

Charlotte Hope
Adviser, Listings Compliance (Sydney)
ASX Compliance Pty Limited
20 Bridge Street
SYDNEY
NSW 2000

4 August 2015

Dear Charlotte,

With reference to your letter earlier today regarding the late lodgment of an Appendix 3Y on my behalf by Australian Rural Capital Limited (**ARC or the Company**), I note that this is an extremely rare occurrence. As the Company Secretary, I am responsible for the prompt lodgment of all ASX announcements, including Appendix 3Y's on behalf of ARC. The Company has strict rules regarding the requirement of Directors to lodge details of share transactions with myself on a timely basis. Given the modest turnover of ARC shares on ASX, the Company is usually able to cross-check buyers and sellers of individual parcels of shares.

In any event, the Company has explicit share dealing rules which were lodged with ASX on 16 December 2010 and upgraded on 23 March 2015, post-dating the non-lodgment in question. These rules require that various consents be obtained prior to dealing, which results in all of the Board of Directors being aware that an individual Director is purchasing or selling securities at a specific time.

In relation to the specific situation noted in your letter:

1. Please explain why the Appendix 3Y was lodged late

A number of then Directors of ARC were realigning their interests in the Company in September 2014 and an arithmetic error was made by myself in a single lodgment to ASX. As a consequence, the transaction did not come to light until reconciliation of personal accounts and Director shareholding cross-checks in relation to ARC's 2015 full year audit.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

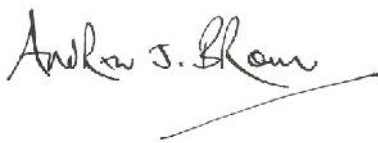
See above description. ARC has a strong and effective administration evidenced by being amongst the very first ASX-listed June balancing companies to lodge its 2015 Annual Report and new governance disclosures.

3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?*

The current procedures are considered more than adequate, are being enforced and do not require amendment to ensure compliance with listing rule 3.19B.

Please do not hesitate to contact me if you require further details.

Yours sincerely,



Andrew Brown
Director/Company Secretary



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4 August 2015

Mr Andrew Brown
Company Secretary
Australian Rural Capital Limited
GPO Box 4870,
Sydney NSW 2001

By Email

Dear Andrew

Australian Rural Capital Limited (the "Company")

We refer to the following:

1. The Appendix 3Y lodged by the Company with ASX Limited ("ASX") on 31 July 2015 for Andrew Brown (the "Notice").
2. Listing rule 3.19A.2 which requires an entity to tell ASX the following:

A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3. Listing rule 3.19B which states as follows:

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Notice indicates that a change in Mr Brown's notifiable interest occurred on 23 September 2014. It appears that the Notice should have been lodged with ASX by 30 September 2013. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.



ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Notice was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at charlotte.hope@asx.com.au or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. **before 9.30 a.m. A.E.D.T.**) on Friday, 7 August.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Charlotte Hope
Senior Adviser, Listings Compliance (Sydney)