

Ruralco Holdings Limited

Dividend Reinvestment Plan Rules



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Ruralco Holdings Limited Dividend Reinvestment Plan Rules



1 Background

The purpose of this Plan is to provide Eligible Shareholders with the opportunity to reinvest all or part of their Dividends and acquire additional Shares.

2 Definitions & Interpretation

2.1 Definitions

In these Rules, the following terms will have these meanings, unless the contrary intention appears:

“**Application**” means the application to participate or vary participation in the Plan in respect of a particular shareholding account in the form that the Board approves from time to time;

“**ASX**” means ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange, as appropriate;

“**Board**” means the board of directors of Ruralco;

“**Business Day**” has the meaning given to it in the Listing Rules;

“**Dividend**” means a cash dividend or cash component of a dividend payable or paid by Ruralco;

“**Eligible Shareholder**” means a person registered as the holder of Shares other than a person with a registered address in any place where, in the opinion of the Board, participation or the making of an offer or invitation to participate in the Plan is unlawful or would require compliance with conditions which the Board in their sole discretion regard as unacceptable or unduly onerous;

“**Listing Rules**” means the Listing Rules of ASX and any other applicable rules of ASX, as modified to the extent of any applicable express written waiver by ASX;

“**Market Price**” means the weighted average price per Share of all Shares sold in the ordinary course of trading on ASX during the five trading days immediately following the relevant Record Date rounded to the nearest cent or if no trading, or insufficient trading, to fairly determine the market price, has occurred in that period, such price as the Board may determine in their absolute discretion as the fair market value of Shares;

“**Participant**” means an Eligible Shareholder whose Application in respect of a particular shareholding account has been accepted by the Board;

“**Plan**” means the Ruralco Dividend Reinvestment Plan, the terms of which are set out in these Rules;

“**Plan Shares**” in respect of a Participant means the Shares in a particular shareholding account which are designated by the Participant as Shares for which a Dividend is to be applied in subscribing for Shares under the Plan;

“**Record Date**” in respect of a Dividend means the date that Ruralco determines entitlements for the Dividend;

“**Rules**” means these rules governing the operation of the Plan;

“**Ruralco**” means Ruralco Holdings Limited (ABN 40 009 660 879); and

“**Shares**” means fully paid ordinary shares in the capital of Ruralco.



2.2 Interpretation

In these Rules, unless a contrary intention appears:

- (a) the singular includes the plural and vice versa and a reference to a gender includes other genders;
- (b) a reference to a person includes a corporation, firm or body of persons recognised by law and that person’s successors, assignees and legal personal representatives; and
- (c) other grammatical forms of defined terms or phrases have corresponding meanings.

3 Eligibility

- 3.1 No person other than an Eligible Shareholder may apply to participate in the Plan.
- 3.2 Participation in the Plan is optional and not transferable.
- 3.3 Every Eligible Shareholder who wishes to participate in the Plan must lodge an Application with Ruralco.
- 3.4 At least one joint holder of Shares must sign an Application for it to be valid.
- 3.5 Subject to rule 4.2, an Application must be lodged for each shareholding account, and each shareholding account of an Eligible Shareholder will be treated separately for all purposes under the Plan.

4 Degree of participation

- 4.1 An Eligible Shareholder must specify on the Application the degree to which they wish to participate in the Plan in respect of the nominated shareholding account. Subject to these Rules, participation may be:
 - (a) full participation for all the Participant’s Shares from time to time in the nominated shareholding account, including Shares allotted under the Plan; or
 - (b) partial participation for a specified number of Shares held by the Participant at the relevant time in the nominated shareholding account.
- 4.2 Applications received by Ruralco which do not indicate the relevant shareholding account to which the Application applies and/or the degree of participation in the Plan will, without notice to the applicant, be deemed to be an application for full participation in the Plan for all of the applicant’s Shares.
- 4.3 All Shares acquired by, or issued to, the Participant under the Plan will without notice be deemed to be participating Plan Shares unless and until an Application varying or terminating participation is received by Ruralco.



5 Acceptance of applications

- 5.1 The Board may in its absolute discretion accept or refuse any Application.
- 5.2 Each Application accepted by the Board will be effective in respect of the first Dividend paid after receipt and acceptance of the Application, provided it is received within the time required by ASX for that Dividend.
- 5.3 Ruralco will record for each Participant particulars of:
- (a) the name and address of the Participant; and
 - (b) the number of Plan Shares held by the Participant in the relevant shareholding account(s) from time to time,
- and Ruralco's records will be conclusive evidence of the matters so recorded.


6 Reinvestment of Dividends

- 6.1 Dividends on Plan Shares will be applied by the Board on the Participant's behalf in subscribing for Shares. Any Dividends on Plan Shares which Ruralco is entitled to retain under its Constitution or otherwise will not be available for subscribing for Shares. If withholding tax is payable in respect of any Dividends that tax will be deducted and only the balance will be applied in subscribing for Shares.
- 6.2 At the time of a Dividend payment, the Board will:
- (a) determine the amount of any residual positive balance remaining from the payment of previous Dividends;
 - (b) determine the Dividends payable in respect of the Plan Shares;
 - (c) determine (where applicable) the withholding tax deductible by Ruralco in respect of the Dividends, and any other sum Ruralco is entitled to retain in respect of the Plan Shares;
 - (d) determine the maximum whole number of Shares which can be acquired under these Rules in respect of the Dividends;
 - (e) subscribe for Shares in the name of the Participant; and
 - (f) carry forward any residual positive balance.
- 6.3 Subject to Rules 6.1 and 6.2, the number of Shares issued to each Participant will be the whole number equal to, or when not a whole number, the nearest whole number rounded down, calculated by the following formula:

$$N = \frac{D + R - T}{P}$$

where:

- N is the number of Shares issued;
- D is the Dividends payable on the Participant's Plan Shares as at the Record Date for the Dividend;
- R is the residual positive balance from previous dividend;

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- T is any withholding tax or other sum Ruralco is entitled to retain in relation to the Dividends or the Plan Shares; and
- P is the price at which Shares are issued as determined in accordance with rule 6.4.

