

## CORPORATE GOVERNANCE STATEMENT

Agricultural Land Trust (ARSN 096 588 046) (**Trust**) is a registered managed investment scheme under the Corporations Act 2001 (**Corporations Act**) and One Managed Investment Funds Limited (ACN 117 400 987) (**OIG**) is the responsible entity for the Trust and is responsible for establishing and monitoring the corporate governance policies relevant to the Trust.

The corporate governance policies relevant to the Trust are available in the corporate governance section of the Trust's website at <https://www.agriculturallandtrust.com.au/about-us/corporate-governance> (**Trust's Website**). These policies and OIG's corporate governance practices mostly meet the requirements of the 4th 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 OIG and is current as at 31 August 2021 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.

OIG, the Trust's responsible entity, is a member of One Investment Group which is an independent funds management business specialising in providing responsible entity, trustee, custody and administration services. The One Investment Group is responsible for in excess of 300 funds and \$35 billion in a wide range of underlying asset classes including infrastructure, real estate, equities, fixed income, private equity and fund of funds. The One Investment Group is not a fund manager and its clients include global and Australian listed companies, sovereign wealth funds, banks, insurance companies, pension funds, private equity firms and boutique managers.

OIG is an independent responsible entity the Board of which, at 30 June 2021, comprised three Executive Directors, being Mr Frank Tearle, Mr Michael Sutherland and Ms Sarah Wiesener. As an independent responsible entity, in respect of the Trust, some of the functions traditionally performed by an entity's management are instead performed by the other service providers appointed by OIG to assist it with managing the day-to-day affairs of the assets held by the Trust. OIG monitors the performance of the Trust in much the same way as an independent board monitors performance of management of the entity they are appointed to.

The roles and responsibilities of OIG and the other services providers in connection with the Trust are set out in the Constitution, compliance plan and service agreements respectively, supplemented in the case of OIG, by its duties under the Corporations Act.

OIG's corporate constitution, the Board Charter and detailed policies and procedures describe the roles and responsibilities of the Board and OIG's management, including those matters expressly reserved to the Board and those delegated to management.

The Board meets regularly to review the operations and performance of the Trust and OIG. OIG's key responsibilities in respect of the Trust include -

- Acting honestly and in the best interest of Unitholders and in doing so, exercising the degree of care and diligence that a reasonable person would exercise if they were in OIG's position.
- Monitoring the operations, financial position and performance of the Trust.
- Overseeing the risk management and compliance of the Trust.
- Ensuring the Constitution meets the requirements of the Corporations Act and that the Trust complies with the Constitution.
- Ensuring the Trust's compliance plan meets the requirements of the Corporations Act and that the Trust complies with the compliance plan.
- Where appropriate, OIG may delegate the functions such as investment or asset management, fund administration, registry and custody to external service providers.

Recommendation 1.2 – Conduct appropriate pre-appointment checks Recommendation 1.3 – Written appointment letters with directors 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	These recommendations are not relevant as the listed entity (the Trust) is an externally managed entity.
---	--

## 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	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

In determining the independence of directors, the Board has considered the factors set out in Box 2.3 of the ASX Principles.

All of OIG's three directors are executive directors and no director is independent.

OIG was appointed as the responsible entity to the Trust with effect from 1 August 2014. The table below shows each directors length of services as at 30 June 2021 as director of OIG and their length of service as a director of OIG while it has been acting as responsible entity to the Trust.

Executive Director	Date appointed as a director of OIG	Length of Service in years	
		Company	Trust
Frank Tearle	12 November 2009	11+	3+
Sarah Wiesener	26 October 2018	2+	2+
Michael Sutherland	1 October 2019	1+	1+

OIG's compliance with the Corporations Act in respect of its operation of the Trust is monitored by a Compliance Committee which comprises a majority of external members (under the criteria set out in section 601JB(2) of the Corporations Act). OIG 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 – Articulate and disclose values.

OIG has clear and articulated values that are demonstrated in the delivery of our services to clients and which are embodied in the behaviours of the senior leaders. Those values include acting with integrity, working in true partnership with clients, providing exceptional service and outcomes whilst safeguarding our client's interests wholeheartedly and a commitment to being always passionate and enthusiastic about our client's affairs. OIG also embraces diversity across backgrounds, experiences and perspectives in delivering client outcomes and encourages its staff to speak up about the things that matter. These values feed directly into OIG's mission.

