

# Rural Funds Group

ASX:  
RFF

## Corporate Governance Statement



Managed by:



Rural Funds Group (the Fund) comprises of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805, both registered managed investment schemes under the *Corporations Act 2001* (Cth) (the Corporations Act). The Fund is listed on the ASX and Units in Rural Funds Trust are stapled to Units in RF Active.

Rural Funds Management Limited (RFM) ACN 077 492 838 is the Responsible Entity for the Fund and has established and oversees the corporate governance of the Fund.

The Responsible Entity holds an Australian Financial Services (AFS) Licence authorising it to operate the Fund. It has a duty to act in the best interests of unitholders of the Fund (Unitholders).

The RFM Board of Directors (Board) provides leadership and direction for the Fund which aligns with the Fund's corporate governance responsibilities. The Board is comprised of four directors (Directors) with a mix of experience and skills necessary to oversee the corporate governance requirements of the Responsible Entity. This ensures that the Responsible Entity operates with integrity, is accountable, and acts in a professional and ethical manner. The Board works together, and its collective ability facilitates effective decision making to lead a profitable, and efficient business.

To the extent that they are applicable for an externally managed fund, the Responsible Entity has adopted and complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition. In accordance with ASX Listing Rule 4.10.3, set out in this section are the ASX Corporate Governance Council's eight principles of corporate governance, and the extent to which there is compliance with the recommendations for each principle. The statement has been approved by the Board of the Responsible Entity and applies to the period 1 July 2020 to 30 June 2021 (Financial Year).

The Corporate Governance Statement is current as 30 September 2021 and has been approved by the Board of Directors of the Responsible Entity.

Copies of the Responsible Entity's corporate policies are located on the Responsible Entity's website at [www.ruralfunds.com.au](http://www.ruralfunds.com.au).



Image: Improved pasture, Rewan, central Queensland, August 2021.

Cover image: Full water storage, Lynora Downs, central Queensland, March 2021.

## Principle 1: Lay solid foundations for management and oversight:

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

- 1.1** 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.
- 1.2** A listed entity should:
  - a. Undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and
  - b. Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.
- 1.3** A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.
- 1.4** The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

- 1.1** As an externally managed scheme, the Fund has elected to apply the alternative recommendation for 1.1.

The business of the Fund is managed by RFM as the responsible entity of the Fund. The arrangements as between the Responsible Entity and the Fund are governed by the Constitution of the Fund and the Corporations Act. The conduct of the Board of RFM as responsible entity when managing the affairs of the Fund are outlined in the Corporate Governance Charter.

As outlined in the Corporate Governance Charter, the Board has delegated responsibility for the day-to-day management of the Fund to the Managing Director of the Responsible Entity. This involves monitoring senior management's implementation of the company's strategy.

The Constitution of the Fund is available by contacting the Responsible Entity. The Corporate Governance Charter is available on the Fund's website.

- 1.2** As an externally managed scheme, recommendation 1.2 does not apply to the Fund.

Prior to an appointment, all appropriate checks are completed for potential Directors and senior managers, which include police, bankruptcy and reference checks, assessment of employment history, experience, education, directorships and unitholdings.

- 1.3** As an externally managed scheme, recommendation 1.3 does not apply to the Fund.

All directors of the Responsible Entity receive letters of appointment setting out the key terms and conditions of their appointment.

All senior managers of the Responsible Entity enter into an employment agreement setting out the key terms and conditions of their employment including a position description, duties, rights, responsibilities, remuneration and entitlements on termination.

- 1.4** As an externally managed scheme, recommendation 1.4 does not apply to the Fund.

The Company Secretary of the Responsible Entity is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Image: Centre pivot irrigation at Comanche, central Queensland, May 2021.

Rural Funds Group

ASX:  
RFF

Managed by:  
 Rural  
Funds  
Management  
Managing good assets with good people

## Continued.

- 1.5** A listed entity should:
- have and disclose a diversity policy;
  - through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
  - disclose in relation to each reporting period:
    - the measurable objectives set for that period to achieve gender diversity;
    - the entity's progress towards achieving those objectives; and
    - either:
      - the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
      - if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to havenot less than 30% of its directors of each gender within a specified period.

- 1.6** A listed entity should:
- have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
  - disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period
- 1.7** A listed entity should:
- have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
  - disclose for each reporting period whether a performance evaluation has been undertaken inaccordance with that process during or in respect of that period.

