

CORPORATE GOVERNANCE STATEMENT

The Agricultural Land Trust (ARSN 096 588 046) (**Trust**) is a registered managed investment scheme under the Corporations Act 2001 (**Corporations Act**). One Managed Investment Funds Limited (ACN 117 400 987) (**Responsible Entity**) is the responsible entity for the Trust responsible for establishing and monitoring the corporate governance policies relevant to the Trust. The Responsible Entity holds an Australian Financial Services Licence authorising it to operate the Trust and, among other duties, has a duty to act in the best interests of unit holders of the Trust and if there is a conflict between the members' interests and its own interests, give priority to members' interests. As a registered managed investment scheme under the Corporations Act, the Trust has a compliance plan that has been lodged with the Australian Securities and Investments Commission (**ASIC**). A copy of the compliance plan can be obtained from the Responsible Entity or ASIC.

The corporate governance policies relevant to the Trust are available in the corporate governance section of the Trust's website at www.agriculturallandtrust.com.au. These policies and the Responsible Entity's corporate governance practices mostly meet the requirements of both the Corporations Act 2001 (Cth) and the 3rd edition of the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations) as they apply to externally managed listed trusts.

This Corporate Governance Statement was approved by the Board of the Responsible Entity and is current as at 31 August 2017 in accordance with ASX Listing Rule 4.10.3.

Compliance with ASX Corporate Governance Principles and Recommendations

Principle 1 - Lay solid foundations for management and oversight

Recommendation 1.1 [Alternative for Externally Managed Listed Trusts] The responsible entity of an externally managed listed entity should disclose (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.

The Trust and its assets are 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 role and responsibility of the Responsible Entity in connection with the Trust is set out in the Constitution establishing the Trust supplemented by its duties under the Corporations Act.

With regards to performance of the Responsible Entity's the role and responsibilities of the Board and management, including those matters expressly reserved to the Board and those delegated to management, these are set out in the Responsible Entity's corporate constitution and the Board Charter and each of these documents is supported by detailed policies and procedures.

The Board meets on a regular basis to review the Trust's strategy, business developments and to review the operations and performance of the Trust. The Board considers compliance and risk management issues including:

- Reviewing the performance of management and the adequacy of resources;
- Providing input into and final approval of management's strategy for the Trust;
- Reviewing and where required approving significant transactions; and
- Overseeing the administration of the Responsible Entity including risk and compliance monitoring functions.

Given the size of its business, the Responsible Entity operates with a flat management structure with the Board delegating a number of its functions, activities and duties to managers and external service providers.

Recommendation 1.2 – Conduct appropriate pre-appointment checks Recommendation 1.3 – Written appointment letters Recommendation 1.4 – Accountability of company secretary	Recommendation 1.5 – Diversity Policy Recommendation 1.6 – Periodic evaluation of directors, board and committees Recommendation 1.7 – Periodic evaluation of senior executives
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These recommendations are not relevant as the Trust (as the listed entity) is an externally managed entity.

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Principle 2 - Structure the Board to add value

Recommendation 2.1 – Have a nominations committee Recommendation 2.2 – Board Skills Matrix	Recommendation 2.4 – Majority of Board Independent Recommendation 2.5 – Chair to be independent Recommendation 2.6 – Induction program for new directors
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These recommendations are not relevant as the listed entity (the Trust) is an externally managed entity.

Recommendation 2.3 – Entity to disclose names of directors considered independent and if they have an interest but are still considered independent – disclose why and disclose length of service of each director
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In determining the independence of directors, the Board has considered the factors set out in Box 2.3 of the ASX Principles.

The current Board of the Responsible Entity comprises two executive directors and one non-executive director, but no independent directors.

The Responsible Entity was appointed as the responsible entity to the Trust with effect from 1 August 2014. Mr Frank Tearle was appointed as an executive director of the Responsible Entity on 4 December 2008, Mr Justin Epstein was appointed as an executive director of the Responsible Entity on 1 September 2009 and Ms Elizabeth Reddy was appointed as a non-executive director of the Responsible Entity on 6 November 2009.

The Responsible Entity's compliance with the Corporations Act is monitored by Compliance Committee which comprises a majority of external members (under the criteria set out in section 601JB(2) of the Corporations Act). The Responsible Entity is required to establish and maintain a Compliance Committee as the majority of its directors are not external directors when considered against the factors set out in section 601JA(2) of the Corporations Act.

Principle 3 – Act ethically and responsibly

Recommendation 3.1 – Establish a Code of Conduct.

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. On joining OIG, all new employees receive training on the Code of Conduct and related policies and refresher training is provided annually to all staff. Staff are encouraged to report any breach of the Code of Conduct and related policies and procedures, and the Responsible Entity has a Whistleblower Policy in support of this.

Failure to comply with a material provision of the Code of Conduct or any of the Responsible Entity's related policies is regarded as a serious breach of the relevant policy requiring investigation which may result in disciplinary action ranging from warnings to termination.

The Code of Conduct is available on the Trust's website.

