



New Zealand Rural Land Co

The Rural Land Investors

COMPANY POLICY DOCUMENTS

29 JANUARY 2021

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New Zealand Rural Land Co

The Rural Land Investors

BOARD CHARTER

12 JUNE 2023

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New Zealand Rural Land Co

The Rural Land **Investors**

BOARD CHARTER

Policy Statement

This Charter sets out the authority, responsibilities, membership and operation of the board of directors (**Board**) of New Zealand Rural Land Company Limited (**NZRLC**) and should be read in addition to responsibilities at law, under NZRLC's constitution and the management agreement in place with New Zealand Rural Land Management Limited Partnership (**Management and Manager**) (the **Management Agreement**). This Charter also details the manner in which these responsibilities will be carried out to comply with best practice in corporate governance in accordance with applicable laws in the jurisdictions in which NZRLC operates.

BOARD GOVERNANCE AND PROCESS

Role of the Board

The primary role of the Board is to consider, approve and monitor the strategic direction of NZRLC recommended by the Manager and add long-term value to NZRLC's shares, having appropriate regard to the interests of all material stakeholders. NZRLC has delegated responsibility for its management to the Manager under a long term Management Agreement. The Management Agreement details a comprehensive list of duties and responsibilities of the Manager. The intended effect of the Management Agreement is to impose, by contract on the Manager, the following duties and responsibilities:

- Management and administration of NZRLC;
- Management of properties owned by NZRLC;
- Sourcing sale and purchase opportunities, overseeing due diligence and execution;
- Negotiating and oversight of lease agreements; and
- Communicating with investors and administering dividends and distributions.

In the normal course of events, day-to-day management of NZRLC will be the responsibility of Management through a delegation of the Board's authority to Management.

The Board recognises that the interests of the Manager and the interests of NZRLC shareholders (**Shareholders**) have the potential to conflict, and that an important role of the Board is to be aware of, assess and resolve potential conflicts in relation to NZRLC's capital structure and the strategies adopted, and the resulting potential Manager revenues.

The Board is committed to the highest standard of corporate governance as established by recognised best practice. Having regard to its role facilitating and collaborating with Management, the Board has adopted the following governance principles to act in accordance with agreed standards of ethical and moral behaviour, including observing the Code of Ethics. The conduct of directors on the Board (**Directors**) will be consistent with their duties and responsibilities to NZRLC and the Shareholders.

Strategy

- The Board is responsible for ensuring the strategic goals of NZRLC are clearly established, and that strategies are in place for achieving them.
- The Board will decide on the steps necessary to protect NZRLC's financial position, ensure that the Manager meets obligations when they fall due and establish policies for strengthening the performance of NZRLC.

Manager

- The Board will monitor and review the performance of the Manager, its compliance with the Management Agreement and the process for calculating management fees and any performance fees.

Reporting and Disclosure

- The Board will approve and monitor NZRLC's financial statements, corporate governance and other reporting, including reporting to Shareholders and other stakeholders in accordance with its statutory functions. The Board will also ensure the implementation of and adherence to NZRLC's continuous disclosure policy.
- In addition to all information required by law, the Board acknowledges that NZRLC's annual report should include sufficient meaningful information to enable Shareholders and stakeholders to be well informed and disclose:
 - information about each Director, members of the Audit and Risk Committee and Remuneration Committee, including a profile of experience, length of service, independence, any ownership interests in NZRLC and Director attendance at Board meetings; and
 - remuneration arrangements as outlined in the remuneration policy.

People

- The Board will approve and monitor NZRLC's occupational safety and health processes with a view to ensuring the safety of NZRLC's employees, contractors and agents.

Risk Management

- The Board will ensure that NZRLC has appropriate risk management and regulatory compliance policies in place and monitor the integrity of those policies.

Shareholders and Stakeholders

- The Board will familiarise itself with issues of concern to Shareholders and significant stakeholders, including customers, staff, lessee's and the communities in which it owns rural land.

Board Procedures

The Directors will always act within procedures put in place by the Board.

Directors will use their best endeavours to prepare for and attend Board meetings. Directors are expected to participate constructively in Board discussions and other activities and to bring the benefit of their experience and knowledge to the Board. Directors unable to attend a meeting will advise the chair of the Board (**Chair**) as soon as possible. The agenda will be set by the Chair in consultation with Management.

