
CAPITAL EQUITY ROLLOVER SCHEME RULES

1. PURPOSE

This scheme, approved by the Minister pursuant to section 65 of the *Marketing of Primary Products Act 1983* (NSW), replaces the scheme for payment called the Capital Equity Rollover Scheme Rules dated 1 February 1988 (including any subsequent variations or replacements of that scheme) (the First Replacement Scheme), which in turn replaced the Capital Equity Redemption Fund (the Old Scheme).

The Old Scheme dealt with payments to Growers for proceeds of Rice crop pools up to and including the 1987 Rice crop. The First Replacement Scheme dealt with payments to Growers for proceeds of Rice crop pools up to and including the 1992 Rice crop.

The purpose of this scheme is to raise funds necessary for the Board's capital programs and to make provision for the repayment, pursuant to the rules of this scheme, of certain deductions made from payments to Growers of proceeds for Rice delivered to and accepted by the Board on and from the 1st day of February 1993.

2. DEFINITIONS

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| 'Act' | means the <i>Marketing of Primary Products Act 1983</i> (NSW) |
| 'Board' | means the Rice Marketing Board for the State of New South Wales. |
| 'Equity Certificate' | means an Equity Certificate issued by the Board under these rules. |
| 'Fund' | means the Capital Equity Rollover Fund [NSW Rice Marketing Board Scheme for Payment] introduced for the 1988 Rice crop. |
| 'Grower' | means and includes any person involved in the growing of Rice whether as: <ul style="list-style-type: none">• a registered holder (whether natural person or body corporate) of any land or as a Lessee or Sub-Lessee thereof, or a partner of any such person, or the executor, administrator or attorney under registered Power of Attorney of any such person; or• a Sharefarmer; or• a registered public or proprietary company acting as trustee for or on behalf of any person or trust previously and/or presently involved in the growing of Rice; or• any person who is a beneficiary or cestui que trust under any instrument, document or arrangement whose operations are directly or indirectly associated with the growing of Rice. |
| 'Grower's Allocation' | means in respect of a Grower the amount determined by the Board under rule 5(d) in respect of that Grower. |

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| 'Lessee' and Sub-Lessee' | means any person whom the Board has received notice in writing who has entered into a lease or sub-lease (as the case may be) of a property for the purposes of growing Rice. |
| 'Rice' | includes paddy rice and rice in various forms. |
| 'Sharefarmer' | means a person of whom the Board has notice in writing that he/she has entered into a sharefarming arrangement with an owner or Lessee or Sub-Lessee of a farm in relation to Rice. |

3. NUMBER/GENDER

In these rules (where the context so permits) the singular includes the plural (and conversely) and a reference to a gender includes all genders.

4. PERIOD OF EFFECT

These rules replace the First Replacement Scheme and, for the purposes of section 65(2) of the Act, set out the scheme for payments to Growers for Rice delivered to and accepted by the Board on and from the 1st day of February 1993 and the issue of Equity Certificates after the date of approval of this scheme.

5. DEDUCTIONS

- (a) The Board may determine from time to time a rate per tonne of Rice delivered by Growers to be paid to Growers in accordance with section 64 of the Act.
- (b) Without limiting the Board's rights under section 64 of the Act in determining the amount to be paid to Growers from the proceeds from any Rice crop pool, the Board, or Ricegrowers' Co-operative Ltd (acting under instructions as authorised agent of the Board and in accordance with an agreement entered into by the Board and the Co-operative) may deduct from the pool an amount (in its discretion) to provide for the payment of any interest accrued on loans taken out by the Board and for the payment of other expenses.
- (c) Without limiting the Board's rights under section 64 of the Act in determining the amount to be paid to Growers from the proceeds from any Rice crop pool, the Board, or Ricegrowers' Co-operative Ltd (acting under instructions as authorised agent of the Board and in accordance with an agreement entered into by the Board and the Co-operative) may deduct from the pool (less any amount deducted in accordance with rule 5(b)) an amount to provide funds for:
 - additional storage facilities;
 - the purchase of such other assets as the Board considers necessary; and
 - the repayment of deductions made in accordance with these rules.
- (d) If the Board (or Ricegrowers' Co-operative Ltd) deducts an amount in accordance with rule 5(c), the Board must determine the proportion of that amount referable to each Grower.

