

Code of Conduct

1 Introduction

Ruralco is committed to maintaining ethical standards in the conduct of its business activities. It expects and requires all its officers and employees to have a personal commitment to meeting these standards. These standards go beyond mere compliance with laws and regulations. They also embrace the core values which are essential.

This code applies to all employees of Ruralco Holdings Ltd and its subsidiaries (**Ruralco**) as well as contractors and visitors to Ruralco sites.

2 Purpose of this code

This Code of Conduct (**Code**) is aimed at providing clear guidelines of the commitment and business standards expected of Ruralco and requiring officers and employees to adhere to the law and various policies which are referred to in this Code. The standards set out in this Code cannot - and do not try to - anticipate every situation which may pose a legal, ethical or moral issue. Officers and employees are expected to exercise sound judgment when evaluating an issue of business conduct. If they are in any doubt, they are expected to seek advice before taking any action which may compromise themselves or Ruralco.

Officers and employees also have an obligation under this Code to advise Ruralco of any illegal or unethical practices of which they become aware. Directors and management will monitor compliance and will act on any actions, which are inconsistent with this Code.

Our reputation as an ethical business organisation is important to our ongoing success. Adopting and complying with this Code will help ensure appropriate corporate behaviour.

This policy may be updated from time to time and the amended policy will apply to you.

3 Ruralco's business ethics

3.1 Openness, Honesty and Integrity

Ruralco's officers and employees will conduct themselves with openness, honesty and integrity in all business transactions and in all dealings with others. This applies to all Ruralco stakeholders: shareholders; trading members and other customers; employees; suppliers; creditors; financiers; the financial markets and the general public – particularly those in rural Australia.

3.2 Mutual Respect

Ruralco's employees are expected to treat other employees, trading members, customers, shareholders and anyone else with whom they interact in their work, with courtesy and respect.

3.3 Fairness

Ruralco is committed to dealing fairly with trading members, customers, suppliers, other business associates and with their colleagues.

3.4 Ethical Conduct

Ruralco's employees will adhere to the standards of conduct that Ruralco has set in this Code. Also, they will act ethically in their approach to business decisions.

4 Business conduct

4.1 Ruralco's Business Ethics

These guidelines outline the behaviour Ruralco expects of its officers and employees when conducting its business and interacting with others.

The guidelines specifically address three areas:

- Compliance with laws and regulations.
- Personal and professional conduct.
- Relationships with others.

4.2 Compliance with Laws and Regulations

Ruralco will act in compliance with all laws that apply to its business. Directors and management have a responsibility to ensure that employees know what the law requires of them and that they understand the importance of complying with the law.

(a) Trading in Shares

All Ruralco's officers and employees are expected to comply fully with Australian laws and the Australian Stock Exchange (**ASX**) Listing Rules governing transactions in securities (**shares**) of Ruralco and other companies. The Board of Ruralco has adopted a Share Trading Policy to ensure this compliance and all employees must act in accordance with this policy. Ruralco's Share Trading Policy is available on our intranet.

(b) Privacy

Officers and employees of Ruralco may have access to personal information of individuals. The Board has adopted a Privacy Policy to set out how Ruralco, including its employees and officers, complies with the Privacy Act, including the Australian Privacy Principles. All officers and employees must act in accordance with this policy. Ruralco's Privacy Policy is available on our intranet.

(c) Intellectual property

One of Ruralco's most important assets is its intellectual property, including its copyrights, trademarks, patents, and trade and business secrets. Each officer and employee is responsible for protecting Ruralco's intellectual property rights by complying with Ruralco's policies and procedures for the protection of these rights.

All intellectual property that an employee or contractor generates in relation to Ruralco is the property of Ruralco. Employees and contractors are required to sign a statement to this effect when they join Ruralco.

(d) Use of unlicensed software

Ruralco respects the intellectual property rights of others and it is against Ruralco's policy to reproduce copyright software, documentation or other materials without permission. Third party software in the possession of Ruralco must not be copied unless copying is consistent with relevant licence agreements, and either management has previously approved the copying, or copies are being made merely for backup and archival purposes.