Shares will not be issued under the Plan if the issue would breach the Listing Rules or any applicable law.

- 6.4 The price at which Shares are issued will be the Market Price less a discount of up to 5% as the Board determines from time to time. The discount allocated for a particular Dividend:
- (a) may be nil; and
 - (b) may be varied by announcement on Ruralco's website and to ASX at any time, but any variation will not apply to Dividends already announced.
- 6.5 Ruralco will send to each Participant a holding statement for the relevant shareholder account setting out the following information:
- (a) the number of the Participant's Plan Shares on the Record Date for the relevant Dividend;
 - (b) the Dividends payable in respect of that Participant's Plan Shares which have been applied towards subscription for additional Shares under the Plan;
 - (c) the number of additional Shares allotted to that Participant under the Plan;
 - (d) the number of Shares (including Plan Shares) of which that Participant is the registered holder after the allotment of additional Shares under the Plan; and
 - (e) the amount of any residual positive balance for that Participant.
- 6.6 All Shares allotted under the Plan will from the date of allotment rank equally in all respects with existing Shares.
- 6.7 Shares to be allotted under the Plan will be allotted within the time required by ASX and will be credited directly to the Participant's sponsor holding statement for the relevant shareholder account.
- 6.8 If a Participant sells all of their Plan Shares, the amount of any residual positive balance held on the Participant's behalf by Ruralco will be paid to the Participant.
- 6.9 The Board may choose to partially or fully underwrite the Plan in respect of any Dividend with one or more underwriters.

7 Variation or termination of participation

- 7.1 A Participant may increase or decrease the number of the Participant's Plan Shares or terminate their participation in the Plan by lodging a new Application at any time. To be effective for a forthcoming Dividend, the new Application must be received by Ruralco within the time required by ASX.



- 7.2 If a Participant disposes of all the Participant's Shares without giving Ruralco a new Application and is not registered as a holder of any Shares as at the Record Date for a Dividend, the Participant will be deemed to have terminated their participation in the Plan on the last date when Ruralco registered a transfer of the Participant's Shares.
- 7.3 When a Participant disposes of part of the holding of Shares of that Participant, and does not notify Ruralco otherwise, the Shares disposed of will, to the extent possible, be taken to be:
- (a) first, Shares which are not Plan Shares; and
 - (b) second, Plan Shares.
- 7.4 When a Participant acquires, or is issued, Shares and does not notify Ruralco otherwise, those Shares will be taken to be Plan Shares.

8 Limit on subscription

The Board may from time to time limit the number of Shares (either by number or in terms of total subscription price) for which a Participant may subscribe at a particular time. This limit must be the same for all Eligible Shareholders except, if Shares are held by a trustee or nominee, the trustee or nominee must be allowed to participate for each person whose Shares are held in that way. The introduction of a limitation on the number of Shares for which an Eligible Shareholder may subscribe or a variation of such a limitation constitutes a modification of the Plan, of which Participants must be notified in accordance with Rule 9.4.

9 Modification, suspension and termination of the Plan

- 9.1 The Plan may be modified (including by variation of the Rules), suspended, recommenced or terminated by the Board at any time.
- 9.2 If the Plan is modified or suspended by the Board, a Participant continues to participate under the Plan unless the Participant terminates their participation in the Plan by lodging a new Application in accordance with Rule 7.1 or is taken to have terminated their participation under Rule 7.2.
- 9.3 While the Plan is suspended, Dividends on Plan Shares will not be applied by the Board on the Participant's behalf in acquiring Shares.
- 9.4 Ruralco will give notice of any:
- (a) variation of the Plan (other than simply an exercise of a discretion, authority or power under these Rules) to Participants at least one month before the effective date of the variation;
 - (b) suspension or recommencement of the Plan to Participants as soon as reasonably practicable before or after the effective date of the suspension; and
 - (c) termination of the Plan to Participants as soon as reasonably practicable before or after the effective date of termination.

Notice may be provided in any manner (including by public announcement, notice on Ruralco's website, announcement to ASX or mailed written notices) which the Board consider appropriate to bring the variation, suspension,

recommencement or termination to the notice of the Participants, as the case may be.

- 9.5 The accidental omission to give notice of modification, suspension, recommencement or termination to any Participant or the non-receipt of any notice by the Participant will not invalidate the modification, suspension, recommencement or termination of the Plan.

10 Administration of the Plan

This Plan will be administered by the Board which has the power to:

- (a) determine procedures for administration of the Plan consistent with the Rules;
- (b) settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Shares and the determination of the Board is to be conclusive and binding on all Participants and other persons to whom the determination relates; and
- (c) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan.

11 ASX Listing

The Company will promptly make an application after allotment of Shares pursuant to the Plan for the listing of allotted Shares on ASX.

12 Plan rules are binding on participants

Participants are at all times bound by the Rules as modified from time to time.

13 Costs to participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of Shares allotted under the Plan. Any taxes or other costs assessed against or imposed on a Participant are the responsibility of the Participant and Ruralco is not liable for any such tax or cost.

14 Notices

Subject to rule 9.4, a notice under these Rules is validly given if handed to the addressee or posted by ordinary pre-paid post and addressed to the addressee at their last known residential or registered address, or sent by facsimile or e-mail.

15 Governing law

The Plan and contracts arising under the Plan are governed by the laws of New South Wales and each person interested under the Plan submits to the exclusive jurisdiction of the Courts of New South Wales.