- 1.5** As an externally managed scheme, recommendation 1.5 does not apply to the Fund.

The Responsible Entity has a Diversity Policy, which is approved by the Board.

The Fund recognises that its employees are one of its greatest assets and has employed a range of employees with skills and capabilities. This ensures the ongoing strength, continuity and stability of the Responsible Entity. The Diversity Policy provides the framework that actively manages and encourages diversity and inclusion and attracts a diverse pool of suitably skilled candidates.

The Diversity Policy is located on the Corporate Governance page of the Responsible Entity's website.

Due to the size of the Responsible Entity's Board and its senior management team, and the limited turnover of personnel at this level, it does not set quantitative gender diversity objectives. The Responsible Entity will endeavour to maintain, or improve, the current level of gender diversity of the Board and senior management when vacancies arise.

The Board is looking to increase the composition of the Responsible Entity's Board and has set internal objectives to accomplish gender diversity.

As at 30 June 2021, the Responsible Entity's senior management team included three female managers (out of a total of 15 senior managers) Of the 137 staff members RFM and associated entitles employ, 26% are female.

The *Workplace Gender Equality Act 2012* (Cth) (WGE Act) applies to RFM as the Responsible Entity and its associated entities, together employing more than 100 employees in Australia. The annual compliance report has been submitted, and RFM is awaiting the final compliance approval.

- 1.6** As an externally managed scheme, recommendation 1.6 does not apply to the Fund.

The performance of the Board, its Committees and individual Directors as outlined in the Corporate Governance Charter (located on the Corporate Governance page of Responsible Entity's website) is reviewed annually.

Performance feedback has been provided to all Directors this financial year.

- 1.7** As an externally managed scheme, recommendation 1.7 does not apply to the Fund.

RFM has a Performance Management Policy that provides guidelines to review the performance of senior managers. Managing the performance of our people is critical to our success and in most cases, we choose to do this informally through regular one-on-one discussions between employees and their manager, or formally where one or the other party prefer this approach. Performance feedback has been provided to all senior managers this financial year.

**2.1** As an externally managed scheme, recommendation 2.1 does not apply to the Fund.

The Responsible Entity has not established a Nomination Committee. Due to the size of the Board and the nature of the business, the Board has determined this oversight should be managed by the Board.

External advice is sought from senior consultants including specialist tax, legal or business advisers when required

**2.2** As an externally managed scheme, recommendation 2.2 does not apply to the Fund.

The qualifications, experience and skills of the Board is listed on the Responsible Entity's website.

**2.3** The Board comprises of four members, three of whom are independent non-executive directors.

Director	Commencement	Independent
David Anthony Bryant Managing Director	17 February 1997	No
Leslie Guy Julian Paynter Chairman Non-Executive Director	15 April 2010*	Yes
Michael Carroll Non-Executive Director	15 April 2010*	Yes
Julian James Widdup Non-Executive Director	15 February 2017	Yes

\* Both Mr Paynter and Mr Carroll have more than ten years of service as Directors of the Responsible Entity. It remains the Board's opinion that both Mr Paynter and Mr Carroll have an independence of mind and a strong element of objectivity regarding the affairs of RFM and the Fund. All members of the Board advocate their professional views as part of robust discussions.

The Directors Report, listed in the Annual Report and located on the Responsible Entity's website, has further details of each Director's background, qualifications, expertise and interests in the Fund.

**2.4** As an externally managed scheme, recommendation 2.4 does not apply to the Fund.

The Board currently consists of a majority of independent Directors.

**2.5** As an externally managed scheme, recommendation 2.5 does not apply to the Fund.

The chair of the Board is responsible for the Board's leadership, organisation and conduct.

The chair, Mr Leslie Guy Julian Paynter is considered independent as defined in the Corporate Governance Charter.

**2.6** As an externally managed scheme, recommendation 2.6 does not apply to the Fund.

All new Directors are selected and appointed in accordance with the Corporate Governance Charter.

New Directors are provided with an induction relevant to the Responsible Entity and are provided opportunities to extend their skills and knowledge, either informal or formally.

## Principle 2: Structure the board to be effective and add value:

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

**2.1** The board of a listed entity should:

- a. have a nomination committee which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director, and disclose:
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

**2.2** A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

**2.3** A listed entity should disclose:

- a. the names of the directors considered by the board to be independent directors;
- b. if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and
- c. the length of service of each director.

