower Advisory Board includes a determination of an Independent Expert in respect of the matter to which the recommendation relates, after referral of a decision to the Independent Expert in accordance with the Grower Advisory Board Rules.

2. Paddy Purchase and Pricing Rules for Rice Crop 2010

2.1 Medium Grain Rice Crop

Pool Prices for Medium Grain Rice Crop 2010 are:

- (a) the Premium Pool Price 2010 for the Premium Pool 2010 of A\$550 per tonne for medium grain rice.
- (b) the Number 2 Pool Price 2010, which will apply to the remaining approximately 120,000 tonnes of the Rice Crop 2010 (currently anticipated to be 119,160.24 tonnes), will be a price per tonne medium grain basis plus agreed varietal premium, disclosed by SunRice prior to despatch of the Explanatory Booklet by SunRice to its shareholders as contemplated in the Scheme Implementation Agreement.

2.2 Payment

To the extent that any amount of a Grower's Rice Price Entitlement for the Rice Crop 2010 remains outstanding as at the Commencement Date, SunRice will settle any such outstanding amounts in accordance with the usual practices of the SunRice Corporate Group.

3. Paddy Purchase and Pricing Rules for Rice Crop 2011

3.1 Medium Grain Rice Crop

Prices relate to the whole Rice Crop 2011.

Subject to clause 3.2 of this Schedule, the Pool Price for the Rice Crop 2011 will be the price per tonne for medium grain rice which:

- (a) is consistent with:
 - (i) the prior usual practices of SunRice in determining the price per tonne of the Medium Grain Rice Crop; and
 - (ii) any underlying criteria used to calculate that price as disclosed by SunRice to Ebro Foods prior to the Commencement Date;
- (b) takes into account each announcement or price guidance made to Growers prior to the Commencement Date that was approved by Ebro; and
- (c) takes into account the price per tonne for the Medium Grain Rice Crop 2011 recommended by the Grower Advisory Board based on the application of paragraphs (a) and (b) above.

3.2 Minimum Pool Price for the Rice Crop 2011

The minimum Pool Price for the Rice Crop 2011 per tonne will be the indicative price per tonne disclosed by SunRice in the Explanatory Booklet sent by SunRice to its shareholders as contemplated in the Scheme Implementation Agreement, which indicative price was arrived at in good faith taking account of the prior usual practices of SunRice in determining the price per tonne of the Medium Grain Rice Crop.

3.3 Payment

Each Grower will be paid their Rice Price Entitlement in six (6) instalments in accordance with section 5.3 of this Schedule.

4. Paddy Purchase and Pricing Rules for each Medium Grain Rice Crop Post 2011 during the Total Pricing Term

4.1 Pools

Purchases from each Medium Grain Rice Crop Post 2011 during this period will be quantified and priced by reference to the following designations:

- (a) Medium Grain Pool 1;
- (b) Medium Grain Pool 2; and
- (c) Medium Grain Pool 3.

4.2 Growers to participate pro rata

Each Grower will participate in each of Medium Grain Pool 1, Medium Grain Pool 2 and Medium Grain Pool 3 pro rata, such that each Grower is paid the same price per tonne for the whole of the Medium Grain Rice Crop sold by it to Rice Buyers (subject to appraisal premiums and discounts).

4.3 Pool Price for Medium Pool 1

- (a) The Pool Price for Medium Grain Pool 1 for a Medium Grain Rice Crop Post 2011 will not be less than the aggregate of:
 - (i) the average of the Final Price of each of the Californian Pools multiplied by 0.6, and
 - (ii) the Cash Price Reference multiplied by 0.4.
- (b) In calculating the Pool Price for Medium Grain Pool 1 for a Medium Grain Rice Crop Post 2011:

- (i) the Multiplier for a particular Crop Year will be the Multiplier recommended by the Grower Advisory Board in accordance with section 5 of the Grower Advisory Board Rules; and
- (ii) applicable Californian Pools will be Californian Pools recommended by the Grower Advisory Board in accordance with section 5 of the Grower Advisory Board Rules.