Board discussions will be open and constructive, recognising different opinions which lead to better decision making. Minutes will be taken of each Board meeting and meetings of each committee. All discussions and their record will remain confidential unless there is a specific direction from the Board, or disclosure is required by law. The Board will decide the manner and timing of the publication of its decisions.

The Board will hold at least eight meetings each year. At each normal meeting, the register of Directors' interests will be updated and the Board will consider:

- a business report from the Manager;
- specific proposals for investments;
- health and safety;
- major issues and opportunities for NZRLC; and
- matters requiring disclosure.

Additional Board meetings are held where necessary in order to respond to issues as they arise.

Board Structure

The Board will comprise of:

- at least three directors;
- at least two independent directors; and
- at least two of the directors must be ordinarily resident in New Zealand.

The Board will look to ensure that the Board always comprises a majority of independent directors. The composition of the Board will otherwise reflect the duties and responsibilities it is required to discharge and perform in setting NZRLC's strategy and seeing it implemented.

To assess if a Director is independent, the Board will take into account prevailing guidance under the NZX Main Board Listing Rules and NZX Corporate Governance Code (as amended from time to time).

Chair

The Board will appoint a Chair from among the independent Directors. The Chair is responsible for:

- facilitating meetings of the Board;
- representing the Board to Shareholders;
- ensuring the integrity and effectiveness of the governance process of the Board;
- ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors (evaluation is to occur annually); and
- maintaining regular dialogue with Management over all operational matters and will consult with the remainder of the Board promptly over any matter that gives cause for significant concern.

Manager Delegations and Reporting

All authority conferred on the Manager is delegated through the provisions of the Management Agreement or as is otherwise set out in writing and approved by the Board.

The Manager will appoint one of its senior managers to be its representative to the Board (**Management Representative**). The Management Representative will:

- attend all Board meetings (unless the Chair directs otherwise);
- agree with the Board the specific goals and procedures of NZL with a view to achieving specific results directed towards the broader strategic goals of NZRLC; and
- keep the Board informed on all material matters concerning or potentially concerning NZRLC.

The Chair will be available to the Management Representative to provide counsel and advice where appropriate. To benefit from the specialist knowledge and skills of other personnel of the Manager, the Board may invite those personnel to attend Board meetings, prepare reports and answer questions. However, attendance will always be at the discretion of the Board.

Board Committees

The Board may discharge any of its responsibilities through committees of the Board. The Board may establish a committee to consider certain issues and functions in more detail. Each committee may adopt its own charter to be approved by the Board, setting out matters relevant to its composition and responsibilities. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

The Board may on a case-by-case basis establish other committees where it considers it appropriate to do so. Where a new committee is formed the Board will prepare and approve a written charter defining the role and purpose of the committee. New committees may be standing committees or temporary committees.

In order to be fully informed on the matters for consideration, a committee member may invite the attendance of any of the Chair, the Manager Representative, NZRLC's auditors and advisors. The minutes of the proceedings of every committee meeting shall be taken and circulated to each member of the Board.

The Board will regularly review the performance of the committees in accordance with their relevant charters.

Audit and Risk Committees

The Board has established an Audit and Risk Committee with the role of overseeing financial reporting, accounting policies, financial management, risk management and internal control systems.

The Audit and Risk Committee responsibilities are outlined in the Audit and Risk Committee Charter which shall be readily available to Shareholders on NZRLC's website.

Remuneration Committee

The Board has established a Remuneration Committee, with the role of recommending Director remuneration packages to Shareholders. The Remuneration Committee responsibilities are outlined in the Remuneration Committee Charter.

Board Appointments Procedure

The Board is responsible for recommending new members of the Board to shareholders and for filling vacancies on the Board that may occur between annual meetings. The Board will have procedures in place from time to time for the nomination and appointment of directors to the Board. The Board will always comprise of a majority of independent directors.

In considering potential Directors to recommend to Shareholders, the Board seeks to identify candidates with appropriate skills, knowledge and experience to contribute to the effective direction of NZRLC, who can exercise an informed judgement on matters which come to the Board and who are free of any business or other relationship that may interfere with the exercise of that judgement. Key information regarding candidates for appointment to the Board is to be communicated to Shareholders to assist with their decision to elect or re-elect the candidate.

Shareholder(s) of NZRLC may make nominations of directors in accordance with the Listing Rules. The Manager shall be entitled to make such nominations irrespective of whether it holds shares in NZRLC. The Board will evaluate all nominated candidates, consider whether they would be independent, and recommend candidates to Shareholders.

