

One Managed Investment Funds Limited

Policy Name: ASX Corporate Governance Principles

Adopted by the Board on 22 August 2014

Introduction

One Managed Investment Funds Limited (**OMIFL** or **Responsible Entity**), in its capacity as responsible entity for the Agricultural Land Trust ARSN 096 588 046, ASX Code: AGJ (**Fund**), is required under the ASX Listing Rules to prepare a Corporate Governance Statement (**Statement**) and include the Statement in its annual financial report. OMIFL is a subsidiary of One Investment Group (**OIG**).

The Statement discloses the extent to which OMIFL has followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments (2nd edition) (**ASX Principles**). The ASX Principles are guidelines for businesses which set out 8 core principles the ASX Corporate Governance Council believes lie behind good corporate governance.

OMIFL is committed to maintaining high standards of corporate governance. OMIFL will, wherever possible, make use of the existing governance framework and expertise within OIG as it applies to the Fund's operations and will continue to review and update its governance practices and policies from time to time.

The ASX Principles have been adopted by OMIFL, where appropriate, to ensure stakeholder interests are protected, however, some of the ASX Principles are neither relevant nor practically applicable to the investment structure of the Fund or OMIFL as a 3rd party independent service provider. Thus, OMIFL has only adopted the ASX Principles to the extent they are applicable and appropriate for a company of OMIFL's size, nature and business.

In accordance with ASX Listing Rule 4.10.3, this Statement outlines OMIFL's main governance policies and practices, and the extent of its compliance with the ASX Principles as at the adoption of this Statement.

Principle 1: Lay solid foundations for management and oversight

This ASX Principle requires the Fund to establish and disclose the respective roles and responsibilities of both the Board and management.

ASX recommendation/disclosure obligation

1.1 Establish functions reserved to Board and those delegated to senior executives

OMIFL's Response

The business of the Fund is managed under the direction of the board of directors (**Board**) of the Responsible Entity comprising Mr Frank Tearle, Mr Justin Epstein and Ms Elizabeth Reddy.

The conduct of the Board is governed by the constitution of the Fund and Responsible Entity, the ASX Listing Rules and the Corporations Act. The Board meets on a regular basis and is required to discuss pertinent business developments and issues and review the operations and performance of the Fund.

Provision is made at each regular meeting of the Board for the consideration of critical compliance and risk management issues as they arise. Key responsibilities include:

- Reviewing the performance of management and the adequacy of resources.

- Providing input into and final approval of management’s strategy for the Fund.
- Reviewing and where required approving significant transactions.
- Overseeing the administration of the Responsible Entity including risk and compliance monitoring functions.

The Board has delegated responsibility for the day-to-day management of the Fund to the Chief Executive Officer (**CEO**), senior management and Responsible Managers as stated under the Responsible Entity’s Australian Financial Services Licence.

Given the size of its business, the Responsible Entity operates with a flat management structure with the Board delegating a number of the functions, activities and duties required to be performed by the Responsible Entity to managers and external service providers. This includes all matters not specifically the responsibility of the Board, implementation of strategy and performance objectives of the Fund and day to day operations of the Fund.

1.2 Process for evaluating performance of senior executives

OMIFL’s Response

The assessments of executive performance are based on reports received from the CEO and the consideration of issues by directors at Board meetings.

The Board oversees the performance evaluation of the management team. This is based on the business performance of the Responsible Entity, whether strategic objectives are being achieved and the development of management and personnel.

Performance is reviewed annually by the CEO.

1.3 Further information is available in the Board Charter which is available on the OIG website.

Principle 2: Structure the Board to add value

This ASX Principle requires the Fund to have a Board of effective composition, size and commitment to adequately discharge its responsibilities and duties. It is the objective that the Board comprises directors with an appropriate range of skills, experience and expertise that allow the directors individually and the Board collectively to supervise the operations of the Fund in a prudent and timely manner.

ASX recommendation/disclosure obligation

2.1 Majority of Board should be independent directors

OMIFL’s Response

The current Board of the Responsible Entity comprises 3 directors. In determining the independence of directors, the Board has adopted the criteria set out in section 601JA(2) of the Corporations Act. Prima facie, no directors of OMIFL are independent. However, due to the nature of OMIFL’s business (including for example acting as an independent responsible entity and/or trustee/custodian to 3rd party registered and unregistered managed investment schemes) it is not intended to appoint independent directors to the Board. As a result of this, the Corporations Act requires that the

Responsible Entity of the Fund establish an independent compliance committee (**Compliance Committee**) which, amongst other things, oversees the risk and compliance obligations of the Fund according to the requirements of the compliance plan for the Fund which has been lodged with the Australian Securities and Investments Commission. The Responsible Entity has established such a committee. The Compliance Committee for the Fund is made up of a majority of independent members as per section 601JA(2) of the Corporations Act.

2.2 Chair should be an independent director

See 2.1 above.

