



CORPORATE **GOVERNANCE** STATEMENT



2017



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CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

RURALCO HOLDINGS LIMITED AND CONTROLLED ENTITIES
ABN 40 009 660 879

The Board is committed to achieving and demonstrating the highest standards of corporate governance. This statement details the corporate governance practices in place during the period 1 October 2016 to 30 September 2017 (the reporting period). The practices follow the recommendations set out in the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles). This statement is current as at 5 December 2017 and has been approved by the Board.

STRUCTURE AND COMPOSITION OF THE BOARD

The Board determines its size within the limits provided in the Company's constitution, which currently provides for a minimum of three (3) Directors and a maximum of nine (9) Directors. The size of the Board is reviewed annually and currently comprises four (4) Non-Executive Directors, including the Chair, and one Executive Director, being the Managing Director.

NAME	POSITION	APPOINTMENT DATE	LAST RE-ELECTED
R Lee	Chairman and Non-Executive Director	5 September 2016	17 February 2017
E Johnstone	Non-Executive Director	1 September 2014	19 February 2016
T Vonhoff	Non-Executive Director	1 September 2014	17 February 2017
M J Millner	Non-Executive Director	5 February 2007	17 February 2017
T A Dillon	Managing Director	16 November 2015	N/A
J Tuskin*	Non-Executive Director	1 October 2013	*Retired 15 November 2016

Details of the skills, experience and expertise relevant to the position of director held by each Director in office at the date of this report is contained on page 44 of the 2017 Annual Report.

BOARD COMMITTEES (2.1)

The Board has delegated specific matters to three Committees that assist in discharging and exercising its responsibilities by examining various issues and making recommendations to the Board.

Those Committees are the:

- Audit, Risk & Corporate Governance Committee
- Nomination & Remuneration Committee
- Investment Review Committee.

Each Committee is governed by a charter under which authority is delegated by the Board and which sets out matters relevant to the composition, responsibilities and administration of those Committees. These charters are available on the Company's website at www.ruralco.com.au/corporate/corporate-governance.

The Board may also delegate specific responsibilities to ad hoc Committees from time to time.

All Committees review matters on behalf of the Board and, subject to the terms of the relevant charter:

- Refer matters to the Board for decision, with a recommendation from the Committee (where the Committee acts in an advisory capacity)
- Determine matters (where the Committee acts with delegated authority), which it then reports to the Board.

The details of each Board Committee member's respective skills, qualifications as well as the number of Committee Meetings that were held over the reporting period and the attendance of Committee members at these meetings are set out in the Directors' Report on page 44 and 50 of the 2017 Annual Report.

The members of each Board Committee as at the date of this report are shown in the following table:

NAME	AUDIT, RISK & CORPORATE GOVERNANCE COMMITTEE	NOMINATION & REMUNERATION COMMITTEE	INVESTMENT REVIEW COMMITTEE
R Lee	Member	Member	Member
E Johnstone	Chair	Member	Member
T Vonhoff	Member	Chair	Member
M J Millner	Member	Member	Chair

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (1.1)

The Board's fundamental role is to represent the Company's shareholders. The Board is accountable to them for creating and delivering value through effective governance of the business and through setting and reviewing the Company's strategic direction and monitoring the implementation of that strategy by Management.

The Board's roles and responsibilities are formalised in a Board Charter, which is available on the Company's website at www.ruralco.com.au/corporate/corporate-governance. The Charter is reviewed at least annually to ensure it remains appropriate given the operations of the business and the responsibilities and composition of the Board.

The Managing Director and CEO has responsibility for the day-to-day management of the Company and its related bodies corporate (the Group) and is supported in this function by the Executive Management Team. Details of the members of this team are set out on page 48 of the 2017 Annual Report.

In fulfilling its roles and responsibilities, some key focus areas for the Board over the reporting period are set out below:

KEY FOCUS AREAS OF THE BOARD OVER THE REPORTING PERIOD

- Overseeing Management's performance in strategy implementation and monitoring the financial position of the Group
- Reviewing business operations and development plans of each division likely to impact long-term shareholder value
- Reviewing talent management and development underpinning the Group's operations
- Approving the capital management distributions of 15 cents per share, which returned \$15.6 million to shareholders over the reporting period
- Exploring opportunities for future growth including business transformation and strategic reviews
- Monitoring the implementation of risk management plans to address identified operational, financial and reputational risks for the Group
- Approving revisions to the Board and Committee Charters to align with the recommendations of and commentary on the ASX Principles
- Reviewing policies to improve the Group's system of Corporate Governance including approving amendments to the Group's Whistleblowing Policy, Risk Management Policy and Tax Governance Policy

THE ROLE OF THE COMPANY SECRETARY (1.4)

Ilona Alsters was the Company's Company Secretary and General Counsel and a member of the Executive Management Team over the reporting period. Ms Alsters' qualifications and experience are set out on page 48 of the 2017 Annual Report.