4.4 Pool Price for Medium Grain Pool 2

- (a) The Pool Price for the Medium Grain Pool 2 for a Medium Grain Rice Crop Post 2011 will be the Pool Price for the Medium Grain Pool 1 for that Medium Grain Rice Crop Post 2011 less the Medium Grain Pool 2 Discount.
- (b) The Medium Grain Pool 2 Discount for a particular Medium Grain Pool 2 will be the Medium Grain Pool 2 Discount recommended by the Grower Advisory Board in accordance with section 5 of the Grower Advisory Board Rules.

4.5 Pool Price for Medium Grain Pool 3

- (a) The Pool Price for Medium Grain Pool 3 for a Medium Grain Rice Crop Post 2011 will be the prevailing market price determined by Ebro (acting in good faith) as reflecting the market prices in locations where the Medium Grain Pool 3 is sold.
- (b) If the Rice Crop of the Pool is sold in a Crop Year after the Crop Year of the Rice Crop, regard will be had to the estimated market prices in that later Crop Year in which part or all of the Pool is planned to be sold in determining the prevailing market price.
- (c) Ebro must provide the Grower Advisory Board with its calculation of the prevailing market price for the purposes of this clause 4.5, together with all reasonable supporting information requested by the Grower Advisory Board, promptly after Ebro has determined the prevailing market price. The Grower Advisory Board will consider these materials and consult with Ebro on the outcome of its determination.
- (d) If the Grower Representatives on the Grower Advisory Board form the view that Ebro has not determined the market price in good faith as required by clause 4.5(a), or that the materials provided by Ebro under clause 4.5(c) show that Ebro has made a manifest error in determining the prevailing market price, then Ebro must reconsider its determination of the prevailing market price. If Ebro does not thereafter change its determination of the prevailing market price to a price which addresses the concerns raised by the Grower Representatives, then the matter will be referred to the Independent Expert to consider under clause 19.

4.6 Other Rice Varieties Pool

The Pool Price of the Other Rice Varieties Pool of each Other Rice Varieties Crop will be determined by Ebro in the usual course of its business

5. Payment for Rice Crop Post 2011

5.1 Currency of Pool Prices

The Pool Price and Rice Price Entitlements for each Rice Crop Post 2011 will be calculated in \$US Dollars per tonne of paddy rice and Rice Price Entitlements will be paid in \$A per tonne of paddy rice unless in these Paddy Purchase and Pricing Rules:

- (a) a different calculation of the Pool Price for a Pool is expressly provided; or
- (b) the Pool Price is calculated otherwise than by reference to Californian Pools which are priced in US\$, in which case, the Pool Price will be calculated in the currency of the Pool Price and paid in \$A per tonne of paddy rice.

5.2 Conversion rate

Conversion of the Pool Price from US\$ to \$A will be made at the average \$A:\$US exchange rate for the 12 months from 1 May of each year (averaged on daily calculations) using the historical daily exchange rates for the Australian Dollar against the US Dollar as published by the Reserve Bank of Australia at:

http://www.rba.gov.au/statistics/tables/index.html#exchange_rates.

Conversion of the Pool Price from any other currency to \$A will be made at the average \$A:other currency exchange rate for the 12 months from 1 May of each year (averaged on daily calculations) using the historical daily exchange rates for the Australian Dollar against the US Dollar as published by the Reserve Bank of Australia at the above address.