4.3 Personal and Professional Conduct

(a) Financial integrity

The use of Ruralco funds or assets for any unethical purpose is prohibited. No undisclosed funds or assets of Ruralco will be maintained or established for any purpose. No false entries will be made in the books or records of Ruralco for any reason. No payment on behalf of Ruralco may be made or approved on the understanding that it will or might be used for something other than the stated purpose.

Ruralco has stringent financial accounting procedures that are overseen by management, the audit committee and the external auditor. Officers and employees must ensure:

- that Ruralco's financial books, records, reports and statements properly document all assets, liabilities and revenue; and
- that expenses accurately reflect all transactions and are retained in accordance with Ruralco's policies and all applicable laws and regulations.

(b) Giving gifts

Ruralco recognises that it is accepted business practice that entertainment and small tokens such as cards and small gifts may be extended to prospective and existing customers at certain times. However, any such gifts must be for a proper purpose.

Ruralco's officers and employees may provide meals, refreshments and/or entertainment appropriate to the circumstances in connection with business relationships. Providing meals, refreshments and/or entertainment must not violate the standards of conduct of the recipient's organisation or of any contractual agreement with a customer.

In appropriate circumstances that the relevant manager has approved, gifts may be given. Beyond this, officers and employees may not offer or give gifts, commissions, gratuities, or other payments, whether openly or secretly, to prospective or existing trading members and customers or government officials. It is not permissible to provide any service, accommodation or travel, other than as part of the performance of Ruralco business.

Officers and employees who incur, and employees who approve, expenditure for gifts, meals, refreshments and entertainment must use discretion and care to ensure that the expenditure is in the ordinary and proper course of business and could not reasonably be construed as a bribe or improper inducement.

(c) Accepting gifts

Ruralco employees must not accept or solicit any gift or benefit from a third party which may call into question the employee's integrity or that of Ruralco. As a general rule, gifts, benefits, meals and entertainment may only be accepted if they have a trivial value and are unlikely to influence, or be perceived to influence, an employee in the conduct of their work or create a feeling of obligation in the employee toward the person offering the gift, benefit, meal or entertainment.

It is not possible to cover all circumstances that may arise, therefore, if in doubt employees should seek advice and guidance from their immediate manager. As a general rule, for gifts that are considered more than trivial (valued over \$25) and substantial meals/entertainment/travel (valued over \$100), the receiver must advise and seek the permission of their relevant Manager and/or divisional General Manager (as appropriate) prior to accepting the gift and/or attending the function or event.

(d) Business agreements and contracts

Ruralco expects to compete fairly and ethically for all business opportunities. Officers and employees involved in the negotiation of agreements and contracts must ensure that they act in accordance with the law. All statements, communications and representations made to trading members and customers, suppliers, competitors and others with whom they undertake business transactions, should be accurate and truthful and they must not be misleading.

All appropriate approvals must be obtained before contracts are executed. No side letters modifying or amending contracts may be executed without appropriate authority. Ruralco is committed to meeting all of its contractual obligations.

Ruralco's officers and employees are expected to know, understand, and honour the terms of Ruralco's contractual obligations that are relevant to their role.

(e) Confidentiality

All employees have obligations of confidentiality in their employment contract. Employees are expected to comply with their contractual confidentiality obligations and their common law confidentiality obligations. The types of confidential information employees are exposed to includes, but is not limited to:

- proposed or ongoing business transactions, such as contract negotiations, new products, marketing programmes, proposed acquisitions and divestitures;
- strategic business plans or business proposals;
- internal financial reports of budgets, forecasts, or actual results;
- technical expertise including research and development plans, projects and results, processes and similar technical data developed or acquired to further Ruralco's business;
- employee payroll data;
- personnel records information;
- client records; and
- supplier contracts.