**2.4** A majority of the board of a listed entity should be independent directors.

**2.5** The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity

**2.6** A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

Managed by:



**Rural Funds Group** | ASX:  
RFF

Image: Macadamia planting material at Nursery Farm, central Queensland, August 2020.

### Principle 3: Instil a culture of acting lawfully, ethically and responsibly:

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibility.

**3.1** A listed entity should articulate and disclose its values.

**3.2** A listed entity should:

- have and disclose a code of conduct for its directors, senior executives and employees; and
- ensure that the board or a committee of the board is informed of any material breaches of that code

**3.3** A listed entity should:

- have and disclose a whistleblower policy; and
- ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

**3.4** A listed entity should:

- have and disclose an anti-bribery and corruption policy; and
- ensure that the board or a committee of the board is informed of any material breaches of that policy.

**3.1** The Responsible Entity's motto is 'Managing good assets with good people! The Responsible Entity's objectives with regard to the Fund are to operate profitably, maximise investor return and identify opportunities for growth.

The Responsible Entity's values presented in its Code of Conduct underpins its culture and reputation.

- It sets expectations for employees to act honestly, ethically, in good faith and in the best interests of the Responsible Entity and its managed entities.
- Employees have a duty to use due care and diligence and must not make improper use of information acquired.
- Personal interests are not to conflict with the interests of RFM or the Fund's Unitholders.
- Employees must adhere to the continuous disclosure protocol and privacy principle adopted by RFM.
- Employees are not to engage in conduct likely to bring discredit upon RFM and not knowingly breach any law under which RFM operates.

**3.2** The Responsible Entity has implemented a Directors' Code of Conduct (Code). The Code seeks to give directors guidance on how best to perform their duties, meet their obligations and understand RFM's corporate governance practices.

The Code focuses on the directors' obligations to comply with codes and law, general duties and application of business judgement, including personal interests and conflicts, conduct, and complaints.

The Corporate Governance Charter incorporating the Directors' Code of Conduct is available on the Responsible Entity's website.

The Responsible Entity has a general Code of Conduct that is applicable to Directors and all staff including senior managers.

The Responsible Entity has a very robust structure for reporting material breaches of both the Code and the general Code of Conduct. The Company Secretary advises the Board and the Internal Compliance Committee of any such breaches.

**3.3** The Responsible Entity has an established Whistleblower Policy. All corporate employees were provided with compliance training of the updated Whistleblower Policy this Financial Year.

The Responsible Entity has a very robust structure for reporting incidents under the Whistleblower Policy. The Company Secretary will advise the Board of any material incidents. The Internal Compliance Committee would be advised at their quarterly meetings.

The Whistleblower Policy is available on the Responsible Entity's website.

**3.4** The Responsible Entity has an established Anti-Bribery and Corruption Policy.

The Responsible Entity has a very robust structure for reporting breaches of the Anti-Bribery and Corruption Policy. The Company Secretary will advise the Board of any material breaches. The Internal Compliance Committee would be advised at their quarterly meetings.

The Anti-Bribery and Corruption Policy is available on the Responsible Entity's website.

Image: Shiraz grape vines at Geier vineyard, Barossa Valley, South Australia, January 2021.

Rural Funds Group

ASX:  
RFF

Managed by:  
 Rural  
Funds  
Management  
Managing good assets with good people

- 4.1** The Board has an established Audit Committee with the purpose of assisting the Board with integrity of financial reporting, controls and independence of the Fund's external auditors.

The Audit Committee is comprised of three members, all of whom are independent non-executive Directors. Michael Carroll is the Chair of the Audit Committee and an independent Director of the Board. Qualifications and experience of the Audit Committee members is located on the Corporate Governance page of the Responsible Entity's website.

The Audit Committee has a formal charter that details its roles, responsibilities and its obligations. The Audit Committee charter is included in the Corporate Governance Charter, located on the Corporate Governance page of the Responsible Entity's website.

Two meetings of the Audit Committee were held in relation to the accounts during the Financial Year. Both meetings were attended by all Audit Committee members.

The Audit Committee will routinely invite other individuals to attend meetings, including senior management of the Responsible Entity and the Auditor of the Fund. The Audit Committee and invitees review the financial reports and provide commentary to the Board as required.