5.3 Timing of Rice Payment Entitlements for Rice Crop 2011 and Rice Crop Post 2011

The Rice Price Entitlement to be paid to each Grower in relation to the Rice Crop 2011 and each Rice Crop Post 2011 will be paid in six (6) instalments in accordance with the usual prior practices of the SunRice Corporate Group prior to the Commencement Date being:

- (a) Instalment 1: an amount equal to 60% of the estimated Rice Price Entitlement payable to that Grower (using the then most recent indication of the Grower Advisory Board made in accordance with section 5 of the Grower Advisory Board Rules or, if that is not available, using for the estimate, if a relevant pool price is referenced to Californian Pools, the Prior Final Price of the Californian Pools) to be paid to the Grower generally within two weeks of each delivery of the relevant Rice Crop of that Grower to the Rice Buyer;
- (b) Instalment 2: an amount equal to 10% of the estimated Rice Price Entitlement payable to that Grower (using the then most recent indication of the Grower Advisory Board made in accordance with section 5 of the Grower Advisory Board Rules or, if that is not available, using for the estimate, if a relevant pool price is referenced to Californian Pools, the Prior Final Price of the Californian Pools) to be paid to the Grower by the end of the third week of November following the date of harvest of the relevant Rice Crop;
- (c) Instalment 3: an amount equal to 7% of the estimated Rice Price Entitlement payable to the Grower (using the then most recent indication of the Grower Advisory Board made in accordance with section 5 of the Grower Advisory Board Rules or, if that is not available, using for the estimate, if a relevant pool price is referenced to Californian Pools, the Final Price of the Californian Pools) to be paid to the Grower by the end of the third week of February following the date of harvest of the relevant Rice Crop;
- (d) Instalment 4: an amount equal to 7% of the estimated Rice Price Entitlement payable to the Grower (using the then most recent indication of the Grower Advisory Board made in accordance with section 5 of the Grower Advisory Board Rules or, if that is not available, using for the estimate, if a relevant pool price is referenced to Californian Pools, the Final Price of the Californian Pools) to be paid to the Grower by the end of the third week of April in the calendar year immediately following the year of harvest of the relevant Rice Crop;
- (e) Instalment 5: an amount equal to 5% of the estimated Rice Price Entitlement payable to the Grower (using the then most recent indication of the Grower Advisory Board made in accordance with section 5 of the Grower Advisory Board Rules or, if that is not available, using for the estimate, if a relevant pool price is referenced to Californian Pools, the Final Price of the Californian Pools) to be paid to the Grower by the end of the third week of May in the calendar year immediately following the year of harvest of the relevant Rice Crop;

- (f) Final Instalment: the balance of the payment of the Rice Price Entitlement payable to the Grower to be paid by the end of the third week of July in the calendar year immediately following the year of harvest of the relevant Rice Crop

6. Instalment of Rice Price Entitlement to be adjusted to avoid overpayment

No Rice Buyer will be required to make payment of any instalment of a Rice Price Entitlement to a Grower in relation to a Rice Crop to the extent that, in the reasonable opinion of Ebro, were it to do so, the instalment, when aggregated with any instalments previously paid to that Grower in relation to their Rice Price Entitlement, would exceed the actual total Rice Price Entitlement payable to that Grower in relation to that Rice Crop and would result in an overpayment to that Grower.

Schedule 2 – Grower Advisory Board Rules

1. Background

The Grower Advisory Board is established on and from the Commencement Date to implement undertakings given by Ebro in the Continuity Undertaking.

2. Definitions

Capitalised Terms used in these Grower Advisory Board Rules have the meaning provided in the Continuity Undertaking deed poll executed by Ebro Foods S.A. and Ricegrowers Limited ACN 007 481 156 and taking effect on the Commencement Date (**Continuity Undertaking**).

3. Functions

The functions of the Board are to:

- (a) research, receive, review and consider information in relation to prices for different types and grades of medium grain paddy rice bought and sold in California for cash or accumulated through pools;
- (b) without limiting paragraph (a), to monitor the relativity between the actual quantum of pool and cash purchases in California for the purposes of ensuring the appropriateness of the Multiplier;
- (c) research, receive, review and consider information in relation to the prices for Australian medium grain rice in markets into which Medium Grain Pool 3 will be sold annually and/or if held over to be sold in a later year;
- (d) make determinations and recommendations in accordance with these Rules for the purposes of Medium Grain Crop Pricing Formula;
- (e) constitute an avenue for Grower Interface; and
- (f) provide information and make recommendations to the Operating Company in relation to Grower Issues.