The Company Secretary is accountable to the Board, through the Chair, on all matters relating to the proper functioning of the Board. The Company Secretary works closely with the Chair to manage the flow of information between the Board, its committees and senior management.

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DIRECTOR SELECTION, APPOINTMENT AND RE-APPOINTMENT (1.2; 1.3)

The procedures for the appointment and removal of Directors are governed by the Company's Constitution. The Board may appoint Directors to fill casual vacancies that occur, or to add additional persons to the Board up to the maximum number prescribed by the Constitution. If the Board appoints a new Director during the year, that person will enter into a written contract with the Company, setting out the terms of his or her appointment (including matters recommended in the ASX Principles) and will stand for election by shareholders at the next Annual General Meeting. That Director will not be taken into account in determining the number of Directors who are to retire by rotation at the Annual General Meeting. Shareholders are provided with relevant information on the candidates standing for election in the Notice of Meeting.

The Board seeks to ensure that the Directors have a broad range of experience, commercial expertise and appropriate professional qualifications. Board members must have (or develop) a thorough understanding of the business conducted by Ruralco and be able to bring value to the Board's deliberations.

The Board has delegated to the Nomination & Remuneration Committee the responsibility for recommending to the Board candidates to be nominated to act as new Directors, and for recommending to the Board the reappointment of retiring Directors.

The Committee regularly reviews the composition of the Board to ensure that there is an appropriate mix of abilities and experience to serve the interests of shareholders. Any recommendations are presented to the full Board.

In considering the selection, appointment and re-election of Directors, the Nomination & Remuneration Committee assesses candidates against a range of criteria developed for the role and in doing so considers, among other things, their background, knowledge of the Company's business and industry, business experience, personal attributes and professional skills. Furthermore, before appointing a new Director appropriate checks are undertaken with respect to their character and experience, academic qualifications, criminal record and bankruptcy history. Following this assessment, the Committee provides its recommendation to the Board for assessment and approval.

The Board then provides shareholders with all material information relevant to a decision on whether to elect or re-elect a Director.

Directors do not have a prescribed fixed term of office but are subject to the retirement provisions contained in the Constitution, Company policies and the ASX listing rules. At least one third of Directors (other than the Managing Director) retire at each Annual General Meeting and Directors must submit themselves to shareholders for re-election at least every three (3) years.

Board support for re-appointment is not automatic. Retiring Directors who are seeking re-election are subject to a performance appraisal overseen by the Nomination & Remuneration Committee, or its Chair.

Where appropriate, external consultants may be engaged to identify potential new candidates and to review the suitability of candidates for appointment based on formally adopted criteria for Director selection.

DIVERSITY POLICY (1.5)

The Company has a Diversity Policy which sets out objectives for achieving gender diversity, which is available on the Company's website at www.ruralco.com.au/corporate/corporate-governance. The Nomination and Remuneration Committee is responsible for annual assessment of the objectives and progress in achieving them.

Workplace diversity, which encompasses individual characteristics such as age, gender, sexual orientation, religion, ethnicity, cultural background, marital status, disability, carer's responsibilities or pregnancy, involves recognising the value of individual differences and managing them in the workplace. Ruralco aims to attract and retain the best people to do the job required irrespective of individual characteristics.

The following guiding principles are aimed at promoting awareness and proactive management practices to achieve workplace diversity:

- A diverse workforce is a competitive advantage in retaining and attracting the best people to improve Ruralco's business performance
- It is everyone's role at Ruralco to promote a work environment that values seeking and utilising the contributions of employees with diverse views and experiences
- Ruralco's skilled workforce should reflect the diversity of its customers, members and communities
- Awareness of the rights and responsibilities of individuals with regard to equity and respect for others is important for all employees.

