

15 November 2016

ASX ANNOUNCEMENT

**RURALCO HOLDINGS LIMITED (ASX CODE: RHL)
SECURITIES TRADING POLICY AMENDED**

In accordance with ASX Listing Rule 12.10, Ruralco Holdings Limited advises that it has amended its Securities Trading Policy. The amended Policy which is attached to this Announcement, supersedes the policy released on 31 December 2010.

Further Information:

Claire Bond, National Media & Communication Manager – 0439 610 375



Securities Trading Policy

Securities Trading Policy

1. Introduction and Purpose

The Board encourages Key Management Personnel (including Directors) and employees to own securities in Ruralco Holdings Limited (**Ruralco**) to further align their interests with the interests of Ruralco's shareholders. This Policy sets out the way in which Key Management Personnel (including Directors) and employees of Ruralco (and all of its subsidiaries) can deal in Ruralco Securities.

The purpose of this Policy is to:

- establish a best practice procedure relating to buying and selling Ruralco Securities that provides protection to Ruralco and Designated Persons to ensure that there is no actual nor perceived abuse of Inside Information, especially when significant time has elapsed since Ruralco's last update to the market; and
- explain in general terms the type of conduct that is prohibited under the Corporations Act (though Designated Persons should seek independent advice if they are unsure of their legal obligations).

2. Definitions

In this Policy:

- **ASX** means Australian Securities Exchange.
- **Closed Period** is any period outside a Trading Window.
- **Corporations Act** means the Corporations Act 2001 (Cth).
- **Deal** means buying or selling securities on a securities exchange (but also includes off-market transfers and transactions of any kind involving the acquisition or disposal of an interest in Ruralco Securities), and includes (but is not limited to):
 - granting or acquiring an option;
 - creating a trust or equitable interest in relation to Ruralco Securities;
 - hedging transactions;
 - transactions in derivatives relating to Ruralco Securities;
 - share lending or borrowing;
 - entering into a margin loan;
 - granting a mortgage, charge or security over Ruralco Securities; and
 - advising, procuring or encouraging anyone else (such as a relative, friend, company or trust) to do any of the above,
- **Dealing** has the corresponding meaning.
- **Designated Persons** means Key Management Personnel, all employees at a "director" level or higher, Commercial Managers, Group Senior Financial Accountants and any other employee specifically designated by the Managing Director from time-to-time, and Relatives of these persons
- **Exceptional Circumstances** has the meaning given in clause 7.
- **Financial Hardship** has the meaning given in clause 7.
- **Inside Information** has the meaning given in clause 4.

- **Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling the activities of Ruralco, directly or indirectly, including any director (whether executive or otherwise) of Ruralco. This includes all members of Ruralco's Executive Team.
- **Notification Officer** means the relevant officer for each Designated Persons as set out in Schedule 2.
- **Relative** includes a spouse (or equivalent) or a dependant of the Designated Person or a company or other entity controlled by the Designated Person. For the avoidance of doubt, a *Relative* does not include a spouse (or equivalent) or dependant who acts on their own initiative without reference to the Designated Person. In such cases, the Designated Person should advise these persons that a risk exists that a Court could find a relevant association or that even without such an association, innuendo could arise if buying, selling or dealing occurs in Ruralco's Securities
- **Securities** means any security issued by Ruralco or by an entity Ruralco controls. This includes:
 - shares, options, debentures, performance rights or agreements to issue these; and
 - securities or contracts of any kind issued by third parties that relate to shares or debentures of Ruralco such as put or call options, warrants, derivatives and contracts for differences,
- **Security** has the corresponding meaning.
- **Trading Windows** has the meaning given in clause 5.

3. Key Principles

Designated Persons must not:

- Deal in Ruralco Securities during a Trading Window without first notifying the Notification Officer under clause 8(a);
- Deal in Ruralco Securities during a Closed Period without prior written approval from the Notification Officer pursuant to clause 8(b);
- Deal in Ruralco Securities at any time (even if prior written approval has been obtained) if they possess Inside Information.

