



# Disclosure Compliance Policy

Ruralco Holdings Limited | ABN: 40 009 660 879

 Level 5, Building A, 26 Talavera Road, Macquarie Park NSW 2113  (02) 9952 6666  (02) 9952 6599  [www.ruralco.com.au](http://www.ruralco.com.au)

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## **1. Introduction and Purpose**

Ruralco Holdings Ltd (Ruralco) is committed to timely and balanced disclosure. Ruralco has responsibilities under the Corporations Act and the ASX Listing Rules (Listing Rules) to ensure that the market has equal and timely access to material information (whether positive or negative) concerning Ruralco. This includes information relating to its financial position, performance, ownership and governance.

This policy imposes obligations and procedures on all directors, employees and contractors of Ruralco to ensure that Ruralco can fulfil its responsibilities.

## **2. Application**

This policy applies to all directors, employees and contractors of Ruralco.

## **3. Objectives**

The objectives of this policy are to:

- (a) Ensure that Ruralco is able to meet its continuous disclosure obligations under the Corporations Act and the Listing Rules;
- (b) Establish internal procedures so that all directors, employees and consultants understand their obligations to disclose material information to ensure:
  - (i) All investors and participants in the market have equal and timely access to material information concerning Ruralco; and
  - (ii) All Ruralco announcements are factual and presented in a clear and balanced way
- (iii) Balance timely disclosure of material information and the avoidance of premature disclosure of incomplete or indefinite matters which may result in a false market and in some cases prejudice Ruralco's commercial interests.

## **4. Continuous disclosure obligations**

### **4.1 Disclosure of price sensitive information**

Listing Rule 3.1 requires Ruralco, subject to certain exceptions, to disclose to the ASX immediately any information concerning Ruralco that a reasonable person would expect to have a material effect on the price or value of Ruralco's securities. 'Immediately' means promptly and without delay, that is, doing it as quickly as it can be done in the circumstances and not deferring, postponing or putting it off to a later time.

Information will be taken to have a material effect on the price or value of the Ruralco's securities if it would be likely to influence investors in deciding whether to buy, hold or sell Ruralco's securities if the information became public. This information needs to be disclosed to ASX under ASX Listing Rule 3.1 unless an exception applies at that time. A matter may be material even if there is little impact on Ruralco's financial position and/or financial prospects. For example, the matter may have a significant impact on Ruralco's reputation or the market's perception of Ruralco's strategy.

Schedule 1 lists examples of information which, if material, must be disclosed.

### **4.2 Exception**

Listing Rule 3.1 does not apply when:

- (a) One or more of the following applies:
  - (i) It would be a breach of law to disclose the information;
  - (ii) The information concerns an incomplete proposal or negotiations;
  - (iii) The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (iv) The information is generated for the internal management purposes of Ruralco; or
  - (v) The information is a trade secret; and
- (b) The information is confidential and ASX has not formed a view otherwise; and
- (c) A reasonable person would not expect the information to be disclosed.

#### **4.3 Who decides if an exception applies?**

The Disclosure Committee will decide whether the information must be disclosed, or whether it falls within an exemption.

### **5. Disclosure matters generally**

#### **5.1 Inform ASX First**

Ruralco will not release any information publicly that is required to be disclosed through ASX until Ruralco has received formal confirmation of its release to the market by ASX, unless otherwise permitted by the Listing Rules.

Information must not be given to the media before it is given to ASX, even on an embargo basis.

Analyst briefings may be used to clarify information previously released however price sensitive information must not be provided unless it has been previously disclosed.

#### **5.2 Speculation and rumours**

Generally, Ruralco will not respond to market speculation or rumours.

Where there are market rumours or leaks the Chairman and Chief Executive Officer will consider immediately, and after consideration of all the circumstances, decide on a course of action. In some cases, this will require further disclosure to the ASX to ensure that all parties have equal access to information. If necessary, legal advice will be obtained to ensure that the response is appropriate.

#### **5.3 False Market**

If the ASX considers that there is, or likely to be a false market in Ruralco's securities and requests information from Ruralco to correct or prevent a false market, Ruralco will provide that information to the ASX immediately. The term 'false market' refers to a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. This may arise, for example, where:

- (a) a listed entity has made a false or misleading announcement;
- (b) there is other false or misleading information, including a false rumour, circulating in the market; or
- (c) a segment of the market is trading on the basis of market sensitive information that is not available to the market as a whole.

## **5.4 Trading halts and voluntary suspension**

If necessary, the Disclosure Committee may consider and are authorised to request a trading halt from ASX to prevent trading in Ruralco's securities on an uninformed basis, and to manage disclosure issues.

## **6. Responsible Officer and Disclosure Committee**

### **6.1 Responsible Officer**

The Board has appointed the Company Secretary as Responsible Officer. The Company Secretary as Responsible Officer is responsible for:

- (a) Administering this policy;
- (b) Ensuring that Ruralco complies with its continuous disclosure requirements;
- (c) Overseeing and coordinating disclosure of information to the ASX, analysts, brokers, shareholders, the media and the public;
- (d) Communications with the ASX in relation to ASX Listing Rule matters generally (in accordance with ASX Listing Rule 12.6);
- (e) Educating directors and staff on Ruralco's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure; and
- (f) Recording and managing the decision making process under this policy.

### **6.2 Disclosure Committee**

The Disclosure Committee (comprising the Chairman of the Board - or in his absence the Chair of the Audit, Governance and Compliance Committee - Chief Executive Officer and the Chief Financial Officer) is responsible for liaising with the Responsible Officer and making recommendations to the Board in relation to the disclosure of potentially market sensitive information, including the referral of this information to the Board.