Where the Board is considering appointing, or recommending the appointment of a new non-independent Director to shareholders, the Board will consult with the Manager regarding such appointment or recommendation and will, in good faith, give due consideration to the Manager's views. If the Manager advises the Board that it is opposed to the Board appointing any non-independent director the Board shall allow for the Manager to submit in writing (or attend the relevant Board or sub-committee meeting) to present the reasons for its opposition. The Board shall, in good faith, consider those views of the Manager in reaching its final decision. For clarity, any non-independent appointments are only intended to occur if a majority of independent Directors will be maintained.

The requirements and procedures governing the retirement, rotation and resignation of directors are otherwise prescribed in the Company's Constitution and the Listing Rules.

Director Training Policy

All Directors are responsible for ensuring they remain current in understanding their duties as directors. Where necessary, NZRLC will support Directors to help develop and maintain their skills and knowledge relevant to performing their role.

Director Performance Policy

The Board will ensure that regular, rigorous and formal processes for evaluating the performance of the Board, committees and individual Directors are in place and lead these processes.

Conflict of Interest

Directors must:

- disclose to the Board any actual or potential conflicts of interest which may exist or be reasonably thought to exist as soon as they become aware of the conflict or potential conflict;
- take any necessary and reasonable measures to try to resolve or transparently manage the conflict; and
- comply with the Companies Act 1993 on disclosing interests and restrictions on voting.

If a conflict or potential conflict exists, it is expected that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter unless the other Directors who do not have an interest in the matter approve such Director being present at the meeting. If a Director has a conflict of interest, that Director cannot vote on a matter in respect of which that Director is interested, nor can any vote be counted towards the Board quorum in respect of that matter.

Directors are expected to advise the Chair of any proposed board or executive appointments to other companies as soon as practicable.

Trading in the Company's Shares

A director can only buy or sell shares in NZRLC during the permitted periods as outlined in the Financial Product Trading Policy and Guidelines and when they are not Insider Trading as defined in the Financial Markets Conduct Act 2013. All changes in Directors' shareholding must be immediately reported to the Board for disclosure.

Independent Advice

Any Director is entitled to obtain independent professional advice (at the expense of NZRLC) where the Director considers it necessary to carry out his/her responsibilities as a director, with the approval of the Chair.

Indemnities and Insurance

Subject to NZRLC's constitution, NZRLC will provide Directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Directors, to the fullest extent permitted by law.

Review of Communication Policy

This Charter and committee charters will be reviewed annually by the Board. NZRLC will communicate the Charter to Shareholders and to the market via its website, in the interests of transparency and accountability, and to better promote the objectives of the Charter.

This Board Charter has been agreed by the Board of New Zealand Rural Land Company Limited.

| Issue | Approved by | Date |
|-------|-------------|---------------|
| 1.0 | The Board | December 2020 |
| 2.0 | The Board | June 2023 |



New Zealand Rural Land Co

The Rural Land Investors

AUDIT AND RISK COMMITTEE CHARTER

13 NOVEMBER 2020

www.nzrlc.co.nz

listed on:



NEW ZEALAND RURAL LAND COMPANY LIMITED

AUDIT AND RISK COMMITTEE CHARTER

Policy Statement

Introduction

This Charter governs the operations of the Audit and Risk Committee of New Zealand Rural Land Company Limited (**NZRLC**).

NZRLC's board of directors (**Board**) has appointed an Audit and Risk Committee (the **Committee**) of at least three members. All members will be financially literate and at least one member will have an accounting or financial background. The chair of the Committee (**Committee Chair**) must be independent and must not be the chair of the Board (**Chair**). A majority of directors on the Committee will be independent.

Purpose

The objective and purpose of the Committee is to assist the Board in fulfilling its responsibilities in all matters related to risk management and the financial accounting and reporting of NZRLC. This includes assisting the Board in fulfilling its oversight responsibility to shareholders, potential shareholders, the investment community and others relating to:

- The integrity of NZRLC's financial statements;
- The effectiveness of NZRLC's internal controls over financial reporting;
- NZRLC's compliance with legal and regulatory requirements;
- The independent auditor's qualifications and independence;
- The performance of NZRLC's internal control processes and independent auditor; and
- Review New Zealand Rural Land Management Limited's (**Management**) letters of representation.

The decisions of this Committee are reported back to the Board in order to allow the other members of the Board to question Committee members.

Given the nature of the business of NZRLC and the internal financial controls NZRLC has in place, it is not considered necessary to have an internal auditor in addition to the Committee. Together with Management, the Committee will facilitate the appointment of an independent external auditor.