The Nomination and Remuneration Committee's responsibilities with respect to diversity include:

- Reviewing and making recommendations to the Board on workforce diversity practices
- Annually reviewing the diversity initiatives set by the business and providing recommendations with regard to diversity initiatives undertaken
- Monitoring performance on diversity initiatives using appropriate measures and targets and reporting on initiatives.

All leadership teams also have a responsibility for acting in alignment with and updating the principles of the Diversity Policy. Some of the key action items taken during the reporting period to address workplace diversity include:

- Ensuring that workplace diversity principles are included in leadership programs and applicable workshops as well as in strategic business and workplace planning (for example, three out of the four graduates included in the Ruralco Graduate Program this reporting period were female and who have expressed interest in branch management opportunities)
- Recruitment being merit based and recognising and effectively utilising employees who have a diversity of skills, cultural values and backgrounds (with a statement along those lines included in recruitment initiatives, advertisements and collateral)
- Developing an Equal Employment Opportunity (EEO) training package that has been presented to a large percentage of employees. In addition, EEO has been incorporated into Ruralco's online employee induction program and the Employee Handbook
- Supporting women in agriculture programs, including sponsoring and sending representatives to the Australian Women in Agriculture (AWiA) conference held in Brisbane in September
- Openly promoting flexible working conditions by providing options to work from home, part time, job share and transition to retirement, where appropriate, as well as monitoring and managing excessive hours
- Improving reporting and data collection to help monitor progress against the Diversity Policy.

As at the end of the reporting period, females account for 32% of Ruralco's workforce, with the male to female gender balance sitting above the Agriculture, Forestry and Fishing industry average of 28.1%. Females also make up 40% of the Board of Directors, higher than the average of 25.4% of ASX 200 Boards, and 25% of the Executive Management Team.

BOARD AND DIRECTOR PERFORMANCE EVALUATION (1.6)

The Board is committed to transparency in determining Board membership and in assessing the performance of Directors. The Board periodically evaluates its performance, the performance of its committees, the Chair, and the key governance processes that support the Board's work. During the reporting period, the Board adopted, and each Director completed, a survey-based evaluation process to:

- compare the Board's, each Director's and each Committee's performance with the requirements of the Board or Committee Charter
- assess the effectiveness of meetings
- review the composition of the Board and its Committees.

REMUNERATION AND EVALUATION OF SENIOR EXECUTIVES (1.7)

Full details of Ruralco's policies with respect to the remuneration of the Executive Management Team and evaluation of performance is included in the Remuneration Report set out on pages 51 to 67 of the 2017 Annual Report.

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PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

BOARD SKILLS MATRIX (2.2)

The Board is structured to ensure that it consists of Directors who have a proper understanding of the business and who can add value in the context of the Company's business. The Board's skills matrix is set out below:

Number of Directors with developed capability/experience

Capability/Experience Area	Technical qualification in this field	Associated qualification in this field	Limited exposure to and experience in this capability	Description
Agri-business experience	2	3		Agribusiness experience: Has proven experience within the Agribusiness industry through multiple economic cycles and with a working knowledge of the economic drivers of this industry, key players and industry relationships as well as the political, economic, technology, environmental and social influences on the industry.
Retail experience	2	2	1	Retail experience: Has proven decision making experience in retail including sector specific product experience, pricing and sales strategy, customer leadership and analysis, and economic drivers and influences.
Supply Chain experience	1	2	2	Supply Chain experience: Demonstrates proven experience in the management of supply chain strategy, systems, processes and innovation. Brings a sound experience in logistics and operations management supporting a supply chain.
M&A and Integration		4	1	M&A and Integrations: Has led the strategy, decision making or operational execution of mergers and acquisitions. Understands the risks and success factors of acquisitions, divestments and integrations. Has led the execution of acquisitions of a relevant scale. Has a working and current knowledge of the legal, reporting and governance aspects of such growth activities.
Business Strategy		4	1	Business Strategy: Brings robust and proven technical competence in the analysis and development of successful corporate strategy. Demonstrates effective deployment of technical and benchmark models and structures for corporate strategy and business planning.
Strategic Marketing & Branding	1	3	1	Strategic Marketing & Branding: Understands the role of marketing and branding within the corporate strategic context. Has led marketing and/or brand campaigns or promotions at a strategic level.
Technology and Digital Strategy/Implementation	1		4	Technology and Digital strategy/Implementation: Has been accountable for the design, delivery and management of a complex operational technology enterprise system and brings valuable working knowledge of emerging trends and insights.
Accounting & Finance		3	2	Accounting & Finance: Proven, relevant and current qualification, experience and track record in financial decision making, reporting, compliance and operations. Proven experience in the leadership of financial functions, reporting and decision making in an ASX corporate listed environment.
Legal, Risk & Compliance	2		3	Legal, Risk & Compliance: Proven, relevant and legitimate experience and qualification in the analysis, management and decision making in regards to all aspects of the legal, risk and compliance responsibilities of the organisation and application of this capability to the industry specifically.
Public Company Governance		4	1	Public Company Governance: Proven experience in the governance environment and duties for an ASX listed corporation. Demonstrates significant commitment and recognition of ASX Guidelines as well as governance definitions of the Australian Corporations Act.
Executive Leadership		3	2	Executive leadership: Has proven and relevant experience as CEO or strategic decision making in relevant executive leadership roles within or beyond the sector.
Committee Qualifications		3	2	Committee Qualifications: Brings relevant qualifications, experience and interest in one or more of the areas of Audit, Risk, People and Talent (including succession), Remuneration, Strategy, Reporting and Compliance.
People, HR, Succession		3	2	People, HR, Succession: Has technical qualification or working governance/executive experience in the aspects of risk and performance or an organisation attributed to people, culture, engagement, leadership and performance management.