### **6.3 Reporting**

Each director and employee within Ruralco must report any potentially market sensitive information which comes to their attention. All such information must be reported to the Responsible Officer, who will then report to the Disclosure Committee.

If in doubt, report.

## **7. What is material information?**

Information is material if it would be likely to influence persons who commonly invest in securities in deciding whether to buy, sell or hold Ruralco's securities. A matter may be material even if there is little impact on Ruralco's financial position. For example, the matter may have a significant impact on Ruralco's reputation or on market perception of Ruralco's strategy. See Schedule 1 for further guidelines.

Two tests should be used in determining whether a matter is material:

- (a) A qualitative test (that is, the nature of the matter); and
- (b) A quantitative test (a monetary amount or percentage variation).

The Disclosure Committee and Board will ensure that all price sensitive information is released to the market on a timely basis, whether such information is positive or negative.

## **8. Communication**

### **8.1 Unauthorised communication**

Except as provided for in Ruralco's Communication Policy and this Policy, no officer, employee, or contractor may make external comments regarding Ruralco's business or operations without the authorisation of the Chief Executive Officer or Chairman.

Any inquiry that refers to market share, financials or any matter which the recipient considers may be price sensitive must be referred to the Company Secretary.

This prohibition includes comments via the internet, social media or social networking. That is, officers, employees and contractors must not comment about Ruralco's business or operations on:

- (a) Social networking sites (eg LinkedIn and Facebook);
- (b) Online discussion forums and blogging sites, including micro blogs (eg Twitter);
- (c) Online encyclopedias (eg Wikipedia);
- (d) Video and photo sharing sites (eg YouTube); and
- (e) Any websites that allow individual users to publish information.

### **8.2 Authorised Spokespersons**

Ruralco has nominated specific representatives who are permitted to communicate with external parties including shareholders, analysts and the market (Authorised Spokespersons). The Authorised Spokespersons are:

- (a) The Chairman of the Board of Directors;
- (b) The Chief Executive Officer;
- (c) The Chief Financial Officer in relation to financial matters and in conjunction with the Chief Executive Officer; and
- (d) The Company Secretary in relation to ASX Disclosures approved by the Disclosure Committee and/or Board.

## **9. Protection of confidential information**

Ruralco will take appropriate action to limit the likelihood of market rumours or leaks of information. This will be achieved by:

- Ensuring that external advisors (as appropriate) and staff are subject to confidentiality obligations under their consulting or employment agreements;
- Limiting the dissemination of confidential information to those parties that "need to know" the information;
- Developing an internal culture that recognises and accepts the need for good governance generally and in particular recognises the need for confidentiality.

## **10. Consequences of breach**

### **10.1 The Company**

If Ruralco contravenes its continuous disclosure obligations under the Listing Rules and Corporations Act it may

- (a) criminal liability with a monetary fine;
- (b) civil liability for any loss or damage suffered by any person as a result of its conduct; and/or
- (c) suspension or delisting from the ASX.

## **10.2 Individuals**

The Company's officers (including its directors), employees or advisers who are involved in the contravention by Ruralco, may also face criminal liability, the consequences of which may be monetary fines, imprisonment or both, and civil liability and penalties. Breach of this policy may also lead to disciplinary action being taken.

## **10.3 Unwanted publicity**

Contravention of its continuous disclosure obligations may also lead to unwanted publicity for Ruralco and may cause reputational damage.

## **11. Related Documents**

- Communications Policy

Approved by the Board: February 2017

## Schedule 1 - Materiality guidelines

### 1. Examples of information to be disclosed if material

The notes to ASX Listing Rule 3.1 list the following examples of information which, if material, must be disclosed to ASX:

- (a) (transactions) takeovers, mergers, de-mergers, restructures, schemes of arrangement and all other transactions involving a transfer of control or significant change in the nature or scale of the Company's activities (including, where relevant, the giving or receiving a notice of intention of such transaction);
- (b) (acquisition or disposal) a material acquisition or disposal;
- (c) (material licence) the granting or withdrawal of a material licence;
- (d) (material agreement) the entry into, variation or termination of a material agreement;
- (e) (material law suit) becoming a plaintiff or defendant in a material law suit;
- (f) (earnings) the fact that the Company's earnings will be materially different from market expectations;
- (g) (insolvency) the appointment of a liquidator, administrator or receiver;
- (h) (finance facility) the commission of an event of a default under, or other event entitling a financier to terminate, a material financing facility;
- (i) (issue of securities) under subscriptions or over subscriptions to an issue of securities by the Company;
- (j) (credit ratings) any rating applied by a rating agency to the Company, or securities of the Company, and any change to the rating.

### 2. Other information

By way of further guidance other matters which may potentially be material include:

- (a) (ability to carry on business) anything that might affect Ruralco's ability to carry on business;
- (b) (future activity) anything having a material effect on future activity including a new proposal or development;
- (c) (joint venture) entering into or exiting an alliance or joint venture;
- (d) (funding) a significant funding arrangement;
- (e) (foreign activities) significant foreign activities or proposed foreign activities;
- (f) (technology) significant change in technology or the application of technology which could affect the Company's business;
- (g) (change in law) any proposed change in regulation or law that could affect Ruralco's business;
- (h) (breach of law) a significant allegation of any breach of the law, whether civil or criminal, by the Company or any of its employees;
- (i) (reputation) a matter having an adverse effect on Ruralco's reputation;



- (j) (market changes) significant changes in the market that may affect the business of Ruralco;
- (k) (directors and senior management) a change in the directors or a significant change in senior management;
- (l) (structure) a significant change in corporate or capital structure including a buy-back of shares; and
- (m) (onerous or unusual matters) anything that is onerous, unusual or outside the ordinary course of business of Ruralco including a significant bad debt, credit loss, material litigation or profit downgrade.