OIG's values and mission are contained within the Code of Conduct available on the Trust's website at <https://www.agriculturallandtrust.com.au/about-us/corporate-governance>

### Recommendation 3.2 – Disclose a Code of Conduct and Board notification of material breaches.

OIG has adopted a Code of Conduct that underlines OIG's expectation that all employees will maintain high moral and ethical standards. While some of these standards are detailed in the Code of Conduct, the code is not intended to be exhaustive and cannot anticipate every situation which may morally or ethically compromise an employee or OIG. Accordingly, OIG expects its employees to use their common sense and sound judgement and, where they are unsure how to act in any situation, to ask their manager.

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. OIG has a Whistle-blower Policy in support of this.

Failure to comply with a material provision of the Code of Conduct or OIG's related policies is regarded as a serious breach of the relevant policy which will be investigated and may result in disciplinary action ranging from warnings to termination.

The Code of Conduct is available on the Trust's website at <https://www.agriculturallandtrust.com.au/about-us/corporate-governance>

### Recommendation 3.3 – Establish and disclose a Whistleblower Policy.

OIG has adopted a Whistleblower Policy that demonstrates that OIG considers any reportable wrongdoing very seriously and is committed to identifying and remedying it. It reinforces the high standards of integrity and fair dealing OIG expects its staff to adhere to, including the duty of confidentiality to OIG and its clients. It clearly outlines the protections available to whistleblowers and the process of investigations.

On joining OIG, all new employees receive training on the Whistleblower Policy and refresher training is provided annually to all staff. Training for Managers and those who are identified under the policy as being able to receive whistleblower reports is also provided

Failure to comply with a material provision of the Whistleblower Policy is regarded as a serious breach of the relevant policy which will be investigated and may result in disciplinary action ranging from warnings to termination. The Whistleblower Policy is available on the Trust's website: <https://www.agriculturallandtrust.com.au/about-us/corporate-governance>

### Recommendation 3.4 – Establish and disclose an Anti-Bribery and Corruption Policy.

OIG has adopted an Anti-Bribery and Corruption Policy that demonstrates that OIG strictly prohibits any bribery and corruption <https://www.agriculturallandtrust.com.au/about-us/corporate-governance>

## 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 to 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

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.

The processes employed in respect of the Trust that independently verify and safeguard the integrity of its corporate reporting, include that OIG has use professional accounting staff within OIG to maintain the financial records for the Trust. The performance of these staff is assessed annually as part of OIG's performance management process.

Annually OIG reviews the performance of the external auditor and assesses their continued independence against the Trust's then current circumstances. OIG 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.

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

With no independent directors on the Board of OIG, the 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 Trust have been properly maintained; and
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Trust; and
- their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Assurances similar to those usually obtained from the CEO and CFO, are provided to the OIG Board by the relevant Director, Operations, and fund accounting staff, to support the OIG Board in reaching those opinions.

#### Recommendation 4.3 – process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

Where the Trust releases a periodic report that is not verified or reviewed by an external auditor, it will generally be prepared by the Responsible Entity and reviewed pursuant to the Board approved Fund Promotion, Periodic Reporting and Communication Policy, which requires the review and approval of the proposed material in accordance with an approved checklist. The policy is reviewed at least annually and periodically on the occurrence of certain specific events.

## Principle 5 - Make timely and balanced disclosure

#### Recommendation 5.1 – Have and disclose a Continuous Disclosure Policy.

OIG is committed to the objective of promoting investor confidence and the rights of unitholders by:

- complying with the continuous disclosure obligations imposed by law;
- ensuring that OIG announcements are presented in a factual, clear and balanced way;
- ensuring that all unitholders have equal and timely access to material information concerning OIG and the Trust; and
- communicating effectively with unitholders and making it easy for them to participate in general meetings.