2.3 Roles of Chair and Chief Executive Officer should not be exercised by same individual

See 2.1 above.

2.4 Establish a Nomination Committee

OMIFL's Response

Due to the small size of the Board it is not intended that a Nomination Committee be established. Responsibility for selecting, appointing, evaluating and removing directors of the Board of the Responsible Entity is a matter for the full Board of OMIFL which regularly reviews the composition of the Responsible Entity Board in view of the business and strategic needs of the Fund from time to time.

2.5 Board Performance Evaluation

The Board of the Responsible Entity reviews its performance and that of its Compliance Committee annually. Board performance is reviewed against the Board Charter, any other Board responsibilities and the Fund's compliance plan.

2.6 Further information as indicated in the Guide to reporting on Principle 2

Details of each the relevant skills, experience and expertise of each executive director are set out on the Our Team page of our website, www.oneinvestment.com.au.

Principle 3: Promote ethical and responsible decision-making

This ASX Principle requires that the Board should actively promote ethical and responsible decision-making and behaviour.

ASX recommendation/disclosure obligation

3.1 Establish a Code of Conduct

OMIFL's Response

The Responsible Entity has adopted a Code of Conduct that sets out the minimum acceptable standards of behaviour. Directors, management and staff are required to act with honesty, decency and integrity at all times.

3.2 Establish a Diversity Policy

A Diversity Policy has not been adopted by the Board. Due to the nature of OMIFL's business (see 2.1 above), the fact that the Fund has no employees and that OMIFL is not a listed entity itself, the Board does not believe at this stage that any marked efficiencies or enhancements would be achieved by the creation of such a policy. For the reasons stated herein, the Recommendations 3.3, 3.4 and 3.5 are not applicable for the Fund.

Principle 4: Safeguard integrity in financial reporting

This ASX Principle requires that the Fund have a structure in place to independently verify and safeguard the integrity of its financial reporting.

ASX recommendation/disclosure obligation

4.1 Establish an Audit Committee

OMIFL's Response

Financial reports for the Fund are prepared in collaboration with senior management and the CEO.

The Board has not established a separate audit and risk committee. Audit and risk functions for the Fund are carried out by the full Board of OMIFL and the Compliance Committee for the Fund respectively. Financial accounts for the Fund (6 month and full year) are audited by an external auditor. The Fund's external auditor is Ernst & Young.

The Responsible Entity reviews the performance and independence of the external auditor, and makes decisions on the appointment, reappointment, replacement, and remuneration of external auditors.

The external auditor is required to rotate the partner responsible for the Fund audit and review at least once every 5 years, and the statutory Fund audit must be tendered every 7 years.

4.2 Audit Committee

See 4.1 above.

4.3 Formal Charter for Audit Committee

See 4.1 above.

4.3 Further Information

See 4.1 above.

Principle 5: Make timely and balanced disclosure

This ASX Principle requires the Fund to promote timely and balanced disclosure of all material aspects concerning the Fund.

ASX recommendation/disclosure obligation

5.1 Continuous Disclosure Policy

OMIFL's Response

ASX continuous disclosure requirements are included in the Responsible Entity's Continuous Disclosure Policy and the Unitholder Communications Policy.

The Continuous Disclosure Policy reflects the Board's commitment to ensuring that information that a reasonable person would expect, to have a material effect on the price or value of the Fund's securities, is immediately notified to the ASX for dissemination to the market in accordance with the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules.

The company secretary has been appointed as the person responsible for communicating with the ASX and is responsible for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules.

5.2 Availability of information

The Continuous Disclosure Policy and the Unitholder Communications Policy are available on the Fund's website, www.agriculturallandtrust.com.au.

Principle 6: Respect the rights of Members

This ASX Principle requires the Fund to respect the rights of members and facilitate the exercise of those rights.

ASX recommendation/disclosure obligation

6.1 Communications Policy

OMIFL's Response

A Unitholder Communications Policy has been adopted by the Board reflecting its objective to ensure that Fund and company announcements are factual and presented in a clear and balanced way, and that investors have equal and timely access to material information concerning the Fund, the Responsible Entity and their investments in the Fund.

The delivery of financial services disclosures and relevant communications are facilitated through electronic means such as email, hyperlinks, and reference to the Fund's website, www.agriculturallandtrust.com.au.

6.2 Further information as indicated in the Guide to reporting on Principle 6

As a registered managed investment scheme, it is proposed that the Fund will hold an annual general meeting. This is consistent with the Responsible Entity's commitment to timely and transparent reporting to investors in the Fund. Further details are contained in our Unitholder Communications Policy.

A copy of the Unitholder Communications Policy is available on the Fund's website, www.agriculturallandtrust.com.au.

Principle 7: Recognise and manage risk

This ASX Principle requires the Fund to establish a sound system of risk oversight, management and internal control.

ASX recommendation/disclosure obligation

7.1 Establish policies for the oversight and management of material business and fund risks

OMIFL's Response

The Board has adopted a Risk Management System Statement (**Risk Statement**) which outlines the key material risks faced by the Responsible Entity and documents the framework and process for identifying, monitoring and mitigating risks.