4. Rice Crop 2011

- (a) The Board will review the pricing for the Rice Crop 2011 against the forecast and budget accepted by the Operating Company Corporate Group, usual prior practice of the Operating Company and announcements and price guidance approved by Ebro Foods that was made to Growers prior to the Commencement Date.
- (b) The Board may make recommendations to the Operating Company in relation to the final Pool Prices to be determined by the Operating Company in accordance with the criteria set out in section 4(a) above.
- (c) Notwithstanding sections 4(a) and 4(b) above, the minimum Pool Price for the Rice Crop 2011 per tonne will be the indicative price per tonne disclosed by SunRice in the Explanatory Booklet sent by SunRice to its shareholders as contemplated in the Scheme Implementation Agreement, which indicative price was arrived at in good faith taking account of the prior usual practices of SunRice in determining the price per tonne of the Medium Grain Rice Crop.

5. Determinations of the Board in relation to the Medium Grain Crop Pricing

Without limiting the ability and obligations of the Grower Advisory Board to meet otherwise, the Grower Advisory Board must meet at least at the following times to undertake the following business:

The meeting in February or March

The Grower Advisory Board must meet by 31 March in each year during the Total Pricing Term (starting in March 2013) to undertake the following business at least:

In relation to the prior Medium Grain Rice Crop

- (i) The Board is to receive an update on the pricing trends by application of Medium Grain Crop Pricing Formula to the Rice Crop;

In relation to the current Medium Grain Rice Crop

- (ii) The Board must, in relation to the application of the Medium Grain Crop Pricing Formula to Medium Grain Pool 1 in the current Medium Grain Rice Crop:
 - (A) determine the two Californian Pools which demonstrate medium grain rice pricing most commercially representative of Californian medium grain rice pool prices for the Prior Californian Crop Year;
 - (B) determine the Cash Price Reference which is most commercially representative of the cash price paid in California for medium grain rice of the quality of Medium Grain Pool 1 having regard to quantities of medium grain rice purchased for cash in California in the Prior Californian Crop Year and taking account of Californian medium grain rice market trends;
 - (C) determine the Multiplier which best represents the relative portions of the Californian medium grain rice crop for the Prior Californian Year effectively pooled and effectively sold for cash; and
 - (D) recommend to the Operating Company in writing the two Californian Pools, the Cash Price Reference and the Multiplier so determined by the Board;
- (iii) The Board must give an indication of the expected price for Medium Grain Pool 1;
- (iv) The Board must give an indication of the expected Medium Grain Pool 2 Discount, and thereby an expected price for Medium Grain Pool 2; and

The meeting in May or June

The Grower Advisory Board must meet by 30 June in each year during the Total Pricing Term (starting in June 2013) to undertake the following business at least:

In relation to the prior Medium Grain Rice Crop

- (v) The Board must determine the final price for Medium Grain Pool 1 and recommend it to the Operating Company;
- (vi) The Board must determine the final Medium Grain Pool 2 Discount applying the Agreed Discount Criteria and the price for Medium Grain Pool 2 applying such a discount and recommend it to the Operating Company;
- (vii) The Board must consider the prevailing market price determined by Ebro for Pool 3 and the associated calculations and Pool 3 Market Information;

In relation to the current Medium Grain Rice Crop

- (viii) The Board must assess the harvest volume and hence the pro rating of the Rice Crop between the various Medium Grain Pools; and
- (ix) The Board is to receive an update on the pricing trends by application of Medium Grain Crop Pricing Formula to the Medium Grain Rice Crop.

The meeting in August

The Grower Advisory Board must meet by 31 August in each year during the Total Pricing Term (starting in August 2013) to undertake the following business at least:

In relation to the current Medium Grain Rice Crop

- (x) The Board is to receive an update on the pricing trends by application of Medium Grain Crop Pricing Formula to the Medium Grain Rice Crop;

In relation to the next Medium Rice Crop

- (xi) The Board is to receive a report from the Operating Company on the following matters:
 - (A) pricing trends;
 - (B) crop planning;
 - (C) varietal splits;
 - (D) rice seed;
 - (E) issues associated with water available to Growers and generally, and water usage; and
 - (F) Grower Issues.