- 4.2** The CFO and Managing Director each declared in writing to the Board for both the half-year and full-financial year financial statements, that the declarations provided under sections 286 and 295(3)(b) of the Corporations Act, have been properly maintained, comply with accounting standards, give a true and fair view of the financial position and performance of the Fund with the opinion formed on the basis of a sound risk management and internal control system.
- 4.3** The Fund's corporate reporting was reviewed by external auditors appointed by the Responsible Entity, who attended both Audit Committee meetings this Financial Year.

## Principle 4: Safeguard the integrity of corporate reports:

### A listed entity should have appropriate processes to verify the integrity of its corporate reports.

- 4.1** The board of a listed entity should:
- have an audit committee which:
    - has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
    - is chaired by an independent director, who is not the chair of the board, and disclose:
      - the charter of the committee;
      - the relevant qualifications and experience of the members of the committee; and
      - in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.
- 4.2** The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration 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.
- 4.3** A listed entity should disclose its 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.

Managed by:



**Rural Funds Group** | ASX:  
RFF

Image: Full water storage, Lynora Downs, central Queensland, March 2021.

## Principle 5: Make timely and balanced disclosure:

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

- 5.1** A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.
- 5.2** A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.
- 5.3** A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

- 5.1** The Fund is committed to promoting a fair market in the Fund's units, honest management, and timely, full and fair disclosure to ensure the Fund meets its disclosure obligations under the Corporations Act and ASX Listing Rules.

The Responsible Entity has adopted a Continuous Disclosure Policy that applies to all Directors and employees of the Responsible Entity. The policy underlines the Board's commitment to ensure that Unitholders are provided with accurate and timely information about the Fund's activities.

Responsibility for compliance with the Continuous Disclosure Policy lies with the Company Secretary. The policy is located on the Corporate Governance page of the Responsible Entity's website.

- 5.2** The Board receives notification of all Fund market announcements once released on the ASX Market Announcement Platform.

- 5.3** Any new or substantive investor or analyst presentations were released on the ASX Market Announcement Platform ahead of the scheduled presentation.

The announcements released this Financial Year can be viewed at [www.asx.com.au](http://www.asx.com.au).

Image: Cattle grazing at Comanche, central Queensland, May 2021.

Rural Funds Group

ASX:  
RFF

Managed by:  
 Rural  
Funds  
Management  
Managing good assets with good people



- 6.1** The Responsible Entity aims to provide timely, accurate and accessible information of a consistently high standard to the Fund's Unitholders via the Responsible Entity's website. This forms an important part of the Responsible Entity's communications with the Fund's Unitholders.

The Responsible Entity has an established Publication Policy in line with the continuous disclosure requirements listed in the Corporations Act and ASX Listing Rules.

Located in the Responsible Entity's website is a:

- 'News and Media' section where the Fund's ASX announcement are found;
- 'Investor Information' section where the distributions, financial statement, investor presentation, newsletters and annual reports are located; and
- 'Corporate governance' section where the corporate governance related policies are located, for Unitholders to access.

- 6.2** Every Financial Year, the Responsible Entity releases full year and half year financial statements , which are accompanied by an investor webinar and presentation. This webinar provides investors with the opportunity to communicate with and ask questions of, the Responsible Entity's senior management.

Such a forum can also be utilised for other significant transactions, such as an entitlement offer or ahead of a Unitholder meeting.

In addition, Unitholders are encouraged to contact the Responsible Entity using any of the following methods:

**Email:** [investorservices@ruralfunds.com.au](mailto:investorservices@ruralfunds.com.au)

**Website:** <https://ruralfunds.com.au/contact-us/>

**Phone:** 1800 026 665

Or in person by visiting the Responsible Entity's office.

- 6.3** As an externally managed scheme, the Fund does not hold periodic meetings. When Unitholder meetings are required, web-conferencing and/or a teleconferencing facility for remote Unitholders are used. Unitholders who are unable to attend meetings, are able to vote via proxy, in accordance with the Fund's constitution.

- 6.4** The Fund's constitution provides extraordinary resolutions and any other properly demanded resolutions, directed by the chair of any Unitholders' meeting, are to be decided by a poll.

- 6.5** Boardroom, the Fund's registry service provider, provides the option for Unitholders to receive their communications electronically.

The Responsible Entity encourages all investors to communicate electronically and provides regular opportunities to opt in to this methods.