Principle 4 - Safeguard integrity in financial reporting

Recommendation 4.1 – Establish an Audit Committee that meets the requirements of the ASX Principles or the fact that the Responsible Entity does not have an audit committee and the processes the Responsible Entity employs that independently verify and safeguard the integrity of the Trust's corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner
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The size, nature and scale of the operations and assets of the Trust do not warrant the establishment of a separate audit committee of the Board.

Annually the Responsible Entity reviews the performance of the external auditor and assesses their continued independence against the Trust's then current circumstances. The Responsible Entity makes decisions on the appointment and removal of the external auditors. The external auditor is required to rotate the partner responsible for the Trust audit and review at least once every 5 years.

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Recommendation 4.2 – Statement from CEO and CFO as to preparation of financial statements

With no independent directors on the Board of the Responsible Entity, the Executive Directors are in the best position to determine for themselves, when approving the Trust's financial statements for a financial period that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Board of the Responsible Entity may receive assurances similar to those provided by the CEO and CFO of the Investment Manager and/the Administrator appointed to the Trust.

Recommendation 4.3 – External Auditor to attend AGM

The Trust is an externally managed entity and accordingly this recommendation is not applicable.

Principle 5 - Make timely and balanced disclosure

Recommendation 5.1 – Have and disclose a Continuous Disclosure Policy.

The Responsible Entity is committed to continuous disclosure and keeping the market informed, and places considerable importance on its processes for controlling market sensitive information and effective communication with securityholders and market participants.

The Responsible Entity has a Continuous Disclosure Policy and a Communications Policy and it is available on the Trust's website.

Principle 6 - Respect the rights of security holders

Recommendation 6.1 – Disclose information about the Trust on its website.

The Responsible Entity acknowledges that most investors will expect to be able to find on the Trust's website up to date information about the Trust including the Trust's annual report, ASX announcements and media releases, distribution mail outs, email broadcasts and other information.

The Responsible Entity is committed to effective and accurate communication with investors and other stakeholders. The Responsible Entity provides investors with the opportunity to be contacted electronically in respect of their holding in the Trust where permitted.

The Responsible Entity has adopted a Continuous Disclosure and Communications Policy and it is available on the Trust's website.

Recommendation 6.2 – Design and implement a two way communication with investors.

The process adopted in respect of the Trust is disclosed in the Continuous Disclosure and Communications Policy available at www.agriculturallandtrust.com.au/about-us/corporate-governance .

Recommendation 6.3 – Disclose policies and processes of the Trust to facilitate member participation at meetings.

The Trust is an externally managed entity and accordingly this recommendation is not applicable.

Recommendation 6.4 – Give security holders the option to received communications electronically

The process adopted in respect of the Trust is disclosed in Continuous Disclosure and Communications Policy available at www.agriculturallandtrust.com.au/about-us/corporate-governance .

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Principle 7 - Recognise and manage risk

Recommendation 7.1 – Establish a risk committee

The size, nature and scale of the operations and assets of the Trust do not warrant the establishment of a separate risk committee of the Board.

Recommendation 7.2 – Review risk management framework and report that review has taken place
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The Responsible Entity as an Australian Financial Services Licence holder is required under the Corporations Act to have appropriate risk management systems. The Board of the Responsible Entity is responsible for risk management and 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 Compliance Plan relevant to the Trust, the Responsible Entity Board must annually review the adequacy of this Risk Management Framework and this was done in FY17. The Responsible Entity's compliance with the requirement to have an adequate risk management framework is monitored by the Compliance Committee.

Recommendation 7.3 – Establish an internal audit function

The size, nature and scale of the operations and assets of the Trust do not warrant the establishment of an internal audit function.

Many of the aspect of an internal audit function are performed by the Compliance Committee's review of the methods and steps taken by the Responsible Entity to ensure it complies with its obligations under the Corporations Act. In addition aspects of the One Investment Group's operations (for example the custody function) are reviewed in accordance with GS007.

Recommendation 7.4 – disclose whether the Trust has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks

The Responsible Entity Board does not consider the Trust has any material exposure to economic, environmental and social sustainability risks. Significant risks relevant to the Trust are disclosed in the Annual Report for the Trust.

Principle 8 – Remunerate fairly and responsibly

<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i>	
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An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	
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Recommendation 8.1 – Establish a Remuneration Committee

Recommendation 8.2 – Establish a Remuneration Committee

Recommendation 8.3 – Establish a Remuneration Committee

The Trust is an externally managed entity and accordingly Recommendations 8.1 to 8.3 (inclusive) are not applicable and it does not comply

The Trust does comply with modified Principle 8 as it applies to externally managed funds. The terms of the remuneration of the Responsible Entity are dealt with comprehensively in the Trust's constitution. The *Corporations Act 2001* (Cth) provides that the constitution for a registered managed investment scheme may only provide for remuneration to be paid to the responsible entity for the proper performance of its duties. A copy of the Constitution of the Trust is available to members at no cost. The Responsible Entity disclosed in the Annual Report for the Trust, the fees paid from the Trust assets to the Responsible Entity. The Directors and employees of the Responsible Entity are not paid directly from the assets of the Trust and no Director or employee is remunerated based on the performance of the Trust.