The amount deducted will be held by the Board in the Fund and used for any of the purposes set out in rule 5(c).

6. EQUITY CERTIFICATES

- (a) Subject to these rules, the Board may issue an Equity Certificate to a Grower showing that Grower's Allocation.
- (b) Each Equity Certificate issued in respect of a Grower's Allocation will be in the name in which deliveries of Rice are made in each Rice crop pool.
- (c) In the case of partnerships engaged in the growing of Rice, upon request in writing, Equity Certificates may be issued to each partner for the amount to which each partner is entitled.
- (d) When a Grower advises the Board that Rice will be delivered to the Board or Ricegrowers' Co-operative Ltd acting as authorised buyer of the Board, in the name of another person (including a partnership, registered public or proprietary company or individual defined in these rules as a Grower acting as trustee for or on behalf of any person previously and/or presently involved in the growing of Rice), then a deduction will be made from that person's sale proceeds.

7. CONSOLIDATION OF EQUITY CERTIFICATES

The Board may consolidate Equity Certificates previously issued to Growers. If the Board issues an Equity Certificate to any Grower who is already the holder of Equity Certificates, the Board may cancel the existing Equity Certificates and substitute an Equity Certificate representing the combined total of the value of the existing Equity Certificates.

8. OUTSTANDING EQUITY CERTIFICATES

- (a) The Board is deemed to have performed its obligation to issue or consolidate Equity Certificates to a Grower under rules 6 and 7 if it forwards by prepaid certified or registered post a notice advising the issue of the Equity Certificate to that Grower at his last known place of abode as notified to the Board by that Grower.
- (b) Should the Board receive back from the Postal Service the undelivered certified article containing the notice referred to in rule 8(a), the Board may cancel the Equity Certificate issued to the relevant Grower. The Board has no obligation to issue any further Equity Certificate to that Grower in respect of that Grower's Allocation for the relevant Rice crop pool but may, at its discretion, agree to re-issue a cancelled Equity Certificate in the circumstances described in rule 16(c).

9. REDEMPTION OF EQUITY CERTIFICATES BY PERSONS WHO CEASE TO BE GROWERS

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- (a) The Board may, at its discretion, redeem the amount recorded in a Grower's Equity Certificate, or such lesser amount as that Grower may request, if the Grower:
- notifies the Board by statutory declaration that he no longer comes within the definition of 'Grower' as defined by these rules;
 - is a natural person over sixty-five (65) years of age;
 - has no further interests in any Rice crop pools;
 - has sold or assigned his interest in and, unless the Board agrees otherwise (which determination will be at the Board's absolute discretion), has vacated the farm on which he has grown Rice;
 - satisfies the Board's requirements in establishing these facts; and
 - produces an Equity Certificate issued to him.
- (b) Where any person applies to the Board to redeem Equity Certificates under this rule 9, he must provide an enforceable undertaking in a form satisfactory to the Board agreeing that, if within three (3) years of any such redemption he becomes a Grower again (including as a Sharefarmer, Lessee or Sub-Lessee), the Board may deduct from his first available proceeds the amount previously paid to him for the redemption of Equity Certificates.

10. REDEMPTION OF EQUITY CERTIFICATES BY PARTNERSHIPS, COMPANIES OR TRUSTS

- (a) Where Equity Certificates have been issued in the name of a partnership and all partners have permanently ceased to grow Rice, in order to redeem the Equity Certificates all partners must:
- notify the Board by statutory declaration that they satisfy the requirements described in rule 9(a) (including the 65 year age rule);
 - sign the request to redeem the Equity Certificates; and
 - provide the enforceable undertaking required under rule 9(b).
- (b) Where only some partners satisfy the requirements described in rule 9(a) (including the 65 year age rule), all the partners may sign a request asking the Board to cancel any Equity Certificates issued in the name of the partnership and re-issue Equity Certificates to each individual partner according to his share in the partnership. Individual partners who satisfy the requirements described in rule 9(a) may then seek to redeem their Equity Certificates in accordance with these rules.
- (c) Equity Certificates issued in the name of a public or proprietary company in its own right or a public or proprietary company or person acting as trustee of a trust (family or discretionary) will, subject to rule 14, remain in the name of the relevant company or trust and will not be cancelled and issued in the names of any shareholders or beneficiaries.
- (d) As a public or proprietary company or trust cannot satisfy the requirements described in rule 9(a) (as they are not natural persons and cannot reach the age of 65 years), a