OIG has a Continuous Disclosure and Communications Policy which is available on the Trust's website at <https://www.agriculturallandtrust.com.au/about-us/corporate-governance>

#### Recommendation 5.2 – Provide the Board with copies of all market announcements (after release to market).

The Board is provided copies of all market announcements after their release to the market. Generally, members of the Board are involved in the release of price sensitive information to the market, however a Continuous Disclosure Committee may determine to release a price sensitive announcement using the procedure described in the Continuous Disclosure Policy. The Board has delegated to management the release of periodic announcements where those announcements are prepared and verified in accordance with a documented procedure. Additionally, where relevant, a record of discussions and decisions made by the Board about disclosure and a record of announcements made to the ASX is maintained.

#### Recommendation 5.3 – Release a copy of any new presentation prior to the actual presentation.

The Responsible Entity will release to the ASX any new and substantive investor or analyst presentation materials ahead of the presentation. The Responsible Entity acknowledges this applies regardless of whether the presentation contains material new information required to be disclosed under listing rule 3.1. These presentations will be reviewed prior to release against the Responsible Entity's ASX Announcement Sign-off checklist.

## Principle 6 - Respect the rights of security holders

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

OIG 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.

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

OIG 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 on the Trust's website.

Recommendation 6.3 – Disclose how the Trust facilitates and encourages participation at meetings of security holders

The Trust is an externally managed entity that does not hold periodic security holder meetings. Where a meeting is held OIG will take reasonable cost-effective steps to ensure security holders may participate fully in the meeting.

Recommendation 6.4 – Ensure all substantive resolution at meetings are decided by a poll

To promote security holder representation at meetings, where the Chairman of the meeting is appointed by the Responsible Entity, the Chairman will generally call for all resolutions to be voted on by poll rather than show of hands and must call for special or extraordinary resolutions to be voted on by poll in accordance with the Corporations Act.

The process adopted in respect of the Trust is disclosed in Continuous Disclosure and Communications Policy available on the Trust's website.

Recommendation 6.5 – Give security holders the option to receive communications electronically

Security Holders may elect to receive information electronically by lodging this request with the Trust's registry provider. The Responsible Entity will communicate by post with unitholders who have not elected to receive information electronically.

The process adopted in respect of the Trust is disclosed in Continuous Disclosure and Communications Policy available on the Trust's website.

## 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 that meets the requirements of the recommendation. OIG has, however, established a management risk management committee (**RMC**). The RMC is responsible for:

- ensuring the Risk Registers are reviewed regularly and capture all material risks;
- assisting to embed the risk management system into OIG's operations;
- responding to identified risks, including escalating to the relevant Board; and
- providing advice and guidance on risk management.

The RMC Chair reports the findings of the Risk Management Committee to the Responsible Entity at least quarterly but may report significant concerns more frequently.

Recommendation 7.2 – Review risk management framework and report that review has taken place

OIG as an Australian Financial Services Licence holder is required under the Corporations Act to have appropriate risk management systems. OIG has established methods to ensure this is achieved and its compliance with these procedures is monitored by the Compliance Committee. The Board has adopted a Risk Management Framework which outlines OIG's approach to risk management and its process for identifying, monitoring and mitigating risks. Separately OIG maintains a risk register for the Trusts which is reviewed and updated regularly.

Under the Compliance Plan the OIG Board are required to review the adequacy of this Risk Management Framework and this was done prior to 30 June 2021.

**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.

The processes OIG employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes are set out in this Compliance Management Systems Frameworks and Risk Management Framework. Many of the aspects of an internal audit function are performed by the Compliance Committee's review of the methods and steps taken by OIG 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 OIG Board does not consider the Trust has any material exposure to environmental and social sustainability risks. The Trust is exposed to economic risks usual for a Trust with investment in a diversified portfolio of residential mortgage backed securities and asset backed securities with Australian domiciled issuers. Significant risks relevant to the Trust are disclosed in the Annual Report for the Trust.

## **Principle 8 – Remunerate fairly and responsibly**

*Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:*

An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.

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

The terms of OIG's remuneration are dealt with 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 Directors and employees of OIG are not paid directly from the assets of the Trust and no Director or employee is remunerated based on the performance of the Trust.

The Financial Statements for the Trust provide details on the fees paid from the Trust assets to OIG.

## **Principle 9 – Recommendations that only apply in certain cases**

<i>Recommendation 9.1 Director who does not speak the language in which board or security holder meetings are held or key corporate documents are written</i>	These recommendations are not relevant to the Trust
<i>Recommendation 9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</i>	
<i>Recommendation 9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</i>	