

Notice of Meeting of Unitholders

RFM RiverBank ARSN 112 951 578

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you do not understand or are in any doubt about the action which you are required to take you should consult your legal, financial or other professional adviser immediately.

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Important dates

Date of this Explanatory Memorandum	26 February 2010
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Last time by which proxy forms for the Meeting can be lodged	11.00 am (AEDT) Tuesday, 23 March 2010
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Voting entitlement time for determining entitlements to vote at the Meeting	5.00 pm (AEDT) Wednesday, 24 March 2010
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Meeting	11.00 am (AEDT) Thursday, 25 March 2010

This timetable is indicative only and may change. Any changes to the timetable will be notified to Unitholders.

Important information

What is the purpose of the Meeting?

The Meeting has been called pursuant to section 252A Corporations Act, by Rural Funds Management Limited ACN 077 492 838 (**RFM**) in its capacity as responsible entity of RFM RiverBank ARSN 112 951 578 (**RiverBank**) in order to approve certain amendments to the Constitution to facilitate a discounted withdrawal offer intended to be made by RFM in its capacity as responsible entity of RiverBank and the Secondary Transactions which are related party transactions.

All information in this document forms part of the Notice of Meeting. This document has been issued by RFM in its capacity as responsible entity of RiverBank.

Action required by Unitholders?

You should read the Notice of Meeting carefully and, if appropriate, consult your professional adviser.

Your options:

- (a) you can complete the attached proxy form and return it to RFM at the address nominated on the proxy form so that it is received before 11am (AEDT), Tuesday, 23 March 2010;
- (b) you can attend the meeting and cast your vote. Please register your attendance with RFM by calling 1800 026 665; or
- (c) you can do nothing.

The Directors of RFM recommend that you vote in favour of both Resolutions and that you read all the enclosed information in order to make an informed decision.

Information provided

To enable you to make an informed decision on the Resolutions, attached are:

- (a) a Notice of Meeting setting out the Resolutions proposed;
- (b) an Explanatory Memorandum; and
- (c) a Proxy Form and completion notes.

Voting information

In the absence of any special circumstances, the register of Unitholders as at close of business on the business day prior to the Meeting will be taken as evidence of those Unitholders entitled to vote.

The Meeting will proceed if a quorum of at least two (2) Unitholders are present in person or by proxy.

If a quorum is not present within 30 minutes of the scheduled time of the Meeting, the Meeting may be adjourned in the manner prescribed by the Corporations Act.

Resolution 1 will be validly passed if at least 75% of the total votes cast by Unitholders entitled to vote on the Resolution are cast in favour of Resolution 1. Voting on Resolution 1 will be conducted by a poll. Where a poll is conducted a Unitholder's voting rights are determined by the dollar value they have invested in RiverBank. Resolution 2 will be validly passed if more than 50% of the total votes cast by Unitholders entitled to vote on the Resolution are cast in favour of Resolution 2. RFM may conduct voting on Resolution 2 by way of a show of hands unless a poll is demanded.

Notice of Meeting

Notice is given that the extraordinary general meeting of Unitholders of the **RFM RiverBank ARSN 112 951 578 (RiverBank)** will be held at 11am (Australian Eastern Daylight Saving time) on Thursday, 25 March 2010 at the offices of Rural Funds Management Limited, Level 2, 2 King Street, Deakin Australian Capital Territory.

Special business

Resolution 1 and Resolution 2 will have no effect unless both Resolutions are passed.

Resolution 1 – amendments to Constitution

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

'That subject to successful adoption of Resolution 2, the Constitution of RFM RiverBank ARSN 112 951 578 be amended in the manner set out in the Schedule to the Explanatory Memorandum which accompanies this Notice of Meeting in accordance with section 601GC(1)(a) Corporations Act'.

Resolution 2 – related party transaction

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

'That the Unitholders approve the Secondary Transactions explained in the Explanatory Memorandum accompanying this Notice of Meeting in accordance with part 5C.7 Corporations Act'.

Explanatory notes

Refer to the Explanatory Memorandum which forms part of this Notice of Meeting.

Interpretation

Terms used in this Notice of Meeting have the meanings given to them in the Glossary attached to this Notice of Meeting.

Dated 26 February 2010

By order of the Directors of Rural Funds Management Limited ACN 077 492 838



Stuart Waight

Company Secretary of Rural Funds Management Limited ACN 077 492 838

Voting restriction

Rural Funds Management Limited will disregard any votes cast on Resolution 2 by:

- (a) Rural Funds Management Limited ACN 077 492 838; and
- (b) an associate of Rural Funds Management Limited ACN 077 492 838; and
- (c) Great Southern Limited ACN 052 046 536 (Receivers and Managers appointed) (In Liquidation) (**GSL**) or an associate of Great Southern Limited ACN 052 046 536 (Receivers and Managers appointed) (In Liquidation),

however Rural Funds Management Limited ACN 077 492 838 need not disregard a vote if:

- (d) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy voting form; or
- (e) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Memorandum

1 Purpose of this Meeting

- 1.1 The purpose of this Meeting is to seek Unitholder approval for:
- (a) amendments to the RiverBank Constitution to allow for a discounted withdrawal offer to be made to all Unitholders. The details of the discounted withdrawal offer are explained below. Throughout this Explanatory Memorandum, this discounted withdrawal offer is referred to as the Special Withdrawal Offer; and
 - (b) the waiver of \$1.7 million in lease liabilities owing to RiverBank by Great Southern Almond Holdings Pty Ltd ACN 122 130 652 (In Liquidation) (**GSAH**) in exchange for:
 - (i) RFM personally paying an amount of \$700,000 to RiverBank; and
 - (ii) RiverBank not making certain facilitation payments to Great Southern Limited ACN 052 046 536 (Receivers and Managers Appointed) (In Liquidation) (**GSL**).
- (Secondary Transactions).**
- 1.2 Although the Special Withdrawal Offer is made to all RiverBank Unitholders, RFM's objective is for only the RFM Diversified Agricultural Fund ARSN 099 573 627 (**DAF**) to participate in the Special Withdrawal Offer. Currently Great Southern Limited (Receivers and Managers appointed) (In Liquidation) (**GSL**) holds 68.5% of the total issued units in DAF. DAF in turn holds 78.5% of the total issued Units in RiverBank. Thus GSL as a unitholder in DAF can directly control DAF and because of DAF's unitholding in RiverBank, indirectly control RiverBank. Therefore the Special Withdrawal Offer is designed to remove GSL's control over RiverBank and DAF.
- 1.3 Unitholders should be aware that if they participate in the Special Withdrawal Offer RFM will be unable to remove GSL's indirect Unit holding in RiverBank and its direct unit holding in DAF. To this end, RFM intends (because this will be in the best interests of Unitholders) to cancel the Special Withdrawal Offer if, it becomes apparent that due to the take up of Unitholders (other than DAF) RiverBank will not have sufficient redemption proceeds to remove GSL's control.
- 1.4 In RFM's opinion if GSL control is not removed it is likely the Receivers of GSL will move to wind up RiverBank and DAF to realise GSL's investment.
- 1.5 The following information provides a detailed explanation of the Special Withdrawal Offer and the importance of removing GSL as a unitholder of DAF.
- 1.6 This information is provided to Unitholders to comply with the:
- (a) procedures for modifying a registered management investment scheme constitution under part 5C.3 Corporations Act;
 - (b) approval process for related party transactions under part 5C.7 Corporations Act; and
 - (c) meetings of members of registered management investment schemes under part 2G.4 Corporations Act.