company or trust may only have its Equity Certificate redeemed in accordance with rule 12, at the Board's discretion.

11. DECEASED GROWERS – POWERS OF ATTORNEY

- (a) An executor or administrator of a Grower may make a request to the Board:
- to redeem the amount recorded in a deceased Grower's Equity Certificate in whole or in part in accordance with rules 9 and 10; or
 - if the beneficiaries of the estate are Growers, to cancel the existing Equity Certificate and substitute a new Equity Certificate in the names of those beneficiaries.
- (b) Any request made under rule 11(a) will be determined by the Board in its absolute discretion, subject to operation of law, and must be accompanied by:
- the grant of probate or letters of administration; and
 - an indemnity in a form satisfactory to the Board agreeing to repay the redeemed amount if a future claim on the estate is made against the Board.
- (c) A request for payment under rules 9 and 10 may be made by an attorney acting under power of attorney, subject to provision of a statutory declaration from the attorney to the Board's satisfaction declaring that:
- the attorney is authorised to make the request on behalf of the Grower;
 - the Grower, as donor of the power of attorney, is not dead; and
 - the attorney has no notice of revocation of the power of attorney at the date of such declaration.

12. REDEMPTION OF EQUITY CERTIFICATES AT THE BOARD'S DISCRETION

Equity Certificates issued with the prefix 'B' may be redeemed by the Board to Growers whose names appear thereon at any time at the discretion of the Board. Generally, an Equity Certificate will be redeemed by the Board 10 years after the year of the Rice crop to which the Equity Certificate relates, but the Board may resolve to redeem any Equity Certificate at a later time.

13. RELIANCE ON WRITTEN REQUEST TO REDEEM EQUITY CERTIFICATE

- (a) The Board may rely on the authenticity of a written request to redeem an Equity Certificate made by a partner, beneficiary or other person entitled to make such a request under these rules, and may rely on the person making the request to have the proper authority to do so.
- (b) The Board is under no obligation to adduce evidence or enquire into the authenticity of the request or the authority of the person making it.

14. PROHIBITED DEALINGS WITH EQUITY CERTIFICATES

Except by operation of law on mergers and acquisitions, bankruptcy, liquidation, or death, Equity Certificates must not be assigned, transferred, mortgaged, charged or otherwise dealt with and the Board is not bound to recognise any such prohibited dealing.

15. WINDING UP OF THE BOARD

If the Board is wound up, Growers' Allocations as evidenced by unredeemed Equity Certificates will be debts of the Board and payable to Growers.

16. RE-ISSUE OF EQUITY CERTIFICATES

The Board may, at its discretion, cancel an existing Equity Certificate and substitute a new Equity Certificate in accordance with these rules:

- (a) where an Equity Certificate is redeemed in part in accordance with rule 9, the Board may cancel the original Equity Certificate and issue a new Equity Certificate to the relevant Grower showing the balance of the Grower's Allocation;
- (b) where the Board receives a request from an executor or administrator of a Grower in accordance with rules 11(a) and (b) the Board may, if the beneficiaries of the Grower's estate are Growers, cancel the original Equity Certificate and substitute a new Equity Certificate in the name of those beneficiaries; or
- (c) where a Grower notifies the Board by statutory declaration that:
 - it has not received an Equity Certificate issued under rule 8; or
 - an Equity Certificate has been lost or destroyed,

the Board may cancel the original Equity Certificate and re-issue the Equity Certificate, subject to receipt of an indemnity from the relevant Grower in a form satisfactory to the Board.