The meeting in November or December

The Grower Advisory Board must meet by 31 December in each year during the Total Pricing Term (starting in December 2013) to undertake the following business at least:

In relation to the current Medium Grain Rice Crop

- (xii) The Board must calculate 60% of the price for Medium Grain Pool 1 (or such other relevant percentage to be used to calculate the price for Medium Grain Pool 1) by calculations based on the Final Price of the relevant Californian Pools making up that portion of Medium Grain Crop Pricing Formula;
- (xiii) The Board must give an indication of the expected price for Medium Grain Pool 1 based on the above determination and Californian cash year to date trends and full year outlook; and
- (xiv) The Board must give an indication of the Medium Grain Pool 2 Discount.

6. No variation of selected Californian criteria

The Board does not have the right or power to vary or replace a determination referred to in section 5 of these Rules after having made its recommendations based on that determination to the Operating Company.

7. Pool Price indications

The Board will consult with the Operating Company for the purposes of the publication by the Operating Company of:

- (i) indicative Pool Prices before a recommendation of the Grower Advisor Board affecting a Pool Price of a Rice Crop; and
- (ii) estimated Rice Price Entitlements as contemplated by section 5.3 of the Paddy Purchase and Pricing Rules.

8. Delay

Notwithstanding the requirements of these Rules to make decisions and recommendations by a specific time, in the event that a matter for determination is referred to an Independent Expert under these Rules, the time for determination and recommendation is extended by 35 days and Ebro must:

- (a) consult with the Grower Advisory Board in relation to any public announcement of an estimated Pool Price; and
- (b) not make any public announcement in relation to an estimated Pool Price that may be inconsistent with any of the determinations the subject of the referral to the Independent Expert.

9. Grower Interface

- (a) The Board will from time to time:
 - (i) receive or solicit information and submissions;
 - (ii) consider any information and submissions; and
 - (iii) make recommendations to the Operating Company,in relation to Grower Issues.
- (b) The Operating Company will consult with the Board from time to time in relation to implementation of Grower Consultation Elements and Grower Services.
- (c) Without limiting paragraph (a) or paragraph (b) above, the Operating Company will not implement a material variation to the Appraisal Regime (**Appraisal Variation**) unless:
 - (i) the Appraisal Variation has been submitted to the Board for review together with reasonable supporting information in respect of, particularly, of the quantum of any premium or discount;
 - (ii) the Board has had not less than 30 days to convene a meeting and consider the Appraisal Variation; and
 - (iii) the Operating Company has in good faith considered and responded to any issue raised by any Grower Representative, in particular, but without limitation, in relation to the practicalities for Growers of meeting any appraisal criterion.

10. Membership

- (d) The number of Board Members (not including any alternate Board Member) will at all times be six (6).
- (e) Each Board Member is to be a natural person.
- (f) The Board shall consist of the following persons:
 - (i) three (3) Grower Representatives; and
 - (ii) three (3) Operating Company Representatives.
- (g) Subject to section 13(b), the composition of the Board when first constituted will be agreed between Ebro and SunRice.

11. Grower Representatives

- (a) A Grower Representative must be a Grower at the date of appointment.

- (b) The RGA will appoint Grower Representatives by notice in writing to the Board each time a Grower Representative position comes up to be filled by rotation or following a casual vacancy.
- (c) Grower Representatives appointed by the RGA will be selected by Growers under a selection process conducted by RGA so as to enable RGA to ensure that there are three Grower Representatives at all times on the Board.
- (d) Grower Representatives will be appointed for three years subject to paragraphs (e) and (f) below.
- (e) No later than 15 months after the establishment of the Board, one Grower Representative will be selected by ballot to be re-appointed or replaced.
- (f) No later than 27 months after the establishment of the Board, one Grower Representative (other than the person most recently appointed) will be selected by ballot to be reappointed or replaced.
- (g) Any Grower Representative re-appointed or appointed following a ballot described above will be appointed for a term of three years.