- 1.7 This Explanatory Memorandum is intended to provide RiverBank Unitholders with information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting.
- 1.8 Unitholders should read this Explanatory Memorandum in its entirety before making any decisions in relation to the Resolutions.

2 Background

- 2.1 On 16 May 2009, Ferrier Hodgson was appointed as the Administrators of Great Southern Limited ACN 052 046 536 along with many of its subsidiaries, including GSAH and Great Southern Managers Australia Limited ACN 083 825 405 (**GSMAL**).
- 2.2 Subsequently, on 18 May 2009, the secured creditors appointed the Receivers as receivers and managers of GSL and GSMAL.
- 2.3 The Receivers have taken control of the secured assets of Great Southern Limited. GSL is now in liquidation.
- 2.4 GSL owns 68.5% of the issued units in DAF (a controlling portion) and the Receivers are now looking to realise this investment. DAF, in turn, owns 78.5% of the issued units in RiverBank.
- 2.5 A significant portion of RiverBank's income is generated from the receipt of lease payments from GSAH in relation to the Moorah and Yilgah landholdings held by RiverBank. The GSAH lease payments which would normally have been met by GSAH are now in arrears and have been disclaimed by the Administrators of GSAH, Ferrier Hodgson. RiverBank has therefore been required to meet the cost of orchard maintenance in order to protect the value of this property.
- 2.6 GSAH subleases the Moorah and Yilgah properties to GSMAL in its capacity as responsible entity of the Great Southern 2007 Almond Income Project ARSN 124 998 527 and Great Southern 2008 Almond Income Project ARSN 127 947 960 (**Almond Projects**).
- 2.7 The Almond Projects have defaulted on their lease obligations. The default under these leases has significantly decreased the income received by RiverBank, and RiverBank's ability to make distributions to Unitholders.
- 2.8 The Receivers are now moving to sell all GSL assets (which includes GSL's unitholding in DAF) for the secured creditors of GSL.
- 2.9 Because of the significant indirect investment by GSL in RiverBank (through DAF), the liquidation of GSL places the RiverBank investments at risk. The Receivers have sought expressions of interest for the sale of GSL's assets which includes its 68.5% unitholding of DAF. Given GSL's significant investment in DAF, RFM considers (in the absence of a party agreeing to acquire GSL's unitholding in DAF) that the Receivers only option to realise this investment is to use its significant unitholding in DAF to call for the winding up of DAF and through DAF holding 78.5% of the issued Units in RiverBank the winding up of RiverBank.
- 2.10 RFM in its capacity as responsible entity of both RiverBank and DAF, is of the view that the winding up of DAF and RiverBank in the current economic environment is not in the best interests of unitholders in either fund.
- 2.11 In response, RFM is undertaking a discounted rights issue to Existing Unitholders and, subject to Units remaining available, the same discounted offer of Units to the public (**RiverBank Offer**) and similarly a discounted rights issue to existing unitholders in DAF and subject to units remaining available, the same discounted offer of units to the public (**DAF Offer**). Unitholders

have received a copy of the RiverBank Offer product disclosure statement and supplementary product disclosure statement.

- 2.12 The purpose of the RiverBank Offer and the DAF Offer is to use the money received to redeem the direct investment of GSL in DAF and the indirect investment in RiverBank for the benefit of RiverBank and DAF unitholders.
- 2.13 The purpose of the amendments to the RiverBank Constitution proposed at the Meeting is to offer the Special Withdrawal Offer to all Unitholders with the expectation that only DAF will participate. If Unitholders other than DAF participate, it is possible that there will not be sufficient funds available to redeem sufficient units held by DAF to remove GSL's investment in DAF under the DAF Withdrawal Offer. This will result in the objective of the Special Withdrawal Offer not being able to be achieved. In this case, RFM intends to cancel the Special Withdrawal Offer and the DAF Withdrawal Offer.
- 2.14 The proposed Special Withdrawal Offer is priced at \$0.5500 per Unit, a significant discount of 52% to the net asset value of RiverBank as at 31 December 2009. The 31 December NAV is \$1.1484 per Unit. RFM as responsible entity of RiverBank will make this Special Withdrawal Offer to all RiverBank Unitholders. GSL holds 34.8 million units or 68.5% of the issued units in DAF. DAF holds 27.8 million Units or 78.5% of the issued Units in RiverBank. RFM as responsible entity of DAF has entered into an agreement with GSL whereby GSL has agreed to accept an offer to have its units in DAF redeemed for \$15 million or \$0.4315 per unit which represents at discount of 54% to the 31 December NAV. The withdrawal offer of \$0.4315 per unit in DAF will be made to all DAF unitholders.
- 2.15 In order for DAF to fund the DAF Withdrawal Offer, RiverBank must make its own discounted withdrawal offer which is the Special Withdrawal Offer. The Special Withdrawal Offer will be at \$0.5500 per Unit which represents a discount of 52% to the 31 December 2009 NAV. The Special Withdrawal Offer can only proceed if the amendments to the RiverBank Constitution to be considered at this Meeting are approved by Unitholders.
- 2.16 The Special Withdrawal Offer is part of an overall recapitalisation program for DAF and RiverBank intended to insulate unitholders from the collapse of the Great Southern Group.
- 2.17 In addition to the Special Withdrawal Offer:
 - (a) RiverBank and DAF are undertaking the RiverBank Offer and DAF Offer which are discounted rights issues intended to raise a combined minimum of \$8 million and a maximum of \$18 million. Each Unitholder has received a product disclosure statement and supplementary product disclosure statement for the RiverBank Offer;
 - (b) RFM is seeking to replace GSMAL as responsible entity of the Almond Projects. As a subsidiary of RFM, RFM Farming Pty Ltd ACN 105 842 671 is already the farm manager of the almond orchards for the Almond Projects. RFM (as the new responsible entity) intends to rationalise these operations for the mutual benefit of the Unitholders of RiverBank and the growers in the Almond Projects;
 - (c) GSL intends to sell the shares in RFM to a third party which will remove RFM from the Great Southern Group. The commercial terms of this transaction have now been agreed and the purchaser of the shares in RFM will be some of the current management team of RFM;
 - (d) DAF will undertake the DAF Withdrawal Offer with the intention of removing GSL's investment from DAF; and

- (e) RFM is seeking approval from its financiers to increase RiverBank's finance facility. See section 12 for further details.

3 Special Withdrawal Offer

- 3.1 Under the Special Withdrawal Offer, RFM intends to offer all Unitholders the opportunity to redeem their Units in RiverBank at \$0.5500 per Unit. RFM's objective is that only DAF will participate in the Special Withdrawal Offer, however any Unitholder can apply to have their Units redeemed at this discounted redemption price. If Unitholders other than DAF accept the Special Withdrawal Offer, it is possible there may not be sufficient funds available to meet DAF's redemption request and thus the objective of the Special Withdrawal Offer. In this case, RFM intends to cancel the Special Withdrawal Offer as RFM considers this would be in the best interests of Unitholders.
- 3.2 RFM as responsible entity of DAF in turn, subject to DAF unitholder approval, intends to use the redemption proceeds it receives from the Special Withdrawal Offer, together with cash from DAF's own resources, to offer all DAF unitholders the DAF Withdrawal Offer. The DAF Withdrawal Offer is an opportunity to all DAF unitholders to have their investment in DAF redeemed at \$0.4315 per unit which is a discount of 54% to the 31 December NAV of \$0.9298. RFM's objective is that only GSL will participate in the DAF Withdrawal Offer. This will result in GSL no longer having a controlling interest and being able to wind up DAF and through DAF, RiverBank.
- 3.3 The Special Withdrawal Offer will be funded in the manner as further explained in section 10 of this Explanatory Memorandum.