The Board considers that all Directors have an understanding of the Company's business and the industry within which it operates, and that the Directors' diverse range of skills and experience includes the areas identified in the skills matrix.

INDEPENDENCE (2.3, 2.4, 2.5)

The Board Charter includes a policy on Independence of Directors in line with the ASX Principles. The Board Charter is available on the Company's website at www.ruralco.com.au/corporate/corporate-governance.

The majority of the Board is considered independent. The Chair, Mr Lee, and Directors, Mr Millner, Ms Johnstone and Ms Vonhoff are considered to be independent by determination of the Board, having regard to the Company's policy on Independence of Directors. None of these directors have an interest, position, association or relationship of the type described in box 2.3 of the ASX Principles. For length of service refer to page 2 of this Statement.

In line with the Board Charter, the roles of Chair and CEO are separated.

Mr Dillon was appointed as Managing Director and CEO on 16 November 2015 and is the only executive on the Board. Mr Lee was appointed as Chair on 5 September 2016.

The Board regularly assesses the independence of its Non-Executive Directors. Directors must promptly update the Board on any change of circumstances affecting independence. Where a Director's independence status changes, the Company will disclose the change to the market.

INDUCTION AND PROFESSIONAL DEVELOPMENT (2.6)

The Company provides an induction program to assist new Directors to gain an appropriate understanding of, among other things:

- The Company's financial, strategic, operational and risk management position
- The Company's culture and values
- The respective rights, duties and responsibilities and roles of the Board and senior executives
- The role of Board Committees
- Meeting arrangements
- Director interaction with each other, senior executives and other stakeholders.

New Directors receive briefings from the Chair, Committee Chairs and senior management as well as an induction pack.

All Directors are expected to maintain the skills required to discharge their obligations to the Company.

Directors are regularly provided with papers, presentations and briefings on Ruralco business and on matters that may affect Company operations. The Board also undertakes periodic "field trips" to see Ruralco's businesses in operation.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

CODES OF CONDUCT (3.1)

The Board recognises the central importance of ethical conduct in maintaining the Company's core values of integrity and accountability. It is the Board's objective to achieve and maintain the highest standards of ethical conduct and sets this expectation of Directors, senior management and employees.

Accordingly, the Board has adopted these codes and policies:

- Code of Conduct
- Related Party and Conflicts of Interest Policy
- Whistleblowing Policy.

Copies of these codes can be found on the Company's website at www.ruralco.com.au/corporate/corporate-governance.

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PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

AUDIT, RISK & CORPORATE GOVERNANCE COMMITTEE (4.1, 7.1)

The Audit, Risk & Corporate Governance Committee is responsible for assisting the Board in fulfilling its corporate governance responsibilities in relation to financial reporting, risk management, internal control and compliance.

The members of the Committee as at the date of the 2017 Annual Report are set out on page 2 of this Corporate Governance Statement and details of their respective skills, qualifications, the number of Committee Meetings that were held over the reporting period and the attendance of Committee members at these Meetings are set out in the Directors' Report on pages 44 and 50 of the 2017 Annual Report.