4. Insider Trading

Under the Corporations Act a person in possession of price sensitive information which is not generally available (information which a reasonable person could be taken to expect would have a material effect on the price or value of shares if it were generally available) (Inside information) must not (whether as principal or agent):

- apply for, acquire or dispose of shares or other financial products to which the Inside Information relates (or enter into an agreement to do any of these things); or
- procure another person to apply for, acquire or dispose of, shares or other financial products to which the Inside Information relates (or procure another person to enter into an agreement to do any of these things); or
- directly or indirectly pass on Inside Information to another person, if they know or ought reasonably to know that the person may use this information to buy, sell or deal in shares or other financial products.

A reasonable person would be taken to expect information to have a material effect on the price or value of shares if the information would, or would be likely to, influence persons who

commonly apply for shares in deciding whether or not to acquire or dispose of the first mentioned shares.

Information is **generally available** if it:

- consists of readily observable matter;
- has been made known in a manner that would, or would be likely to, bring it to the attention
- of persons who commonly invest in financial products similar to those whose price might be affected by the information (and a reasonable period for the information to be disseminated among such persons has elapsed); or
- consists of deductions, conclusions or inferences made or drawn from either of the above.

A breach of the insider trading prohibitions contained in the Corporations Act could see the director or employee exposed to civil or even criminal penalties resulting in significant fines, imprisonment or both. Ruralco will also regard breach of the law and/or this Policy by Ruralco's staff as serious misconduct, which may lead to disciplinary action and/or dismissal.

5. Dealing in Ruralco Securities – Trading Windows

Designated Persons may only Deal (or enter into an agreement to Deal) in Ruralco Securities when they are not in possession of Inside Information and in accordance with this Policy.

Provided they are not in possession of Inside Information and subject to prior notification under clause 8(a), Designated Persons may Deal (or enter into an agreement to Deal) in Ruralco Securities during these **Trading Windows**:

- Between 48 hours and 28 days after Ruralco's half-year or annual results are released to ASX;
- Between 48 hours and 28 days after Ruralco's Annual General Meeting;
- Between 48 hours and 28 days after Ruralco issues a "cleansing notice" under s708AA or 708A of the Corporations Act; and
- During the period in which Ruralco has a prospectus or other disclosure document on issue under which people can subscribe for Securities.

The board may in its absolute discretion decide to close a Trading Window early, in which case the Company Secretary will advise the Designated Persons of that fact.

6. Permitted Dealing during a Closed Period

Subject to prior notification under clause 8(b), designated Persons not in possession of Inside Information concerning Ruralco may Deal in Ruralco Securities during a Closed Period in certain circumstances where the trading is part of a process not controlled by the Designated Person. Those circumstances are listed in Schedule 1 Part B.

Where a Designated Person is a participant in a security purchase plan or dividend reinvestment plan, they will not qualify for an exception if they begin, change or end their participation in a Closed Period.

7. Other circumstances where Dealing may be permitted in a Closed Period

Subject to clause 8(b), permission may be given to Deal in Ruralco Securities during a Closed Period if the Designated Person is not in possession of Inside Information and is experiencing severe Financial Hardship or is affected by some other Exceptional Circumstance.

7.1 Financial Hardship

A Designated Person may be experiencing severe Financial Hardship if they have a pressing financial commitment that cannot be satisfied other than by selling Ruralco Securities.

A tax liability of such a person would not normally constitute severe Financial Hardship unless the person has no other means of satisfying the liability. A tax liability relating to Securities received under an employee incentive scheme would also not normally constitute severe Financial Hardship or otherwise be considered an Exceptional Circumstance.

7.2 Other Exceptional Circumstances

Examples of what may be considered Exceptional Circumstances include:

- required by a court order (such as in a bona fide family settlement) to transfer or sell Ruralco Securities;
- some other overriding legal or regulatory requirement to transfer or sell Ruralco Securities.

7.3 Determination

The determination of whether the person in question is in severe Financial Hardship or whether a particular set of circumstances falls within the range of Exceptional Circumstances identified in this Policy can only be made by the relevant Notification Officer (as defined in Schedule 2).

In recognition of the case that Exceptional Circumstances, by their nature, cannot always be specified in advance, it is envisaged that there may be other circumstances, which have not been identified in this Policy, that may be deemed Exceptional Circumstances by the relevant Notification Officer and whereby prior written clearance is granted to permit trading.

The person seeking clearance to trade must satisfy the relevant Notification Officer that they are experiencing severe Financial Hardship or other Exceptional Circumstance and that the proposed sale or disposal of the relevant securities is the only reasonable course of action available.