4 Secondary Transactions

- 4.1 In conjunction with the Special Withdrawal Offer, certain other transactions subject to Unitholder approval were agreed, which in the opinion of RFM are on arm's length terms but are disclosed in this material for the consideration and approval of Unitholders:

- (a) RiverBank in addition to the Special Withdrawal Offer, had agreed to pay an amount of money to GSL for its assistance in encouraging growers in the Almond Projects continuing if RFM is appointed the responsible entity of the Almond Projects (see sections 8.6 to 8.11). It is for the benefit of RiverBank that as many growers in the Almond Projects continue as their continuation means additional licence payments to RiverBank. In return for this assistance, RiverBank had agreed to pay GSL a once only fee equivalent to 18.75% of payments made by the continuing growers in the Almond Projects in the current financial year (**Facilitation Payment**). The Facilitation Payment is contingent on a grower continuing in an Almond Project. This Facilitation Payment is an incentive to GSMAL to encourage their support of as many growers as possible remaining in the Almond Projects. Based on the current number of growers in the Almond Projects this Facilitation Payment would range from:

10% of growers continue	40% of growers continue	60% of growers continue	100% of growers continue
\$0.194m	\$0.775m	\$1.162m	\$1.937m

In recognition of the following arrangements, RiverBank is no longer making the Facilitation Payment.

- (b) A significant portion of RiverBank's income is generated from the receipt of lease payments from GSAH in relation to the Moorah and Yilgah landholdings held by RiverBank. GSAH lease repayments which would normally have been met by GSAH are now in arrears and RiverBank has been required to meet the cost of orchard maintenance in order to protect the value of this property. GSAH owes \$1.7 million on its leases to RiverBank which in the opinion of RFM can be pursued. The \$1.7 million debt accrued after the Administrator of GSAH was appointed and before the leases were disclaimed. On the basis the conditions precedent in section 12 are completed or waived by RFM for the benefit of Unitholders (**Conditions Precedent**), RiverBank has agreed not to pursue the \$1.7 million debt owed by GSAH in exchange for:
 - (i) RiverBank not making the Facilitation Payment; and
 - (ii) RFM making a cash payment to RiverBank of \$700,000 on release of the liability owed by GSAH.
- (c) If the Conditions Precedent including the DAF Withdrawal Offer and the Special Withdrawal Offer being considered at this Meeting do not proceed and complete, then RFM on behalf of RiverBank would seek to recover the \$1.7 million owed by GSAH.

5 Why is Unitholder approval required?

5.1 Unitholder approval is required for the proposed Special Withdrawal Offer because:

- (a) Currently, under the Constitution, a withdrawal offer must be undertaken using the following formula:

$$\frac{(\text{Net asset value} - \text{complying transaction costs}) - \text{administration fee}}{\text{Number of units on issue}}$$
- (b) The amendments to the Constitution are to facilitate a withdrawal offer at a significant discount to the current formula. RFM as responsible entity of RiverBank is making the Special Withdrawal Offer to all Unitholders, however RFM's objective is that only DAF will apply to have its Units in RiverBank redeemed. This will allow DAF to make the DAF Withdrawal Offer to redeem the DAF units held by GSL and extinguish any control that GSL has over RiverBank and DAF.
- (c) The amendments to the Constitution have the potential to adversely affect Unitholders' rights (if the Unitholder participates in the Special Withdrawal Offer) therefore, in order to facilitate the Special Withdrawal Offer these changes must be approved by a Special Resolution of Unitholders in accordance with section 601GC(1)(a) Corporations Act.
- (d) In addition to the amendments to the Constitution, RFM in its capacity as responsible entity of RiverBank has (subject to Unitholder approval) entered into certain other related party transactions which in this Explanatory Memorandum are referred to as Secondary Transactions. The Secondary Transactions include:
 - (i) RiverBank agreeing not to proceed to claim from GSAH the \$1.7 million in lease payments owed to RiverBank; and
 - (ii) GSL waiving the obligation by RiverBank to make the Facilitation Payment to GSL; and
 - (iii) RiverBank receiving the payment of \$700,000 from RFM.

- (e) These Secondary Transactions are related party transactions and as a result, must be approved by Unitholders passing an Ordinary Resolution in accordance with section 601LB Corporations Act.

6 Advantages and disadvantages

- 6.1 There are a number of advantages and disadvantages which must be considered by the Unitholders as they decide whether to approve or reject the Resolutions.

Advantages – why you might vote in favour

- 6.2 The Special Withdrawal Offer will allow those Unitholders who participate the opportunity to have some or all of their Units in RiverBank redeemed albeit at a 52% discount to the net asset value (**NAV**) as at 31 December 2010. As GSL has a controlling interest in DAF and DAF a controlling interest in RiverBank, if the Special Withdrawal Offer allows sufficient Units in RiverBank held by DAF to be redeemed and then for all units held in DAF by GSL to be redeemed, these transactions remove any capacity of GSL as a unitholder to exert direct control over DAF and indirect control over RiverBank.
- 6.3 The Special Withdrawal Offer is at 52% discount to NAV as at 31 December 2009. This discounted redemption translates to a revised NAV of \$1.8071 per Unit for those Unitholders (based on 31 December 2009 NAV) who do not participate in the Special Withdrawal Offer including the dilution effect of the RiverBank Offer and the DAF Offer and the impact of other variables (such as RiverBank performance, asset prices, ongoing revenue and costs) are not included. Refer to section 6.7 for an explanation of the dilution impact upon NAV of the RiverBank Offer and the DAF Offer.
- 6.4 This uplift is not a forecast but a mathematical calculation of the effect the discounted Special Withdrawal Offer has on those Unitholders who do not participate in the Special Withdrawal Offer (**Remaining Unitholders**). The actual value of the Units held by the Remaining Unitholders will be lower or higher.
- 6.5 If the Special Withdrawal Offer and the subsequent DAF Withdrawal Offer do not proceed and complete, RFM considers it is likely that the Receivers of GSL will:
- (a) look to realise GSL's substantial investment by causing the winding up of DAF; and
 - (b) because DAF holds 78.5% of the issued Units in RiverBank, the winding up of DAF would lead to the winding up of RiverBank; and
 - (c) the winding up of RiverBank will require the sale of all RiverBank assets which in the opinion of RFM would be at a significant discount to current book value due to current market conditions.
- 6.6 The removal of the influence of GSL and the Great Southern Group from RiverBank and DAF allows RFM to raise capital to recapitalise RiverBank to maintain its assets. In RFM's view, the likely windup value of RiverBank is in the range of \$0.2757 to \$0.5710 per Unit based on the 31 December 2009 Unit price. Therefore if this Special Withdrawal Offer is not able to achieve the objective of providing DAF with sufficient funds to remove GSL control, then RFM will cancel the Special Withdrawal Offer.
- 6.7 Based on 31 December 2009 figures (and on the basis both the Special Withdrawal Offer and the DAF Withdrawal Offer proceed and complete) the following is the effect on Remaining Unitholders Units:

Amount raised under the combined RiverBank Offer and DAF Offer	\$8 million	\$18 million
Remaining Unitholders NAV based on 31 December 2009 values	\$1.8071	\$1.4268

The figures in this table are not a forecast but an illustration of the dilution effect on Remaining Unitholders of the combined RiverBank Offer and DAF Offer in conjunction with the Special Withdrawal Offer and the DAF Withdrawal Offer. The figures are based on a 31 December 2009 NAV and as any redemption and issue of units will occur after this date Remaining Unitholders need to understand the value of assets are likely to have changed (positively or negatively) since 31 December 2009. Further, the above numbers do not include the impact of other variables (such as RiverBank performance, asset prices, ongoing revenue and costs).