## Principle 6: Respect the rights of security holders:

**A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.**

- 6.1** A listed entity should provide information about itself and its governance to investors via its website
- 6.2** A listed entity should have an investor relations program that facilitates effective two-way communication with investors.
- 6.3** A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.
- 6.4** A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands
- 6.5** A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Managed by:



**Rural Funds Group** | ASX:  
RFF

Image: Shiraz grape vines at Geier vineyard, Barossa Valley, South Australia, January 2021.

## Principle 7: Recognise and manage risk:

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

- 7.1** The board of a listed entity should:
- have a committee or committees to oversee risk, each of which:
    - has at least three members, a majority of whom are independent directors; and
    - is chaired by an independent director, and disclose:
      - the charter of the committee;
      - the members of the committee; and
      - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.
- 7.2** The board or a committee of the board should:
- review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and that the entity is operating with due regard to the risk appetite set by the board; and
  - disclose, in relation to each reporting period, whether such a review has taken place
- 7.3** A listed entity should disclose:
- if it has an internal audit function, how the function is structured and what role it performs; or
  - if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.
- 7.4** A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

Image: Mungbeans at Lynora Downs, central Queensland, March 2021.

- 7.1** The Responsible Entity has not established a Risk Committee. Due to the size of the Board and the nature of the business, the Board has determined that risk oversight should be managed by the Board. The Board has ultimate responsibility for overseeing the risk management framework and for approving and monitoring compliance with the framework. The Board receives regular reports on all material business risks in relation to the Fund, including a report on all risks rated extreme or high. The ongoing management of identified risks is undertaken by the relevant managers of each business area, who report to the Board on the effectiveness of mitigation measures.

The Responsible Entity has established a Risk Management Policy that documents the oversight and management of material business risks. It ensures that risks are identified and assessed, and that measures to monitor and manage each of the material risks are implemented.

The Risk Management Policy is located on the Corporate Governance page of the Responsible Entity's website.

- 7.2** The Responsible Entity's risk management framework is reviewed annually. During this Financial Year, an annual risk review was performed.

The risk review consisted of re-evaluating all risks and re-assessing whether the existing risk rating is appropriate.

- 7.3** The Responsible Entity has an Internal Compliance Committee that assists the Board in evaluating the risk management framework and material business risks on an ongoing basis. While not an internal audit committee, the Internal Compliance Committee reports to the Board quarterly and may make recommendations to the Board for changes to processes and systems to ensure compliance with legal and regulatory requirements.

During the Financial Year, the Internal Compliance Committee comprised of senior managers and specialised staff in their field.

The Committee includes:

- Company Secretary (Chair)
- Chief Financial Officer
- National Manager - Human Resources
- Assistant Manager - Compliance and Risk
- Senior Fund Administrator

Additionally, senior managers are routinely invited to attend the Internal Compliance Committee meetings.

This broad representation ensures the Internal Compliance Committee is fully informed of governance, risk and internal control processes across the Fund and associated RFM entities.

- 7.4** The Responsible Entity for the Fund has Board endorsed Environmental, Social and Governance statements listed in the Environmental, Social and Governance section of the Responsible Entity's website.

Rural Funds Group

ASX:  
RFF

Managed by:  
 Rural  
Funds  
Management  
Managing good assets with good people

**8** The Responsible Entity has adopted the ASX's alternative Principle 8 recommendation for externally managed entities and provides the following details governing the remuneration to the Responsible Manager:

- Fund Management Fee – up to 1.0% p.a. of the adjusted gross asset value of the Fund
- Asset Management Fee – up to 1.0% p.a. of the adjusted gross asset value of the Fund
- Termination Fee – 1.5% of the adjusted gross asset value of the Fund.

The fees listed above represent the maximum allowed under the Fund's Constitution.

At present, the Responsible Entity charges total fees (fund management and asset management fees) of 1.05% of the adjusted gross asset value of the Fund.

**9** Recommendations 9.1, 9.2 and 9.3 do not apply to the Fund.

## Principle 8: Remunerate fairly and responsibly:

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interest with the creation of value for security holders and with the entity's values and risk appetite.

