

SHARE POLICY GUIDELINES

EFFECTIVE FROM 19 SEPTEMBER 2007

1. QUOTA:

Quota is the estimated annual fertiliser usage excluding lime. Shareholding requirement is 30 shares per tonne of quota.

2. QUOTA REVIEW:

Co-operative shareholders quota requirement is reviewed each 4 years based on average fertiliser requirements over the preceding 4 year period. Shareholders are advised their new quota and are able to request further adjustment if required to reflect an increasing or decreasing usage trend.

3. SHARE PRICE:

The issue price of shares is their nominal value. As at 19 September 2007, the nominal value is \$7.00 per share. Nominal value may be changed by special resolution of shareholders with the prior approval of the Board.

4. APPLICATION FOR SHARES:

Initial application is a minimum of 30 shares. Initial payment at the cash issue price of \$7.00 per share is \$210.00. The balance of the share quota will be allotted from rebates or may be subscribed in cash. Application forms are issued on request and accompanied by a copy of the Co-operative's latest Annual Report, Prospectus and Investment Statement. The Board of Directors are required to approve all applications for shares. This is done at each Board Meeting. Fertiliser purchases on or after the date of receipt of application qualify for rebate.

5. ALLOTMENT FROM REBATE:

The required quota shareholding can be purchased in two ways:

- a) The shareholder can pay cash for all or part of the quota shareholding requirement. Shares paid for in cash are allotted at the issue price applicable at the time of payment.
- b) Alternatively shareholders may have their required shareholding allotted annually from rebates. Current policy is that where shareholding is below quota requirements approximately 33% of the rebate is paid in cash to the shareholder and the balance is applied to the allotment of shares. Shares allotted from rebate are at the full allotment value applicable at the time of allotment. Only when a shareholder is fully subscribed is 100% of the rebate paid in cash.

6. REBATES:

Rebates are generally paid annually in September. The rebate is calculated on fertiliser purchases between 1 June and 31 May i.e. the Co-operative's financial year. Adjustments to rebate payments for a financial year must be advised by 31 March in the following year. At present rebates are calculated in two components:

- : the number of tonnes purchased
- : the value of fertiliser purchased.

Both components vary annually according to the Co-operative's profitability and rebate level declared by Directors.

7. DIVIDEND:

A dividend may be paid in addition to the rebate on fertiliser purchases. Payment will normally be in September calculated on shares held at the end of August.

Dividends will vary according to the profitability and capital requirements of the subsidiary companies.

SHARE POLICY GUIDELINES

8. REPURCHASE OF SHARES:

Shareholders can request the Co-operative to repurchase their shares if they

- exit farming
- dispose of their land holding by either sale or lease.
- have not been transacting shareholders for (5) years.

There are two payment options:

- For repurchases at \$7.00 per share payment is made by the company in a maximum of three installments over a two year period. The first payment is made immediately upon approval of repurchase by Directors. The next two payments are on each annual anniversary of the first payment. Payment is subject to a 100 share minimum.
e.g. The holder of 150 shares will receive 2 payments. One of 100 shares and one of 50 shares 1 year later. The holder of 300 or more shares will receive three equal payments of 1/3 of their shareholding each over 2 years.
- If payment is made in one lump sum on surrender, the payment is \$6.30 per share. The price at which shares are repurchased is fixed at the time the board approves the repurchase. All shares repurchased lose their voting rights, dividend and rebate eligibility.

9. PARTIAL REPURCHASE:

Shareholders that reduce the area of land farmed may apply for a reduced quota and the repurchase of a proportion of their shares. They will be required to retain 30 shares per tonne of new quota.

10. TRANSFER OF SHARES:

Shares can be transferred directly between farmers.

- e.g. :
- to the new property owner in the case of a sale of a property.
 - to the other family members engaged in farming or taking the shareholders farming activities.
 - to farming companies or partnerships.

Transfers must be approved and registered by the Company.

11. SHARE TRANSACTIONS:

Directors do not approve any share allotment or repurchase transactions received from shareholders between 1 August and the Annual Meeting (normally late September).

Requests for allotments and repurchases received during this period are held over until after the Annual Meeting and are subject to any price alteration or change in terms announced at the Annual Meeting.

12. TAX:

Shares repurchased by the Co-operative at a higher price than the price originally paid by the shareholder are not currently subject to dividend withholding tax on the difference.

13. INTERPRETATION:

These are guidelines to current policies. Interpretation of share policies applicable at any time is at the sole discretion of the Board of Directors.

Contact either the Shares Registrar or Company Secretary of the Co-operative if any additional explanation is required of our share policies and procedures.

Further information about shares in the Co-operative can be found in the Investment Statement relating to the shares, a copy of which can be obtained from the Company.