- 6.8 RiverBank owns land, water and associated irrigation assets in rural and regional Australia. These assets are not easily or quickly liquidated and if the Receivers of GSL move to wind up the DAF, RFM considers it is likely that book value will not be achieved. This would result in investors who are not financially distressed (unlike GSL) being forced to accept distressed or discounted values for the assets of DAF and RiverBank.
- 6.9 Asset prices, including those assets owned by RiverBank have been impacted by the number of properties currently being marketed by the Receivers of GSL and other distressed agricultural industry participants, primarily as a result of the global financial crisis. RFM considers it likely that a forced wind up at the current stage of the economic cycle would see all other investors forced to liquidate at a low point in the cycle due to the insolvency of GSL.
- 6.10 RiverBank currently leases the Moorah property from Lachlan Farming Limited ACN 082 230 028. The Moorah property consists of three separate lots of varying sizes. One lot is leased to the RFM Almond Project 2006 ARSN 117 859 391. The lease expires on 30 June 2026. The remaining two lots representing a planted area of 530ha are currently leased to GSAH and then subleased to GSMAL which licences growers in the Almond Projects.
- 6.11 Growers will vote at meetings to appoint RFM as responsible entity of the Almond Projects. It is not known how many growers will continue with the Almond Projects and RFM as responsible entity for RFM RiverBank has entered into leasing arrangements with Select Harvests Limited with the intention of leasing all areas of Moorah that are not leased to growers of the Almond Projects. This outcome will maximise rental income for RiverBank whilst providing growers the opportunity to continue in the Almond Projects.
- 6.12 The Yilgah property which is owned by RiverBank has been offered for sale and RFM has received offers which are below book value. RFM in its role as responsible entity is continuing to manage Yilgah and consider a range of opportunities to benefit RiverBank Unitholders.
- 6.13 RFM considers that if RiverBank was forced to wind up in the current economic climate then it is likely that RiverBank Unitholders would receive between \$0.2757 to \$0.5710 per Unit based on the 31 December 2009 unit price.

Disadvantages - why you might vote against

- 6.14 The Special Withdrawal Offer is available to all Unitholders (albeit at a 52% discount to NAV).
- 6.15 Remaining Unitholders will continue as investors in RiverBank. As with any investment, the value of the Remaining Unitholders investment in RiverBank may increase or decrease in the future.

- 6.16 As a Unitholder you may want your investment in RiverBank to end. If the Resolutions are unsuccessful, then in the absence of identifying a third party willing to buy GSL's investment in DAF, it is likely both the DAF and RiverBank will be wound up.
- 6.17 There are risks arising from the likelihood that a significant number of growers in the Almond Projects will not continue even if RFM is appointed the responsible entity of the Almond Projects. This will result in a loss of income for RiverBank and affect its financial viability. To mitigate this risk RFM has entered into leasing arrangements with Select Harvests Limited. Select Harvests is listed on the Australian Securities Exchange and is a significant integrated agri-food company. The lease (subject to finalisation of Almond Project grower numbers) is a lease of all areas on the Moorab property that are not leased to the Almond managed investment schemes. Further details are contained in paragraphs 8.6 to 8.11 below.
- 6.18 Where the Almond Projects continue with RFM as the responsible entity, RFM will in its capacity as responsible entity of the Almond Projects enter into direct leasing arrangements with RiverBank. This will remove any future involvement of GSAH. The current licence and management agreements with the growers in the Almond Projects are non-commercial and as part of its appointment as responsible entity of the Almond Projects, these licence and management agreements are changing so that:
- (a) they are commercial and reflect the true cost of operating an almond orchard; and
 - (b) growers are responsible for their proportion of the lease payments under the new leasing arrangements.
- 6.19 As with any leasing arrangement there will remain the risk in the future that growers who initially elect to continue will default. However as explained above, this risk is mitigated by the leasing arrangements with Select Harvests.
- 6.20 Whilst RFM has historically offered periodic withdrawal opportunities to all Unitholders, there can be no guarantee future withdrawal opportunities will be available or that the redemption price offered will be higher or lower than the withdrawal offer under the Special Withdrawal Offer.
- 6.21 On the basis the GSL direct investment in DAF and indirect investment in RiverBank are successfully removed, RFM does not intend to offer discounted withdrawal offers in the immediate future.
- 6.22 The waiving of the \$1.7million rent owned by GSAH to RiverBank is only part of the overall transaction negotiated by RFM on behalf of RiverBank and DAF. The transaction included:
- (a) the waiving of the \$1.7 million rent payment;
 - (b) RiverBank not making the Facilitation Payment;
 - (c) RFM making a cash payment to RiverBank of \$700,000; and
 - (d) the Receivers of GSL accepting through the DAF Withdrawal Offer a \$17 million (or 54%) discount on the redemption of GSL's direct investment in DAF which lead to the indirect investment in RiverBank.
- 6.23 Between May 2008 and May 2009, GSL invested \$34.98 million through DAF, with DAF investing this money in RiverBank. RiverBank issued Units to DAF, with DAF issuing units to GSL to reflect this investment.

- 6.24 The investment by GSL was used by RFM on behalf of RiverBank for the development of the almond orchards and related irrigation infrastructure together the purchase of Yilgah for the benefit of RiverBank Unitholders.
- 6.25 Commercially, the Receivers of GSL are taking a 54% or \$17m reduction in value on their asset, being units in DAF in exchange for achieving an exit from their investment.
- 6.26 The \$1.7 million rent forgiveness (after deducting the \$700,000 cash payment from RFM) equates to a decrease in the remaining unitholders unit price of \$0.0282 per unit based on the current units on issue. The NAV of units in RiverBank as at 31 December 2009 is \$1.1484 per unit. On the basis the Special Withdrawal Offer and DAF Withdrawal Offer successfully proceed and complete, the NAV of a Unit in RiverBank (as at 31 December 2009) increases to \$1.8071 per Unit. This is not a forecast but illustrates the effect on the value of Units in RiverBank following the buying back of GSL's unitholding at a 54% or \$17 million discount.
- 6.27 If the Special Withdrawal Offer and DAF Withdrawal Offer do not successfully proceed and complete, RFM considers it likely the Receivers will look to use their significant unitholding to wind up DAF and RiverBank, and in RFM's opinion in the current economic climate, RiverBank Unitholders are likely to receive between \$0.2757 to \$0.5710 per Unit based on the 31 December 2009 Unit price.