(f) Public comment

Public comment includes comments to the media, made on radio or television; opinions provided to print media such as newspapers, magazines, journals, etc.; speaking engagements including conferences, seminars, etc.; or written comments such as letters, memos, email messages, etc.

When making an authorised comment, an employee or contractor should:

- ensure they have been previously authorised by the Chief Executive Officer of Ruralco to make comments on the specific issue or general topic;
- know the facts relevant to the issue being discussed; and
- avoid comments that could be misinterpreted, are personal or are politically sensitive.

Only the Chief Executive Officer of Ruralco is authorised to make public comment regarding Ruralco, its trading divisions, or any matter of Ruralco or national significance.

If an incident occurs that may attract media attention, employees and contractors must notify the Chief Executive Officer and the Company Secretary. While in the process of referring the incident to the Chief Executive Officer and Company Secretary, an employee may advise the media that Ruralco is aware of the situation and a public statement will be made shortly.

Employees and contractors may be invited to speak at conferences or similar events or to write articles or reports for publications. The content of the paper, presentation, article or report requires approval of the Chief Executive Officer, Company Secretary or National Marketing & Communications Manager. In the case of a speaking event employees and contractors should limit their speech to the relevant subject matter.

(g) Smoking and the use of drugs and alcohol

Smoking is not allowed in any Ruralco premises or motor vehicle.

The use of recreational or non-prescription drugs while on any Ruralco premises is not permitted.

Consumption of alcohol on Ruralco premises is only allowed when authorised by the appropriate manager and appropriately supervised. Consumption of alcohol is not allowed in any Ruralco vehicle.

(h) Gathering information on Ruralco's competitors

While Ruralco acknowledges that an understanding of the market, and therefore its competitors, is essential in undertaking business, gathering this information should be done legally and ethically.

Ruralco's officers and employees should not specifically seek information about Ruralco's competitors that is proprietary. Nor may they gain information through unlawful or deceitful means.

(i) Conflict of interest

A conflict of interest describes any circumstances which could cast doubt on an officer's or employee's ability to act with total objectivity with regard to Ruralco's interests. All officers and employees have an obligation to avoid financial, business or other relationships which might be opposed to the interests of Ruralco or which may conflict with the performance of their duties. Employees should conduct themselves in a manner that avoids even the appearance of conflict between personal and the interests of Ruralco.

The best way for an employee to avoid a conflict of interest is to ask questions about and address any situation that may have the potential to be misinterpreted by others, including their colleagues at Ruralco, customers, regulators, suppliers, investors and the public.

Conflicts of interest can result from all kinds of situations and may be financial or non-financial in nature. For example, a conflict may arise from:

- misusing influence to further personal, sexual and/or financial relationships;
- receiving gifts which go beyond common courtesies consistent with ethical and acceptable business practices;
- holding outside jobs and affiliations including directorships and board memberships;
- having interests or investments in a competitor, customer or supplier of Ruralco;
- jobs and affiliations of close relatives and friends; or
- misusing confidential information of Ruralco's name and Ruralco's clients, customers and suppliers (for example, using confidential information for their own or another's advantage).

It is just as important to eliminate the perception of a conflict of interest as it is to eliminate an actual conflict of interest.

Employees are required to:

- at all times, consider any real or potential conflict of interest, financial or personal, between their private interests and their responsibilities as an employee of Ruralco;
- immediately disclose to their manager any situation where their private interests conflict or could conflict with their responsibilities as an employee of Ruralco; and
- take all reasonable steps to avoid putting themselves in a position of conflict of interest. This may require them to excuse themselves from any decision-making process where they have an interest that influences (or that could be seen to influence) their ability to make an objective decision.

If an employee has any doubt about conflicts of interest, they should contact their manager or the Company Secretary.

(j) Use of Ruralco's resources

No property of Ruralco may be sold, loaned, given away, or otherwise disposed of, without proper authorisation. Employees must use all Ruralco assets for proper purposes during their employment with Ruralco. Employees are expected to do so by:

- using equipment and resources economically and minimising waste;
- protecting equipment and resources against theft, damage or misuse;
- not using equipment or resources for personal purposes unless approved otherwise; and
- ensuring the proper expenditure of Ruralco's funds.