12. Casual Vacancies

- (a) A casual vacancy in the office of a Board Member occurs if a Board Member:
 - (i) dies;
 - (ii) becomes insolvent or bankrupt;
 - (iii) becomes a mentally incapacitated person;
 - (iv) resigns office by notice in writing to the Board; or
 - (v) is absent for more than three (3) meetings of the Board without consent, apology or acceptable cause; or
 - (vi) if a Grower Representative, ceases to be eligible to be a Grower Representative.
- (b) Any casual vacancy on the Board will be filled as follows if the Board Member is:
 - (i) a Grower Representative - by a Grower nominated by RGA; and
 - (ii) an Operating Company Representative - by a person nominated by the Operating Company.

13. Chairman

- (a) One of the Grower Representatives will act as Chairman.
- (b) The first Chairman will be agreed between SunRice and Ebro prior to the Commencement Date (or, failing agreement, will be appointed by the Grower Representatives) and will serve in that position for a period of three (3) years.
- (c) Any subsequent Chairman will be appointed by the Grower Representatives and will serve for three (3) years.
- (d) A person whose term as Chairman expires may be re-appointed by the Grower Representatives.
- (e) The Chairman has no casting vote in addition to their vote as a Grower Representative Board Member in relation to any decision of the Board in any circumstances.

14. Alternate Members

- (a) Subject to these Rules, a Board Member may appoint a person to act as an alternate Board Member in the Board Member's place, either for a stated period or until the happening of a specified event, whenever by absence or illness or otherwise the Board Member is unable to attend to duties as a Board Member. The appointment must be in writing and signed by the Board Member and by the appointer of the Board Member and a copy of the appointment must be given to the other Board Members or to a meeting of the Board. The appointment takes effect at the time specified in the appointment.
- (b) The following provisions apply to any alternate Board Member:
 - (i) the appointment of the alternate Board Member is terminated or suspended on receipt by the Board of notice in writing from the Board Member by whom the alternate Board Member was appointed;
 - (ii) the alternate Board Member is entitled to receive notice of meetings of the Board and to attend and vote at the meetings if the Board Member by whom the alternate Board Member was appointed is not present;
 - (iii) the alternate Board Member is entitled to exercise all the powers (except the power to appoint an alternate Board Member) and perform all the duties of a Board Member, to the extent the Board Member by whom the alternate Board Member was appointed has not exercised or performed them or they have not been limited by the instrument appointing the alternate Board Member;
 - (iv) the alternate Board Member is not, unless the Board Members otherwise determine, (without affecting the right to reimbursement for expenses) entitled to receive any remuneration as a Board Member, and any remuneration (not including remuneration authorised by the Board Members or reimbursement for expenses) paid to the alternate Board Member is to be deducted from the remuneration of the Board Member by whom the alternate Board Member was appointed;
 - (v) the office of the alternate Board Member is terminated on the death or incapacity of, or termination of office by, the Board Member by whom the alternate Board Member was appointed;
 - (vi) the alternate Board Member is not to be taken into account in determining the number of Board Members; and
 - (vii) the alternate Board Member is, while acting as a Board Member, responsible to the Board for the alternate Board Member's own acts and defaults and is not the agent of the Board Member by whom the alternate Board Member was appointed.

15. Meeting and Special Meetings

- (a) The Board Members may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they determine, subject to these Rules.
- (b) Meetings of the Board Members shall be held as frequently as required or as called by the Chairman giving reasonable notice to every other Board Member and in any event must be held as provided in these Rules and otherwise as required to consider recommendations to the Operating Company as provided in these Rules. A notice may be given by mail (electronic or otherwise), personal delivery or facsimile transmission to the usual place of business or residence of the Board Member or at any other address given to the Secretary by the Board Member or by any technology agreed by all the Board Members.
- (c) The quorum for a meeting of the Board is all six (6) Board Members.