7 Opportunity cost and benefits foregone

- 7.1 The payment of at least \$14 million under the Special Withdrawal Offer means that RiverBank would ordinarily have \$14 million less to:
 - (a) invest in existing assets; or
 - (b) reduce debt.
- 7.2 At the date of this Explanatory Memorandum the Special Withdrawal Offer will be funded by:
 - (a) proceeds of the RiverBank Offer which is approximately \$8 million;
 - (b) the sale of water assets of RiverBank. These assets are the Murray River Water licence which is a high security water licence of 867 mega litres which will be sold for \$1.734 million; and
 - (c) bank funding for \$4.516 million as part of the funding for the acquisition of Moorah which is currently leased from Lachlan Farming Limited but RiverBank has an option to acquire this property (see section 11.4).
- 7.3 An additional benefit foregone is the \$1.7 million lease payment owed by GSAH which if the transactions proceed will no longer be recoverable. This \$1.7 million is offset by RiverBank no longer making the Facilitation Payment and the \$700,000 payment to RiverBank by RFM.
- 7.4 However, as explained in the advantages and disadvantages above, if the RiverBank Special Withdrawal Offer and the DAF Withdrawal Offer are not approved and successfully complete, it is likely:
 - (a) the financiers to RiverBank would require the surplus cash to be used to reduce debt; and
 - (b) both the DAF and RiverBank are likely to commence a process of selling assets and winding up.

8 Additional disclosure in relation to related party transactions

8.1 In accordance with section 219 Corporations Act, the following information is disclosed in relation to the Secondary Transactions.

Who are the related parties?

8.2 The relevant related parties are RFM, GSAH, and GSL so far as the Secondary Transactions are concerned (see section 4).

What is the nature of the financial benefit?

8.3 Whilst RFM considers the Secondary Transactions are on arm's length terms, Unitholder approval is also sought for these transactions. The financial benefit being granted is the waiving of the \$1.7 million lease payment owed by GSAH to RiverBank in exchange for RiverBank:

- (a) not making the Facilitation Payment; and
- (b) receiving a payment of \$700,000 from RFM.

Directors' recommendations

8.4 The directors of RFM are of the view (as explained in section 6) that the advantages of the Secondary Transactions and the Special Withdrawal Offer outweigh the disadvantages and therefore, the Special Withdrawal Offer, the DAF Withdrawal Offer and the Secondary Transactions are in the best interests of Remaining Unitholders and provide the best opportunity to continue the operation of RiverBank.

8.5 RFM is also currently a wholly owned subsidiary of GSL. Therefore, the directors have an interest in the Resolutions being approved because:

- (a) RFM is also the responsible entity of DAF; and
- (b) two of the three directors (Mr David Bryant 84.4% and Mr Stuart Waight 12.2%) will be two of the three shareholders in RFM assuming RFM is sold by GSL.

Almond Projects

8.6 With the appointment of Receivers to GSMAL, the responsible entity of the Almond Projects, there was a significant risk the Almond Projects will fail. In response, RFM applied to ASIC and obtained a variation to its Australian financial services licence which allows RFM to replace GSMAL as the responsible entity of the Almond Projects. The proposed appointment of RFM as responsible entity of the Almond Projects:

- (a) gives the growers in the Almond Projects an alternative to the winding up of their investments;
- (b) allows the Almond Projects to continue thus contributing to the almond orchard costs; and
- (c) provides a revenue source to RiverBank from the lease payments made by the Almond Projects.

8.7 Meetings of the growers in the Almond Projects have been called for the 24 February 2010 to approve the proposed appointment of RFM as the responsible entity. RFM recognises that some

Almond Project growers may not wish to continue in the Almond Projects due to the association of the Almond Projects with GSL. To this extent growers in the Almond Project have been provided with an opportunity to 'opt out' of their ongoing obligations under the Almond Projects. Where a grower 'opts out' they are released from any future financial obligations to the Almond Project, but forfeit their almond grove. In 'opting out' the grower is not released from any currently financial obligations including where they have borrowed to finance their investment.

- 8.8 There is further difficulty as some growers were expecting their ongoing payments to be funded through a finance provider and this finance provider has withdrawn that funding.
- 8.9 RFM expects there is likely to be a significant number of growers who will 'opt out' and not wish to continue. This loss of growers poses a significant risk to Unitholders as it will result in a loss of substantial income in RiverBank.
- 8.10 To mitigate this risk, RFM as responsible entity for RiverBank has entered into leasing arrangements with Select Harvests Limited. Select Harvests is listed on the Australian Securities Exchange and is a significant integrated agri-food company. The lease (subject to finalisation of Almond Project grower numbers) is a lease all areas on the Moorool property that are not leased to the Almond managed investment schemes. The lessee's commitment (once finalised) to lease any remaining area on Moorool following the consolidation of the 2007 and 2008 projects, means grower retention in those projects are no longer essential to RiverBank's viability.
- 8.11 Select Harvests is, Australia's largest almond grower, managing 60% of Australia's almond orchards, and is one of the largest almond growers globally. It is also Australia's leading manufacturer, processor and marketer of a range of nuts, fruit based, and associated products to the Australian retail and industrial markets, and exports almonds to several countries in Asia, Europe and the Middle East.

Other relevant information

- 8.12 The successful completion of the Special Withdrawal Offer and DAF Withdrawal Offer will be an essential step to the removal of RiverBank and DAF from their ongoing exposure to the Great Southern Group.
- 8.13 If both the Special Withdrawal Offer and DAF Withdrawal Offer proceed and complete, then Unitholders will by implication be allowing GSL to exit its direct investment in DAF and indirect investment in RiverBank.
- 8.14 The directors of RFM are of the view that it is in the best interests of Unitholders of RiverBank and DAF that the Special Withdrawal Offer proceed and complete because it will, (as part of the overall proposal) remove the exposure of RiverBank to the Great Southern Group and, with the RiverBank Offer, recapitalise RiverBank moving forward.
- 8.15 If a significant number of RiverBank Unitholders (other than DAF) or DAF unitholders other than GSL participate in the Special Withdrawal Offer or the DAF Withdrawal Offer then RFM is likely to cancel the Special Withdrawal Offer and the DAF Withdrawal Offer and the process will have been unsuccessful. In this case it is possible RFM will have no alternative but to consider recommending the winding up of both RiverBank and DAF.

9 Economic and commercial consequences of related party transactions

Assuming:

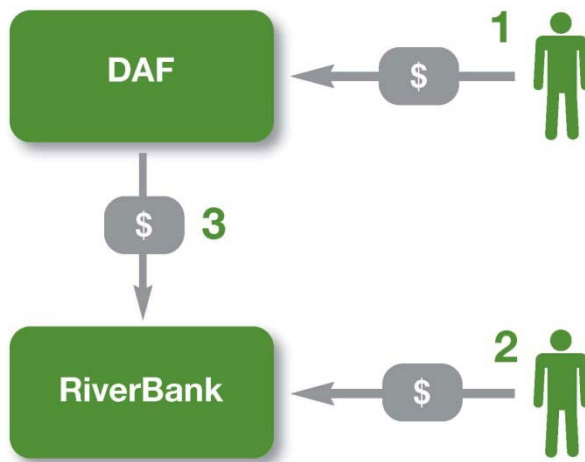
- (a) Unitholders approve:
 - (i) the amendments to the Constitution; and
 - (ii) the related party transactions which are the Secondary Transactions; and
- (b) the 25.5 million Units held by DAF in RiverBank are redeemed under the Special Withdrawal Offer; and
- (c) the DAF Withdrawal Offer proceeds such that all units held by GSL in DAF are redeemed, then
- (d) RFM on behalf of RiverBank will:
 - (i) have waived its right to pursue the \$1.7 million lease payment owed by GSAH;
 - (ii) not be required to make the Facilitation Payment; and
 - (iii) receive a payment of \$700,000 from RFM.