8. What Designated Persons must do before Dealing in Ruralco Securities

All Designated Persons wishing to Deal in Ruralco Securities:

- during a Trading Window**, must first notify the relevant Notification Officer by completing and forwarding a "Trading Window Form" as set out in Part A of Schedule 1; or
- during a Closed Period**, must first complete and forward a "Closed Period Form" as set out in Part B of Schedule 1 to the relevant Notification Officer. Unless the proposed Dealing is permitted under clause 6, the Designated Person must also receive written clearance from the relevant Notification Officer under clause 7 before Dealing in Ruralco Securities. The granting of permission under clause 7 is entirely at the discretion of the Notification Officer. The Notification Officer may seek the views of the Board and/or external legal advisers before providing their decision.

The notification must state that the proposed Dealing in the Securities is not as a result of access to, nor the receipt of, Inside Information.

Notification of any Dealing in the Securities under this paragraph is a compliance monitoring function only and any approval given by the Notification Officer is not an endorsement by Ruralco to trade. The Designated Person doing the trading is individually responsible for their investment decisions and their compliance with the law (including the insider trading law) and this Policy.

9. Notification of Director's Interests

Directors must notify Ruralco which, in turn, must notify ASX if the Directors have a change in relevant interests pursuant to Section 205G of the Corporations Act and ASX Listing Rule 3.19A.

Under Listing Rule 3.19A, Ruralco must notify ASX of the relevant interests of directors in Ruralco's shares:

- on the date that a director is appointed; and
- within 5 business days after each change in their interests.

Ruralco will make the necessary arrangements with each Director of Ruralco to ensure that the Director discloses to Ruralco all the information required to notify ASX of the relevant interests of the Director.

Ruralco will enforce the arrangements with the Director (ASX Listing Rule 3.19B).

Approved by the Ruralco Holdings Limited Board
Date: 05 September 2016

Schedule 1

Part A - Trading Window Form – For completion by Designated Person

Name of Designated Person	
Description of Securities (i.e. number of Securities)	
Nature of agreement/dealing (sale/purchase/subscription)	
Proposed date of transaction (i.e. completion date)	

I confirm and declare that I am not in possession of any Inside Information (as defined in Ruralco Holdings Limited's Securities Trading Policy) which, if generally available, might materially affect the price or value of the Securities.

Signed:

Dated:

The completed form is to be sent to the applicable Notification Officer via the Company Secretary.

Part B – Closed Period Form - For completion by Designated Person

Name of Designated Person	
Description of Securities (i.e. number of Securities)	
Nature of agreement/dealing (sale/purchase/subscription)	
Proposed date of transaction (i.e. completion date)	
Reason for requesting trading during the Closed Period	

I confirm and declare that I am not in possession of any Inside Information (as defined in Ruralco Holdings Limited's Securities Trading Policy) which, if generally available, might materially affect the price or value of the Securities.

(If applicable) I confirm that the proposed Dealing is¹:

- ☐ a disposal of securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back
- ☐ a disposal of rights acquired under a pro rata issue
- ☐ an acquisition of securities under a pro rata issue
- ☐ an acquisition of securities under a security purchase plan or a dividend or distribution reinvestment plan where the applicant was already a participant before the Closed Period.
- ☐ an acquisition or disposal of securities under a pre-determined investment or divestment plan for which prior written clearance has been provided by the Notification Officer before the Closed Period.
- ☐ indirect and incidental trading that occurs as a consequence of Designated Person dealing in securities issued by a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio securities in Ruralco

Signed:

Dated:

¹ If none of these exceptions apply, you will need permission from the Notification Officer
November 2016

The completed form is to be sent to the applicable Notification Officer via the Company Secretary.

Approval (if no exception applies)

The Notification Officer hereby permits / denies * permission to trade as specified above.

* Delete as appropriate

[Trading must be completed within 5 working days of the date of approval.]

Signed:

(Notification Officer)

Dated:

Schedule 2 – Notification Officers

The relevant Notification Officer for each of the Designated Persons is as set out here:

Designated Person	Notification Officer (s)
Chairman	Chairman of the Audit and Risk Management Committee
Managing Director	Chairman of the Board
Directors	Chairman of the Board
Company Secretary	Managing Director
All other Designated Persons	Company Secretary