Senior management and internal and external auditors attend Committee Meetings by invitation.

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ASSURANCE (4.2)

As required by section 295A of the Corporations Act 2001, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) provide written statements to the Board in respect of the half and full year reporting periods.

The written statement from the CEO and CFO provides assurance to the Board that the declarations under section 295A as to the maintenance of financial records, the compliance of the financial statements with accounting standards and the systems of risk management and internal compliance are founded on a sound system of risk management and internal control and that the system was operating effectively.

EXTERNAL AUDITOR (4.3)

Appointment and rotation of the auditor

The Company's external auditor is KPMG, who were appointed as external auditors by shareholders at the 2009 AGM. The effectiveness, performance and independence of the external auditor is reviewed annually by the Committee.

The lead audit partner is required to rotate after a maximum of 5 years. Mr Anthony Travers is the lead audit partner for KPMG and was appointed in March 2015.

If the Committee forms the view that it is necessary to replace the external auditor for performance or independence reasons, the Committee will lead the process for selection and appointment of a new auditor, with the final decision to be made by the Board.

Independence declaration

KPMG is required to make an independence declaration annually. KPMG has provided an independence declaration for the financial year ended 30 September 2017. The independence declaration forms part of the Directors' Report and is set out on page 68 of the 2017 Annual Report.

Restrictions on the performance of non-audit related services

Information about the total remuneration of the external auditor, including details of remuneration for any non-audit services, is set out in Note 24 to the financial statements included in the 2017 Annual Report.

The Committee is satisfied that the level of non-audit work carried out by the external auditor is compatible with maintaining audit independence.

Attendance of external auditor at annual general meetings

The lead audit partner of KPMG attends the Company's Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Independent Auditor's Report.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

WRITTEN POLICY (5.1)

The Company has a Continuous Disclosure Policy explaining how it complies with its continuous disclosure obligations under the Listing Rules. This policy is available on the Company's website at www.ruralco.com.au/corporate/corporate-governance.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

INVESTOR ENGAGEMENT (6.1, 6.2, 6.3, 6.4)

The Company regards clear and transparent communication with its shareholders, trading members and other stakeholders as a core element of best practice corporate governance.

Accordingly, the Board has adopted a Communications Policy that requires communication with shareholders in an open, balanced, regular and timely manner so that they and the broader market are provided with timely and factual information that is not deficient in any material respect. The policy is available on the Company's website at www.ruralco.com.au/corporate/corporate-governance.

The Board is committed to monitoring (and adopting where appropriate) ongoing developments that may improve the Company's shareholder communication practices, including technological developments, regulatory changes and the continuing development of market place 'best practice'. In keeping with current practice, the Company's shareholders may elect to receive communications and other shareholder information electronically. The Company's website (www.ruralco.com.au) is a key part of the Company's communication strategy with shareholders and the market and is a valuable source of information. It has been designed to enable information to be obtained in a clear and readily accessible manner. The Company has a dedicated Corporate Governance section on the Company's website (www.ruralco.com.au/corporate/corporate-governance) where all relevant investor and corporate governance information can be accessed.

Company announcements (including analyst briefing material and media releases) are made available on the Company website immediately following confirmation of their release to the market.

As well as providing an opportunity to update shareholders, the Annual General Meeting facilitates two-way communication through formal questions in the meeting and informal networking around the meeting.

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PRINCIPLE 7: RECOGNISE AND MANAGE RISK

AUDIT, RISK & CORPORATE GOVERNANCE COMMITTEE (7.1)

To assist the Board in fulfilling its corporate governance responsibilities in relation to risk management, internal control and compliance, the Board has delegated the oversight of risk management to the Audit, Risk & Corporate Governance Committee. In addition, the Board specifically requires the Managing Director and CEO (together with senior executives) to implement a system of controls for identifying and managing risk. Further details on the Risk Management policy and the Risk Management Statement can be found on the Company's website at www.ruralco.com.au/corporate/corporate-governance.

RISK MANAGEMENT FRAMEWORK (7.2)

The Risk Management Framework of the Ruralco is reviewed by the Board on an annual basis. An evaluation of the Risk Management Framework took place during the reporting period.

This framework details the overarching risk management controls that are embedded in the Ruralco's risk management processes, procedures and reporting systems and the division of the key risk management functions between the Board, the CEO and CFO, the Audit, Risk & Corporate Governance Committee, and senior management including:

- guidelines and limits for approval of all expenditure, including capital expenditure and investments
- policies and procedures for the management of financial risk and treasury operations
- annual budgeting and monthly reporting systems for all businesses
- appropriate due diligence procedures for acquisitions and divestments.