10 How does RFM propose to fund the Special Withdrawal Offer and DAF Withdrawal Offer?

- 10.1 As explained previously in section 2, in order to fund the Special Withdrawal Offer and DAF Withdrawal Offer, RFM is raising funds under the RiverBank Offer through a discounted rights issue to Existing Unitholders and, subject to Units remaining available, the same discounted offer of Units to the public.
- 10.2 DAF is also conducting the DAF Offer a concurrent capital raising offer.
- 10.3 RFM is seeking to raise up to an aggregate of \$18 million between the two offers. Under the RiverBank Offer, Units will be issued at a price of \$0.8625 per Unit, which represents a 30% discount to the 1 July 2009 NAV (and a 27% discount to 31 December 2009 NAV) and incorporates a 3% buy spread. The actual discount will vary according to the distribution cycle and fund performance.
- 10.4 All Existing Unitholders in RiverBank will have already received a copy of the RiverBank Product Disclosure Statement (**PDS**) dated 19 October 2009 and the supplementary product disclosure statement.

Figure 1: RiverBank and DAF capital raisings

- 1 An investment offering to a maximum of \$18 million is being made by DAF under the



DAF Offer concurrent with the RiverBank Offer.

- 2 An investment offering to a maximum of \$18 million is being made by RiverBank under the RiverBank Offer concurrent with the DAF Offer.
- 3 The proceeds of the DAF Offer will be used to subscribe for Units in RiverBank on the same terms as this Offer. In this way a total of \$18 million in additional equity will be raised in RiverBank.
- 10.5 As previously explained, the purpose of the combined RiverBank Offer and DAF Offer is to raise money to be used to remove GSL's direct investment in DAF and its indirect investment in RiverBank. When the RiverBank Offer and DAF Offer opened RFM did not know which offer (the RiverBank Offer or the DAF Offer) was likely to raise the majority of the money and both funds required certainty that the proceeds of the combined raising would be used to both remove GSL but to do so in a manner which was fair to the unitholders of both DAF and RiverBank. The removal of GSL is for the benefit of both funds.
- 10.6 Therefore RFM determined for the benefit of unitholders in both funds that in the event the minimum subscription was achieved:
- (a) money raised by DAF under the DAF Offer would be invested in RiverBank through the RiverBank Offer at the discounted rights issue price. This is the same discount that was offered to all RiverBank Unitholders (which includes DAF) under the product disclosure statement;
 - (b) money raised by RiverBank under the RiverBank Offer (which includes money invested by DAF) would be used to fund the Special Withdrawal Offer;
 - (c) DAF would use some of its residual funds and the proceeds of the Special Withdrawal Offer to fund the DAF Withdrawal Offer; and
 - (d) both the Special Withdrawal Offer and DAF Withdrawal Offer would be priced at a discount to unit price which would result (assuming they proceeded and completed) which resulted in an increase in unit prices (because of the significant discount) fairly shared between all unitholders in RiverBank and DAF.
- 10.7 Ultimately all unitholders in DAF are indirect investors in RiverBank and RiverBank required DAF's assistance in order to be able to remove GSL's investment through a withdrawal offer.

- 10.8 At the date of this Explanatory Memorandum the Special Withdrawal Offer will be funded by:
- (a) proceeds of the RiverBank Offer which is approximately \$8 million;
 - (b) the sale of water assets of RiverBank. These assets are the Murray River Water licence which is a high security water licence of 867 mega litres which will be sold for \$1.734 million; and
 - (c) bank funding for \$4.516 million as part of the funding for the acquisition of Moorah which is currently leased from Lachlan Farming Limited but RiverBank has an option to acquire this property (see section 11.4).

11 What other purposes will the funds raised be used for?

- 11.1 The funds raised under the RiverBank Offer, the concurrent DAF Offer, RiverBank's banking facility, will be applied to:
- (a) maintain the orchards RiverBank has developed to protect the value of RiverBank's assets;
 - (b) acquire Moorah;
 - (c) fund the Special Withdrawal Offer; and
 - (d) fund the DAF Withdrawal Offer.

- 11.2 These actions are designed to recapitalise RiverBank for the benefit of all unitholders.

Orchard Maintenance

- 11.3 RiverBank has area planted to almond orchards that require ongoing orchard maintenance and additional capital expenditure. Money raised under the DAF Offer and RiverBank Offer will be used to fund the capital expenditure and maintenance to enhance the value of these almond orchards.

Acquisition of Moorah

- 11.4 RiverBank intends to acquire the Moorah property once minimum subscription is achieved. The acquisition price of Moorah, including water entitlements is \$13.782 million. It is being acquired from Lachlan Farming Ltd an unlisted public company, the day to day administration of which is provided by RFM.

Yilgah

- 11.5 The Yilgah property which is owned by RiverBank has been offered for sale and RFM has received expressions of interest below book value including one of approximately \$19m. Due to a number of circumstances this transaction was not completed within the timeframe agreed with the potential purchaser. RFM will now look at a range of options which still include the sale of Yilgah.

12 Conditions Precedent to the issue of Units

12.1 The PDS contemplated five conditions precedent associated with the Offer. An update on the conditions precedent as set out in the SPDS is provided below:

(a) **Divestment of RFM by GSL.**

A Sale and Purchase Agreement has now been entered into between two entities associated with David Bryant and Stuart Waight (directors of RFM) and one member of the RFM management team and the Receivers of GSL. Settlement is expected to occur around the time the DAF Redemption is completed. This condition has been satisfied.

(b) **RFM to be appointed responsible entity to the Almond Projects.**

RFM has entered into leasing arrangements with Select Harvest (refer sections 8.10 and 8.11) with the intention of leasing any areas of Moorall not leased to Almond Projects. Therefore the appointment of RFM as the responsible entity to the Almond Projects is no longer essential to the ongoing viability of RiverBank and this condition precedent is no longer applicable.

(c) **Consent from the GSL Receivers and unitholders to redeem RiverBank Units owned by DAF and DAF Units owned by GSL.**

The RiverBank Unitholder meeting will be held on 25 March 2010 as per the Notice of Meeting enclosed with this Explanatory Memorandum. The DAF unitholder meeting to approve the redemption of DAF units owned by GSL will also occur on 25 March 2010. Consent from the Receivers of GSL has been obtained.

(d) **Appoint a majority of non-executive directors to RFM**

External directors who are highly experienced and suitably qualified have agreed to join the RFM Board following the sale of RFM by the Receivers of GSL to the RFM management team. This condition has been satisfied.

(e) **RiverBank to secure an extension of its current banking facility.**

Approval of the required banking facility is expected to be finalised in March 2010.

13 Minimum subscription

13.1 The minimum subscription for the combined RiverBank Offer and the DAF Offer is \$8 million, however if:

(a) RFM is not appointed the responsible entity of the Almond Projects; or

(b) less than 20% of growers elect to continue in the Almond Projects,

the minimum subscription will increase to \$9.4 million.

13.2 The Special Withdrawal Offer and the DAF Withdrawal Offer will not proceed unless there are sufficient funds available to complete both.

14 Product disclosure statement

14.1 The information set out in this Explanatory Memorandum provides an overview of the RiverBank Offer.

- 14.2 All Existing Unitholders have already been provided with a copy of a product disclosure statement and supplementary product disclosure statement which sets out in detail the terms and condition which apply to the RiverBank Offer.

15 Tax implications

- 15.1 The proposed amendments to the Constitution and the Special Withdrawal Offer will not have any material adverse tax implications for Existing Unitholders.
- 15.2 The Special Withdrawal Offer may result in an uplift in the NAV of Units on issue in RiverBank. This consequently, could increase a Unitholders' exposure to capital gains tax upon disposal of their Units.
- 15.3 If a Unitholder participates in the Special Withdrawal Offer and the redemption price is less than that initially paid by the Unitholder, that Unitholder is likely (depending on the particular circumstances of the Unitholder) to be the subject of a capital loss on their investment.
- 15.4 A detailed discussion of the tax consequences associated with participation in the RiverBank Offer is set out in section 10 of the PDS.

