



16 November 2015

ASX ANNOUNCEMENT

RURALCO HOLDINGS LIMITED (ASX CODE: RHL)

ANNOUNCES APPOINTMENT OF CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

The Board of Ruralco Holdings Limited today announced the appointment of Travis Dillon as Chief Executive Officer and Managing Director.

Ruralco Holdings Limited appointed Mr Dillon after conducting an extensive search which included internal and external candidates.

Mr Dillon joined Ruralco in 2007 and has made a significant contribution to the business in his roles as General Manager of Rural Retail, General Manager of Mainland Operations and most recently as Acting CEO.

During his time at Ruralco, Mr Dillon has overseen all rural operations including livestock, wool, merchandise, live export and real estate. These businesses consist of joint venture and 100% owned operations and include a number of iconic rural services brands.

Ruralco Chairman, Richard England, said the board was delighted to appoint Travis Dillon to the role of Chief Executive Officer and Managing Director and welcome him to the Board.

"Travis has been involved with the agribusiness industry for well over 20 years and brings a wealth of experience to the role. He is highly regarded at Ruralco and has a strong understanding of the business having worked across all activities within the group. With his extensive knowledge of the sector, operational capabilities and strong leadership skills, Travis is well placed to lead Ruralco through its next phase of development," Mr England said.

Mr Dillon said he was pleased to be given the opportunity to lead Ruralco.

"I'm really proud to be working with the team at Ruralco. This is an exciting time in the agricultural sector and Ruralco is well placed to continue to diversify and grow the business," Mr Dillon said.

The appointment of Mr Dillon completes the renewal of Ruralco's leadership team, following the appointments of CFO, Adrian Gratwicke, GM People & Culture, Elizabeth Hardaker and GM Financial Services, Ian Perry, earlier this year.

Summaries of Mr Dillon's experience and the key terms of his employment are provided below.

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SUMMMARY OF EXPERIENCE:

Mr Travis Dillon, Chief Executive Officer and Managing Director, Ruralco Holdings

Travis joined Ruralco in 2007 and has held several senior leadership roles including General Manager – Mainland Operations, General Manager – Rural Retail and was appointed Acting CEO on 4 May 2015.

Travis has been involved with the agribusiness industry for over 20 years and has extensive experience in all activities across the group.

Prior to joining Ruralco, he spent 16 years with another major agribusiness.

Travis holds an Advanced Diploma in Rural Business Management and is currently completing an MBA.

SUMMMARY OF KEY TERMS OF EMPLOYMENT

A summary of the material terms and conditions of the employment agreement entered into with Mr Dillon are provided below.

Key Terms	Details
Commencement Date	Mr Dillon's appointment as Chief Executive Officer and Managing Director of Ruralco Holdings Limited (Ruralco) will commence on 16 November 2015.
Term	Mr Dillon's appointment is on-going with no fixed term.
Prior Service with Ruralco	Ruralco will continue to recognise Mr Dillon's prior service with Ruralco (which commenced on June 2007) for all purposes.
Fixed Remuneration	Fixed Remuneration of \$750,000 (including salary, superannuation contributions and any salary sacrificed benefits) which will be reviewed annually.
At risk remuneration	<div><div>1</div><div>Short term incentive: Mr Dillon will be eligible to receive an annual short term incentive (STI) with a target STI of 50% of his annual fixed remuneration and a stretch target of 80% subject to the Board's assessment of his achievement of applicable performance targets. Any STI awarded to Mr Dillon will be awarded in equal proportions as Cash STI and a Deferred STI. Any Deferred STI will take the form of a non-cash award, which will be deferred for 12 months from the award date. STI awards are also subject to clawback where the Board becomes aware of a material financial misstatement or dishonest or fraudulent conduct by Mr Dillon which would have impacted the Board's determination of the STI award.</div></div> <div><div>2</div><div>Long term incentive: Mr Dillon will be made an award of performance rights under the Ruralco Long Term Incentive Plan (LTI Plan) for the financial year commencing 1 October 2015 with a value of \$277,344 (being 50% of his fixed annual remuneration (including his higher duties allowance applicable to the acting CEO position) in his role prior to his appointment as CEO and MD). The vesting of these performance rights will be subject to achievement of performance conditions over a 3 year period ending 30 September 2018. For the financial year commencing 1 October 2016, Mr Dillon will be eligible to receive an LTI Award of up to 80% of his fixed</div></div>

	annual remuneration which will vest subject to the achievement of performance conditions over a 5 year vesting period (33.3% in year 3, 33.3% in year 4 and 33.3% in year 5). Performance rights awarded to Mr Dillon will be subject to the terms of the LTI Plan.
Relocation costs	Ruralco will cover the costs incurred by Mr Dillon relocating from Adelaide to Sydney, up to a maximum of \$20,000. Additionally, Mr Dillon is entitled to receive payment by Ruralco of his accommodation costs for up to 3 months from the date of his relocation to Sydney.
Leave entitlements	Mr Dillon is entitled to statutory leave entitlements.
Confidential information and IP	Mr Dillon's employment agreement contains customary provisions for the protection of Ruralco's confidential information and intellectual property.
Termination provisions	<p>Ruralco may terminate Mr Dillon's employment (without cause) by providing Mr Dillon 12 months' written notice. Ruralco may terminate Mr Dillon's employment summarily without notice if he engages in particular conduct (for example serious misconduct, he becomes a disqualified from holding office).</p> <p>Mr Dillon may terminate his employment by providing Ruralco with 6 months' written notice.</p> <p>Ruralco may elect to make a payment in lieu of all or part of any period of notice of termination given by either party with the payment to be based on Mr Dillon's annual fixed remuneration during the notice period. Ruralco may also direct Mr Dillon to take 'garden leave' during a period of notice.</p> <p>Mr Dillon is not entitled to any further payment if his employment is terminated due to redundancy.</p>
Post-employment restraint	<p>Mr Dillon must not engage in any business that is the same or similar as Ruralco's business for a period of 6 months after ceasing employment. Further, Mr Dillon must not for a period of 6 months after ceasing employment:</p> <ul style="list-style-type: none"> (i) solicit business from any person who was a customer or supplier of Ruralco; or (ii) counsel or procure that any employee, consultant or officer cease providing services to Ruralco.