- (d) If within half an hour of the time set down for a Board Member's meeting to commence, a quorum is not present, then the meeting shall be adjourned to the same time and place seven (7) days after. At the adjourned meeting if a quorum is not present within half an hour, then the meeting shall be adjourned to the same time and place two (2) Business Days after. At the further adjourned meeting if a quorum is not present within half an hour, then the meeting shall proceed and the Board Members present will form the quorum necessary for the meeting.
- (e) All determinations and recommendations to be made by the Board in accordance with section 4 and 5 of these Rules shall be passed by a Pricing Majority. If, for any reason, a Pricing Majority cannot be reached the determination of those matters will be made by the Independent Expert in accordance with section 19 of these Rules.
- (f) The Secretary shall cause minutes to be made and kept of:
 - (i) the names of the Board Members present at each meeting of the Board; and
 - (ii) the proceedings of each meeting of the Board; and
 - (iii) copies of documents or correspondence sent to the Operating Company.
- (g) The Minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- (h) Board Member's meeting may be by way of the following technologies:
 - (i) video;
 - (ii) telephone; or
 - (iii) any other technology which permits each Board Member to communicate with every other Board Member; or
 - (iv) any combination of these technologies.
- (i) Where the Board Members are not all in attendance at one place and are holding a meeting using technology and each Board Member can communicate with the other Board Members:
 - (i) the participating Board Members are, for the purpose of every provision of these Rules concerning meetings of the Board Members, taken to be assembled together at a meeting and to be present at that meeting; and
 - (ii) all proceedings of those Board Members conducted in that manner are as valid and effective as if conducted at a meeting at which all of them were physically present in the one location.
- (j) Special Meetings of the Board may be summoned by the Chairman or on written requisition signed by not less than three (3) Board Members.
- (k) At all Special Meetings of the Board business other than that for which the meeting was convened shall not be transacted unless all Board Members are present and they unanimously consent to such other business being dealt with.
- (l) At least seven (7) days' notice of a Board Member's meeting and fourteen (14) days' notice of a Special Board Member's Meeting shall be given to all Board Members, but failure to receive a notice on the part of any Board Member shall not affect the validity of any Board Member's meeting or Special Meeting.
- (m) The Chairman will chair each Board Member's meeting or Special Meeting unless he/she is not in attendance at that meeting in which event the chair of that

meeting will be a person appointed by the Board Members in attendance at that meeting.

16. Remuneration

Each Grower Representative, except the Chairman will be entitled to be paid by Ebro a fee of \$50,000 per annum in payment for their services (pro rated for when they serve less than a full year), which entitlements will be paid monthly and indexed annually to the All Groups Consumer Price Index of Australia.

- (a) The Chairman will be entitled to be paid by Ebro a fee of \$100,000 per annum in payment for his services (pro rated for when he serves less than a full year), which entitlements will be paid monthly and indexed annually to the All Groups Consumer Price Index of Australia.
- (b) The Board Members are entitled to be paid or reimbursed for all travelling (including accommodation expenses) and other expenses properly incurred by them in attending and returning from any meeting of the Board a committee of the Board or otherwise in connection with the business or affairs of the Board.
- (c) If any Board Member, with the approval of the other Board Members, performs extra services or makes any special exertions for the benefit of the Board, the Board may approve the payment to that Board Member of special and additional remuneration as the Board Members determine having regard to the value to the Board of the extra services or special exertions. Any special or additional remuneration must not include a commission on or percentage of profits or operating revenue or turnover.

17. Funding and Support by Ebro

- (a) Ebro must provide, in a timely manner, all reasonable administrative and resource support for the Grower Advisory Board as is reasonable to enable the Grower Advisory Board to carry out its functions including:
 - (i) access to advice and support of Operating Company executives;
 - (ii) access to Operating Company Budget information;
 - (iii) access to market information and other independent and data and resources reasonably required to make the determinations set out in these Rules; and
 - (iv) funding any professional advice of the type contemplated in section 18(b) of these Rules which Ebro has agreed to fund.
- (b) The Secretary of SunRice or such other person as is nominated by Ebro will act as Secretary of the Growers Advisory Board. The role of the Secretary will be purely administrative and be limited to the timely delivery of papers to members of the Grower Advisory Board, the taking of minutes (and the prompt distribution of those minutes) and attending to other matters as directed by the Grower Advisory Board.