Under the Corporations Act, OMIFL, as responsible entity for the Fund, is required to register a Compliance Plan with the Australian Securities and Investments Commission. The Compliance Plan outlines the measures which are to be applied by the Responsible Entity in an attempt to ensure compliance with the Corporations Act and the Fund's constitution. The Compliance Plan will be audited annually with a report provided to ASIC. The Compliance Committee is responsible for monitoring the Fund's compliance with the Compliance Plan and reports on its findings directly to the Board. The Compliance Committee for the Fund also receives reports on compliance with relevant Anti-Money Laundering legislation. Minutes of each Compliance Committee meeting for the Fund are included in the papers considered by the Board.

The current members of the Compliance Committee are Mr Bleddyn Gambold (Chair), Mr Angus Finney and Mr Marcus Elsum. As required by the Corporations Act, a majority of the committee is considered to be independent and external.

The Compliance Committee usually meets at least 4 times during the Financial Year.

7.2 Design and implement a risk management and internal control system to manage material business risks and report to the Board

OMIFL's Response

In order to successfully manage risk and to facilitate its integration in its business, the Responsible Entity has adopted a three-pronged strategy in its Risk Statement.

The Responsible Entity has:

- created an appropriate framework to manage risk;
- encouraged a culture of risk management; and
- developed a process to logically and systematically identify, analyse, evaluate, treat, monitor and communicate risks.

The Responsible Entity's risk management systems reflect the nature, scale and complexity of its business and the assets it manages.

Risk management is a continuous process with the CEO and members of the Responsible Entity's management team constantly interacting with staff which in turn provides a foundation for monitoring Fund issues on a day-to-day basis.

Material business and fund risks are documented in the Risk Statement which is updated as necessary for any significant new risks or developments on existing risks.

While risk identification, assessment and response decisions are made at regular intervals (including quarterly reporting to the Board), ultimate responsibility for risk oversight and risk management rests with the Board. Business managers report to the Compliance Committee and the Board through their quarterly compliance returns on the risks identified for their area of responsibility.

The Board undertakes an annual review on whether risk management and internal compliance controls are appropriate.

7.3 Assurance from Chief Executive Officer and Chief Financial Officer

OMIFL's Response

The Board receives confirmation from the CEO and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

7.4 Further information as indicated in the Guide to reporting on Principle 7

A copy of the Risk Management Statement is available on the Fund's website.

Principle 8: Remunerate fairly and responsibly

This ASX Principle requires that the Responsible Entity ensures that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

ASX recommendation/disclosure obligation

8.1 Establish a Remuneration Committee

OMIFL's Response

The Board notes that as the Fund will not be included in the S&P/ASX 300 Index at the time of listing it is not required to establish a Remuneration Committee under rule 12.8 of the ASX Listing Rules.

The Fund does not comply with recommendation 8.1. Remuneration of the Responsible Entity is dealt with comprehensively in the Fund's constitution. Accordingly, it is considered unnecessary to maintain a Remuneration Committee. All fees and expenses of the Responsible Entity are incurred in the proper performance of its duties pursuant to the constitution of the Fund.

8.2 Structure of Remuneration Committee

The Fund does not comply with recommendation 8.2, for the reasons outlined immediately above.

8.3 Distinction between structure of non-executive directors' remuneration and remuneration of directors and senior executives

Neither the Fund nor the Responsible Entity has any employees.

Directors, senior executives and employees of OIG are paid by One Corporate Services Pty Limited, a wholly-owned subsidiary of OIG.

Directors and employees are not provided with any remuneration by the Fund itself and do not receive equity in the Fund as a form of remuneration.

Executive directors and senior executives' packages are fixed and performance-based. Neither directors nor senior executives are entitled to equity interests in the Fund, or any rights to, or options for equity interests in the Fund as a result of remuneration provided by the Responsible Entity (if any).

Remuneration of the Responsible Entity is included in the Fund's constitution. The Responsible Entity is entitled to claim reimbursement for all expenses reasonably and properly incurred in relation to the Fund or in performing its duties under the constitution and property acquisition and disposal fees.

8.4 Further information as indicated in the Guide to reporting on Principle 8

A copy of the Fund's constitution is available on the Fund's website.

Monitoring of compliance

The implementation and monitoring of compliance with this policy by all employees of and consultants or contractors to any of the relevant entities is undertaken by the Compliance Officer

The Compliance Officer (and, if they are different persons at any time, the Privacy Officer) must report to the Board not less than every 12 months as to compliance.

Review of Policy

This policy is to be reviewed not less than every 12 months.

Responsibility

This policy is to be reviewed by the Compliance Officer. A report of the review made by the Compliance Officer, together with the recommendations, if any made by the reviewers, must be tabled at the next regular meeting of the Board of OMIFL held after the report is completed.