**8.1, 8.2, 8.3** An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.

### Additional recommendations that apply only in certain cases.

**9.1** A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.

**9.2** A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.

**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.

Managed by:



**Rural Funds Group** | ASX:  
RFF

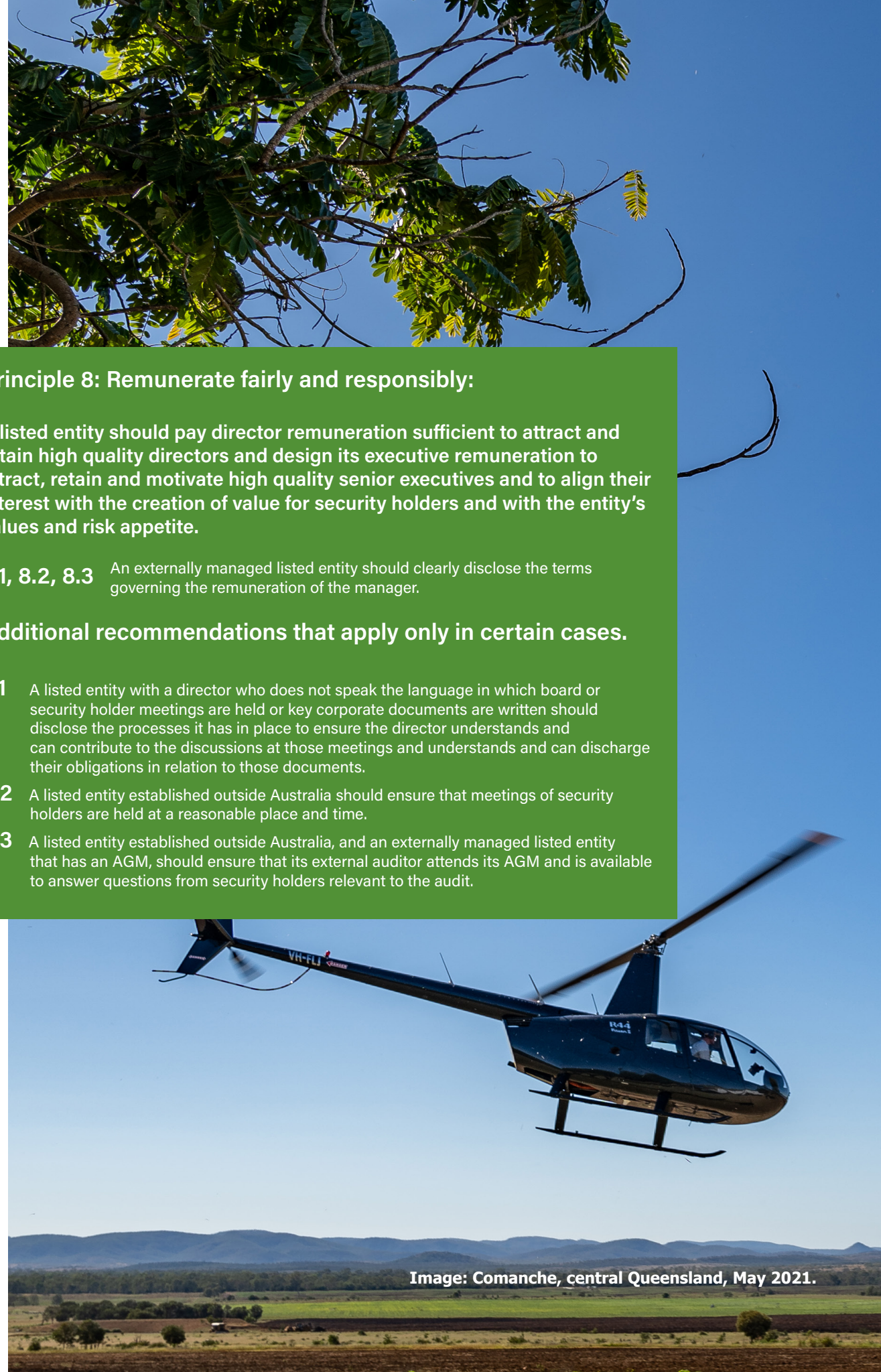



Image: Comanche, central Queensland, May 2021.


**Rural Funds Management Ltd**

**ABN 65 077 492 838**  
**AFSL 226 701**

Level 2, 2 King Street Deakin ACT 2600  
Locked Bag 150 Kingston ACT 2604

 1800 625 518

 [investorservices@ruralfunds.com.au](mailto:investorservices@ruralfunds.com.au)

 [www.ruralfunds.com.au](http://www.ruralfunds.com.au)

Cover image: Full water storage, Lynora Downs, central Queensland, March 2021.