18. Access to Board Information

- (a) Each Board Member has the right of access to all relevant Board information.
- (b) Ebro will consider in good faith any request by a Board Member for him or her to seek independent professional advice at Ebro's expense. A copy of the advice received by the Board Member which is paid for by Ebro must be made available to all other Board Members.

19. Independent Expert

- (a) If, for any reason, a Pricing Majority cannot be reached in relation to a determination or recommendation of the Board in accordance with sections 4 and 5 of these Rules, or there is a referral as contemplated by clause 4.5(d), the matter will be referred to an Independent Expert acting as an expert and not as an arbitrator.
- (b) The Independent Expert will be appointed by the Board by resolution of the Pricing Majority. If the Board by Pricing Majority cannot agree on an appointment, each Board Member will nominate a candidate (who can be the same person for more than one Board Member) and appoint the President for the time being of the Australian Institute of Chartered Accountants or a person nominated by him to select the Independent Expert from the candidates so nominated and the Board Members, Ebro and the Beneficiaries will be bound by that selection.
- (c) The Independent Expert must make a determination on the relevant matter within 30 calendar days of their appointment or such longer or shorter period as agreed to by the Chairman.
- (d) The determination of the Independent Expert must be in writing and will, in the absence of manifest bias or error, be final and binding.
- (e) The costs in relation to any determination by the Independent Expert will be paid by Operating Company.
- (f) The Grower Advisory Board must provide its recommendation to the Operating Company in accordance with the determination of the Independent Expert.

20. Amendments to Grower Advisory Board Rules

These Rules may be amended from time to time by resolution or agreement of all Board Members:

- (g) after not less than 21 days' notice in writing to each Board Member, Ebro and the Operating Company of the proposed amendments;
- (h) evidenced by each Board Member signing and dating one or more copies of the Rules as amended and provided to all Board Members; and
- (i) to take effect on the last to occur of the date specified in the agreement or resolution and the date a copy of the Rules as amended and signed by each Board Member is provided to the Operating Company and Ebro.

Executed by as a deed poll

Dated:

Signed, sealed and delivered by EBRO FOODS S.A.:	
..... Director/Company Secretary* sign here Director sign here
..... Director/Company Secretary* print name here (* Cross-out whichever does not apply) Director print name

Signed, sealed and delivered by RICEGROWERS LIMITED ACN 007 481 156:	
..... Director/Company Secretary* sign here Director sign here
..... Director/Company Secretary* print name here (* Cross-out whichever does not apply) Director print name

ANNEXURE A

GROWER CONSULTATION ELEMENTS

Policies and Procedures of SunRice in relation to the following matters:

1. On farm rice production enhancement

- germplasm development and the Pure Seed Scheme
- seed planning
- Paddy Production Plan
- Quality Assurance
- Seed bonuses

2. Harvest management

Harvest receival and management planning, including:

- applicable receival protocols at sites
- priority timing of opening of individual sites
- opening hours of sites
- administration of protocols at sites controlled by AGS and CopRice
- Appraisal Regime

3 Post harvest review

Post harvest review of outcomes of harvest plans and protocols

4 Grower payments

- indicative paddy prices
- payment of instalments of Rice Price Entitlements

5 Grower communications

ANNEXURE B
GROWER SERVICES

Policies and procedures of SunRice for:

- efficient Grower financial management including:
 - Implementation of Grower deduction/ re-direction authorities to enable third party and SunRice payments by Growers from Rice Price Entitlements;
 - Facilitation of forward financing;
 - Grower credit including to provide for payment of crop inputs from Rice Price Entitlements;
- Procuring inputs, supplies and services for aggregations of Growers in particular fertilisers and chemicals