The division of the key risk management functions is set out below:

RESPONSIBLE	FUNCTION
BOARD	<ul style="list-style-type: none">▪ Review, approve and monitor the risk management systems, including internal compliance and control mechanisms▪ Approve and monitor the systems and policies to ensure integrity of budgets, the financial statements and other reporting
AUDIT, RISK & CORPORATE GOVERNANCE COMMITTEE	<ul style="list-style-type: none">▪ Review the effectiveness and implementation of the risk management framework▪ Review and assess the processes that ensure the integrity of financial statements and reporting, and associated compliance with legal and regulatory requirements▪ Review the qualifications, independence, performance and remuneration of, and relationship with, Company's external auditors▪ Oversee the internal controls, assurance, policies and procedures used to identify and manage business risks
CEO AND CFO	<ul style="list-style-type: none">▪ Provide a declaration to the Board regarding the half and full year financial statements▪ Assess and provide assurance to the Board that the Company's risk management and internal control systems are operating effectively in all material respects

INTERNAL AUDIT (7.3)

The Audit, Risk & Corporate Governance Committee oversees, formally approves and regularly reviews the scope of the internal audit function to ensure that its activities remain aligned with changes to the Company's business and risk profile. The Committee reviews the performance of internal audit on an annual basis as well as assessing its ongoing independence.

The role and structure of the internal audit function are set out in the Audit, Risk & Corporate Governance Committee Charter and the Risk Management Policy which can be found on the Company's website at www.ruralco.com.au/corporate/corporate-governance.

Management is responsible for ensuring appropriate corrective actions are taken on reported improvement areas arising from internal audit activity. The status of Management's actions and corrective action close-out activities are reported to and monitored by the Audit, Risk & Corporate Governance Committee.

ECONOMIC, ENVIRONMENTAL AND SUSTAINABILITY RISKS (7.4)

The 2017 Annual Report outlines at pages 20 to 35 and 45 the key high impact/low likelihood risks faced by Ruralco as well as specific strategic risks, and the ways in which these risks are mitigated. The 2017 Annual Report includes consideration of:

- Economic risk (including access to finance and the impact of changing commodity prices)
- Environmental risk (particularly the impact of seasonal conditions and severe natural events)
- Social sustainability risk (particularly reputational risks and issues that affect health and safety).

The Company continues to implement strategies to mitigate economic, environmental and social risks. This reporting period, the Company undertook a review of the environmental and social sustainability initiatives across the Ruralco. These initiatives are detailed at pages 23 to 27 of the 2017 Annual Report and reflect the Board's commitment to maintaining long-term, sustainable growth and value. Through the Future Farming Strategy, the Board continues to position the Company to absorb risks associated with disruption in the agriculture industry.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Company is committed to ensuring that it has both competitive remuneration practices and sound remuneration policies that offer appropriate and fair rewards and incentives in order to attract, motivate and retain employees while also demonstrating a clear and aligned relationship between their performance and remuneration.

NOMINATION & REMUNERATION COMMITTEE (8.1)

The Board has established a Nomination & Remuneration Committee that assists the Board in reviewing remuneration policies and practices across the Company and ensures appropriate succession planning is in place. The members of the Committee as at the date of the 2017 Annual Report are set out on page 2 of this Corporate Governance Statement and details of their respective skills, qualifications, the number of Committee Meetings that were held over the reporting period and the attendance of Committee members at these Meetings are set out in the Directors' Report on pages 44 and 50 of the 2017 Annual Report.

POLICIES (8.2)

Details on the Company's remuneration policies and practices are set out in the Remuneration Report included on pages 51 to 67 of the 2017 Annual Report. The Remuneration Report includes details of remuneration of Directors and other Key Management Personnel of the Company and details of the Company's Short and Long-term Incentive Plans.

EQUITY-BASED REMUNERATION SCHEME (8.3)

The Company provides equity-based remuneration to certain employees through its Long-Term Incentive Plan. The rules of the Plan prohibit participants from entering into arrangements to limit the economic risk of participating in the scheme.

Further details about the equity-based remuneration to Executives and senior management are set out on pages 51 to 67 of the 2017 Annual Report.