16 Investment advice

This Explanatory Memorandum does not take into account individual investment objectives, financial situation or particular needs and should not be considered investment advice. Unitholders are strongly advised to obtain independent financial, investment, legal and taxation advice before deciding whether or not to attend and vote at the relevant meetings, or to vote in favour of or against the Resolutions.

17 Voting instructions

Voting at the Meeting

- 17.1 Unitholders' entitlement to vote will be determined at 5pm on the Record Date.
- 17.2 RFM, GSL and their Associates are not entitled to vote their interests on Resolution 2.
- 17.3 The vote on Resolution 1 will be conducted by a poll, having regard to section 253J Corporations Act. Voting papers will be issued when you register before the Meeting (see below).
- 17.4 On a show of hands, each Unitholder has one vote. On a poll, each Unitholder has one vote for each dollar of the value of the total interest they have in RiverBank. If an interest in RiverBank is held jointly and more than one Unitholder votes in respect to the interest, only the first in the register of Unitholders counts.
- 17.5 Voting on the Resolutions is at the discretion of each Unitholder.
- 17.6 If you have any queries on how to cast your vote call RFM on 1800 026 665 or for overseas callers +61 2 6203 9700 during business hours.

Voting in person

- 17.7 If you plan to vote at the Meeting, you are asked to register your attendance with RFM by calling 1800 026 665 or emailing investorservices@ruralfunds.com.au before 11am Tuesday, 23 March 2010. Please arrive at least 30 minutes before the starting time so that we can verify your details, confirm the number of votes you are entitled to and issue you with voting papers.

Voting by corporations

- 17.8 Corporations wishing to vote at the Meeting, other than by proxy, must appoint a representative who must bring with them the original document properly authorising their appointment under section 253B Corporations Act. A representative should arrive at least 30 minutes before the Meeting time so that we can register their attendance and confirm that they have been validly authorised.

Voting by proxy

- 17.9 If you cannot attend the Meeting, you have the right to appoint a proxy to attend and vote for you. The proxy need not be a Unitholder of RiverBank. The Chairman of the Meeting can act as your proxy if you wish.

All directed proxies in favour of the Chairman will be voted as directed. Any undirected proxies in favour of the Chairman will be voted in favour of the Resolutions.

- 17.10 A Unitholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- 17.11 The enclosed proxy forms must be signed by you or your attorney or, if the Unitholder is a corporation, must be signed by two directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary, by that director, or under hand of its attorney or duly authorised officer. If the proxy form is signed by a person who is not the Unitholder (e.g. an attorney), then the relevant authority (for example, in the case of proxy forms signed by an attorney, the power of attorney or a certified copy of the power of attorney) must either have been exhibited previously to RFM or be enclosed with the proxy form.
- 17.12 The notes on the proxy form describe how it should be completed. Proxy appointments must be completed, signed and received by RFM.

18 Date

This Explanatory Memorandum is dated 26 February 2010.

Glossary

Term	Definition
Administrators	means Martin Jones, Andrew Saker, Darren Weaver and James Stewart of Ferrier Hodgson, appointed as Joint and Several Administrators of GSL and RFM on 16 May 2009.
Almond Projects	means the Great Southern 2007 Almond Income Project ARSN 124 998 527 and Great Southern 2008 Almond Income Project ARSN 127 947 960.
ASIC	means the Australian Securities and Investments Commission.
Associates	has the meaning given to it by section 12 Corporations Act.
Conditions Precedent	means the conditions as set out in section 12 which must be satisfied or waived before Units may be issued.
Constitution	means RiverBank's constitution.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
DAF	means RFM Diversified Agricultural Fund ARSN 099 573 627.
DAF Offer	means the rights issue made to existing unitholders in DAF and subject to units remaining available, the same discounted offer of units to the public, made in conjunction with the RiverBank Offer..
DAF Withdrawal Offer	means the discounted withdrawal offer intended to be made to all DAF unitholders as explained in section 2.14.
Entitlement	Units an Existing Unitholder is entitled to receive under the Rights Issue, being 1 Unit for every 1.70 Units held as at 30 September 2009.
Existing Unitholder	Unitholder with an Entitlement.
Explanatory Memorandum	means the Explanatory Memorandum contained in and forming part of this Notice of Meeting.
Facilitation Payment	means the payment referred to in section 4.1(a).
Great Southern Group	means GSL, GSAH, GSMAL and all other subsidiaries of GSL but excluding RFM.
GSAH	means Great Southern Almond Holdings Pty Ltd (In Liquidation) ACN 122 130 652), a wholly owned subsidiary of GSL.
GSL or Great Southern Limited	means Great Southern Limited ACN 052 046 536 (Receivers and Managers appointed) (In Liquidation).
GSMAL	means Great Southern Managers Australia Limited ACN 083 825 405 (Administrators appointed) (Receivers and Managers Appointed) (In Liquidation), a wholly owned subsidiary of GSL.
Lachlan Farming Limited	means Lachlan Farming Limited ACN 082 230 028
Meeting	means the meeting described in the Notice of Meeting.
NAV	means a measure of a value of a Unit in RiverBank determined in accordance with the Unit Pricing Policy of RFM.
Non-liquid	has the meaning provided ins section 601KA Corporations Act.
Notice of Meeting	means this document including the Explanatory Memorandum and proxy forms and instruction sheet.

Term	Definition
Ordinary Resolution	means a resolution which is passed by greater than 50% of the votes cast by Unitholders entitled to vote on the resolution.
PDS	means the product disclosure statement issued by RFM in relation to the RiverBank Offer dated 19 October 2009.
Receivers	means Simon Read, James Thackray, Tony McGrath and Colin Nicol of McGrathNicol, appointed as Joint and Several Receivers and Managers of GSL on 18 May 2009.
Record Date	means Wednesday 24 March 2010.
Redemption Price	has the meaning provided to that term by the Constitution.
Remaining Unitholders	means all Unitholders who continue to hold Units after the Special Withdrawal Offer is completed.
Resolutions	means the resolutions as outlined in the Notice of Meeting set out in the Explanatory Memorandum.
RFM or Rural Funds Management Limited	mean Rural Funds Management Limited ACN 077 492 838.
RiverBank	means RFM RiverBank ARSN 112 951 578.
RiverBank Offer	means the discounted rights issue to Existing Unitholders and, subject to Units remaining available, the same discounted offer of Units to the public made in conjunction with the DAF Offer.
Secondary Transactions	means the related party transactions explained in section 4.
Select Harvests Limited or Select Harvests	means Select Harvests Limited ACN 000 721 380.
Special Resolution	means a resolution which is passed by at least 75% of the votes cast by Unitholders entitled to vote on the resolution.
Special Withdrawal Offer	means the discounted withdraw offer intended to be made by RFM to all Unitholders as described in section 3 of the Explanatory Memorandum.
Unit	means a unit on issue in RiverBank.
Unitholder	means the holder of a Unit in RiverBank.

Schedule

Proposed changes to Constitution

Detailed below is a list of the proposed amendments to the Constitution.