Improper use includes unauthorised personal use of Ruralco's assets, data or resources, including computer equipment, software, photocopies, facsimile machines, telephones, vehicles, facilities, materials and supplies.

Ruralco has designed an Electronic Communication System to help communications with staff, customers and suppliers. These facilities may not be used for personal gain but may be used for incidental personal purposes. All data and communications using the system remain the property of Ruralco.

Ruralco's Electronic Communication Systems policy is available on our intranet.

(k) Private employment and honorary voluntary positions

Ruralco discourages officers and employees from seeking additional employment outside Ruralco which may interfere with its commitments. This refers to any employment outside Ruralco which could lead to a conflict of interest, or results in absenteeism, inability to meet job requirements or poor job performance at Ruralco.

Employees who may be considering outside employment must consult their manager so that potential conflicts can be assessed.

As part of Ruralco's commitment to the community, employees are encouraged to take honorary voluntary positions. Before doing so, the employee should consult with their manager.

4.4 Relationships with others

In all dealings with colleagues, clients, customers, suppliers, visitors and the general public employees are expected to:

- behave in a professional and responsive manner;
- treat others with dignity, courtesy and respect;
- treat others fairly, irrespective of gender, sexual orientation, race, cultural background, disability, religion, marital status, age, political conviction or other attributes;
- uphold the principles of equal opportunity and embrace the diversity in the office;
- avoid behaviour which might reasonably be perceived as harassment, discrimination, bullying or intimidation; and
- respect and protect others' privacy.

(a) Ruralco and its employees

Ruralco actively supports the principle of equal employment opportunity regardless of race, religion, national origin, sex, age, physical disability, marital status, personal appearance or sexual orientation and expects its officers and employees to practise and support this principle.

Ruralco's policy is to avoid discriminatory practices of any kind and to make employment and career decisions strictly on the basis of individual ability, performance, experience, and Ruralco requirements.

Ruralco believes that every individual has the right to dignity and respect in the workplace. Therefore, Ruralco regards any personal, physical or sexual harassment as totally unacceptable. That sort of behaviour is unacceptable regardless of who the perpetrator is, and may lead to disciplinary action, including the termination of their employment. Ruralco's policies on Workplace Behaviour and EEO and Diversity are available on our intranet.

Ruralco is committed to protecting the health and safety of its employees, visitors and the public. Ruralco expects and requires all its employees to comply with Work Health and Safety laws and Ruralco policies.

(b) Ruralco and its customers

Customer service is paramount at Ruralco. If Ruralco is to retain and attract trading members and customers, we must offer quality products and services which are well priced and provide value. Our staff must be seen to be knowledgeable, competent and honest.

Ruralco is committed to, and requires its employees to be committed to, the objective of providing the best possible range of products and services, at the best price, to our trading members and customers in a clear and transparent manner.

(c) Ruralco and its suppliers

Our relationship with suppliers is an important aspect of our ability to serve our trading members and customers.

Ruralco maintains open and frank business dealings with suppliers and strives to develop mutually advantageous relationships. Ruralco will select suppliers solely on the basis of quality, price and service offered to Ruralco and trading members. Suppliers will be treated fairly and with respect.

5 Whistleblowing

We realise that it is difficult to always ensure compliance with this Code and therefore we ask for the help of employees.

If an employee suspects that any fraudulent or unethical behaviour has occurred, they should contact their manager or the Company Secretary.

Confidential messages can be sent to the Company Secretary if an employee prefers.

Ruralco has a Whistleblowing hotline employees can call on 1800 339 276 or website

<https://secure.ethicspoint.com/domain/media/en/gui/36765/index.html>

6 Review

Ruralco endeavours to review this policy every two years.

7 More Information

If an employee wishes to obtain more information regarding any aspect of the Ruralco Code of Conduct, they may ask their manager, or consult the Company Secretary.

Issued by Human Resources
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