ITEM	COLUMN A Proposed amendments to Constitution	COLUMN B Comments
1	<p>Amend clause 6.1 by inserting the words underlined</p> <p>6.1 Except where otherwise provided for as part of a special unit issue under clause 3.15 or as provided in clause 6.5, a Unit must only be redeemed at a Redemption Price calculated as:</p> $\frac{(\text{Net Asset Value} - \text{Complying Transaction Costs}) - \text{Administration Fee}}{\text{number of Units on issue}}$	<p>This clause outlines the formula for calculating the Redemption Price which would usually be payable under a withdrawal offer made by the Manager.</p> <p>For the purpose of the Special Withdrawal Offer proposed to be made, the words underlined are inserted. This will enable the Manager to make the Special Withdrawal Offer to all Unitholders.</p>
2	<p>Insert new clause 6.5</p> <p>6.5 Under a Special Withdrawal Offer, the Manager may offer in accordance with clauses 7.7 to 7.12 to redeem Units at a discount nominated by the Manager to the Redemption Price calculated as provided in clause 6.1.</p>	<p>This amendment allows the Redemption Price calculated in clause 6.1 to be discounted to a level determined by the Manager.</p>
3	<p>Insert clauses 7.7 to 7.12</p> <p>Special Withdrawal Offer</p> <p>7.7 The Manager may make a Special Withdrawal Offer as provided in clause 6.5 by giving written notice setting out:</p> <p>7.7.1 the period during which the Special Withdrawal Offer will remain open;</p> <p>7.7.2 the assets that will be used to satisfy the Special Withdrawal Offer;</p> <p>7.7.3 the amount of money that is expected to be available when those assets are converted to money; and</p> <p>7.7.4 the method of dealing with withdrawal requests if the money is insufficient to satisfy the withdrawal request.</p> <p>7.8 As soon as practical after the Special Withdrawal Offer is made, the Manager must lodge a copy of the notice referred to in clause 7.7 with ASIC.</p>	<p>This provision allows RFM to make the proposed Special Withdrawal Offer as outlined in the Explanatory Memorandum.</p> <p>The purpose of the Special Withdrawal Offer is to remove RiverBank and DAF's exposure to the Great Southern Group.</p> <p>These amendments have been drafted to comply with the requirements in chapter 5C.6 Corporations Act for withdrawal offers in relation to Non-liquid managed investment schemes.</p>

ITEM	COLUMN A Proposed amendments to Constitution	COLUMN B Comments
	<p>7.9 The Manager must not make any other withdrawal offers whilst the Special Withdrawal Offer remains open.</p> <p>7.10 Unless the Special Withdrawal Offer is cancelled as provided in section 601KE the Manager must ensure that responses to the Special Withdrawal Offer are satisfied within 21 days after the Special Withdrawal Offer closes.</p> <p>7.11 If an insufficient amount of money is available from the assets specified in the Special Withdrawal Offer to satisfy withdrawal requests received, the Manager must satisfy withdrawal requests as provided in section 601KD.</p> <p>7.12 For the avoidance of any doubt, a Special Withdrawal Offer must comply with the provisions of the Corporations Act regulating withdrawal offers for non-liquid schemes.</p>	
4	<p>Insert new definition in clause 25 Special Withdrawal Offer means the withdrawal offer as described in clause 6.5 made by the Manager under clauses 7.7 to 7.12.</p>	<p>This new definition refers the term 'Special Withdrawal Offer' to the relevant clauses in the Constitution.</p>

Proxy form

All correspondence to:

Rural Funds Management Limited
ACN 077 492 838
Locked Bag 150
KINGSTON ACT 2604

FAX: 1800 625 518
Email: investorservices@ruralfunds.com.au

Section 1: Name and address of Unitholder

Full name _____
Address _____

Section 2: Appointment of proxy

I, being a Unitholder of RiverBank and entitled to attend and vote appoint

the Chairman of the meeting
(mark with an 'X') OR Write here the full name of the person or body corporate you are appointing if this person is someone other than the Chairman of the meeting.

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the meeting, as my proxy to attend, to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit), and to act generally on my behalf, at the meeting of RiverBank to be held at:

Location	The offices of Rural Funds Management Limited, Level 2, 2 King Street, Deakin Australian Capital Territory.
Date	25 March 2010
Time	11.00 am AEDT

and at any adjournment of that meeting.

Section 3: Voting instructions

Voting directions to proxy – please mark to indicate your directions.

Resolution 1. Proposed amendments to Constitution for the Special Withdrawal Offer.

Resolution 2. Approval of related party transactions.

For	Against	Abstain*	Discretion
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular item, you are directing your proxy **not** to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman intends to vote all proxies which are at the Chairman's discretion or undirected in favour of the Resolutions.

Section 4: Signing by Unitholder

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Unitholder 1 **Unitholder 2 (if joint holding)** **Unitholder 3 (if joint holding)**
Sole Director and Sole Secretary Director/Company Secretary (delete one) Director

Please provide the information below in case we need to contact you.

Contact name Contact day time telephone Date / /

Instructions for completion of proxy form

Section 1: Name and address of Unitholder

- 1 Insert your name and address. If it is a joint holding, insert details of all holders.

Section 2: Appointment of proxy

- 2 If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person or body corporate you wish to appoint as your proxy is someone other than the Chairman of the meeting, write the full name of that person or body corporate in the space provided. A proxy may be an individual or a body corporate. If you leave this section blank or your named proxy does not attend the Meeting, the Chairman of the meeting will be your proxy. A proxy need not be a Unitholder of RiverBank.
- 3 If you are entitled to cast two or more votes at the Meeting, you are entitled to appoint two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning RFM Investor Services on 1800 026 665 or for overseas callers +61 2 6203 9700. Alternatively you may copy this form.
- 4 To appoint a second proxy:
- (a) on each of the first proxy form and second proxy form state the percentage of your voting rights or number of units applicable to that form (if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes, and fractions of votes will be disregarded); and
 - (b) return both forms in the same envelope.

Section 3: Voting instructions

- 5 You may direct your proxy how to vote on an item of business by placing a mark in one of the boxes opposite that item of business. All of your units will be voted in accordance with your direction unless you indicate a proportion of voting rights on any item by inserting the percentage or number of units you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may decide whether or how to vote on that item. If you mark more than one box on an item, your vote on that item will be invalid.

Section 4: Signing by Unitholder

- 6 You must sign this form as follows in the spaces provided:

Individual	Where the holding is in one name, the Unitholder must sign.
Joint holding	Where the holding is in more than one name, all of the Unitholders must sign.
Power of Attorney	To sign under power of attorney, either the power of attorney must have already been lodged with RFM for notation or the original (or a certified copy) of the power of attorney must accompany this document.
Companies	In the following cases, subject to RiverBank's Constitution, the following person must sign: <ul style="list-style-type: none">(a) Australian proprietary company with a sole director who is also the sole company secretary - that person must sign;(b) Australian proprietary company with a sole director and no company secretary - that person must sign;(c) other Australian companies - two directors, or one director and one company secretary must sign; and(d) foreign company - in accordance with the laws of the jurisdiction of incorporation and constituent documents.

Section 5: Lodging of proxy

- 7 This proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by RFM not later than close of business on the date set out below, by mail, hand delivery, or facsimile.

Last time and date for lodgement	11.00 am (AEDT), 23 March 2010
By mail**	Locked Bag 150 KINGSTON ACT 2604
By delivery	Level 2 2 King Street DEAKIN ACT 2600
By facsimile	1800 625 518
By email	investorservices@ruralfunds.com.au

* Any proxy form received after that time will not be valid.

** Using the enclosed reply paid envelope.