Responsibilities

The Committee is responsible for overseeing financial reporting, accounting policies, financial management, and internal control systems. The Committee is to keep under review the scope and results of audit work, its cost effectiveness and performance, independence and objectivity of the auditors. It also reviews the financial statements and any announcements concerning financial results.

- The duties of the Committee are as follows:
- Ensure that appropriate financial reporting and internal control processes are in place and monitor those processes so that the Board is properly and regularly informed and updated on corporate financial matters;
- To recommend to the Board the external auditor appointment, tenure and remuneration;
- Liaise with the external auditors and any accounting advisers;
- Review and assess the performance of the external auditors in respect of audit and non-audit services, including ensuring that the external audit firm or lead audit partner is changed at least every five years;
- Assess the independence of the external auditors and ensure that there is no relationship between the proposed auditors and NZRLC or any related person that could compromise the independence of the auditors;
- Review (but not plan or conduct) the external auditors annual audit plan and reports, assess performance against plans;
- Review the draft half year and annual financial statements of NZRLC together with associated market announcements, for compliance with appropriate laws and regulations and to recommend approval/release to the Board;

- Review public documents and disclosures relating to financial information;
- Review material accounting policy changes proposed by management or the external Auditors;
- Review group tax exposures and meet with management every six months on taxation compliance;
- Assess the performance of financial management;
- Review the audit findings and ensure that recommendations highlighted in audit reports
- Are actioned by management;
- Review the risk management plan;
- Review management policies and processes to ensure their suitability for achieving appropriate levels of compliance with company risk management policy, Code of Ethics and statutory and regulatory requirements;
- In addition, the Committee shall examine any other matters referred to it by the Board.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The Committee will take appropriate actions to monitor the overall corporate “tone” for quality financial reporting, sound business risk practices and ethical behaviour.

Authority

The Committee is authorised by the Board to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires from any employee, officer (or contractor) of NZRLC or Management, all of whom are directed to cooperate with any request made by the Committee. Management may only attend Committee meetings at the express request of the Committee.

The Committee shall have the authority of the Board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary. The Committee shall have no executive powers with regard to findings and recommendations.

Review of the Audit Committee

The Committee will undertake a formal review of its objectives and activities at least once every two years.

The Board will review the performance of the Committee as and when the Board deems appropriate and has overall responsibility for NZRLC’s systems of internal financial control.

Reporting Procedures

The Committee Chair shall make a report to the Board after each Committee meeting on the findings and recommendations of the Committee.

The minutes of all Committee meetings, signed by the Chair, shall be circulated to all directors and to other parties as the Board directs.

The Committee Chair or if they are unable, another member of the Committee, must be available at all annual shareholder’s meetings to respond to any shareholder questions on the Committee’s activities and areas of responsibility

The Committee shall maintain direct lines of communication, independent of Management, with the external auditors.

General

NZRLC will communicate this policy to its shareholders and to the market, including via its website, in the interests of transparency and accountability, and to better promote achievement of the objectives of this policy.

This Charter has been agreed by the Board of New Zealand Rural Land Company Limited.

| Issue | Approved by | Date |
|-------|-------------|-------------|
| 1.0 | The Board | 11 May 2020 |



New Zealand Rural Land Co

The Rural Land Investors

CODE OF ETHICS

13 NOVEMBER 2020

www.nzrlc.co.nz

listed on:



NEW ZEALAND RURAL LAND COMPANY LIMITED

CODE OF ETHICS

Policy Statement

This Code of Ethics sets the standards by which directors, employees and contractors of New Zealand Rural Land Company Limited (**NZRLC**), New Zealand Rural Land Management Limited (**Management** and **Manager**) and NZRLC's subsidiaries (together, the **Group**) are expected to conduct themselves in their daily activities (the Code). The Code reinforces the expectation that NZRLC's directors, employees, contractors and Management (together, the **NZRLC People**) act in a manner consistent with NZRLC's policies, guiding principles and values.

The Code aims to provide a clear framework to facilitate ethical decision making by NZRLC People. It does not aim to provide an exhaustive list of behaviour considered acceptable and non-acceptable by NZRLC.

Application

All NZRLC People are expected to act in accordance with the Code.

Failure to act in accordance with the Code will result in appropriate and proportionate investigation by Management or the board of NZRLC (the **Board**). This may lead to disciplinary action, and in serious cases, dismissal.

All breaches of the Code will be dealt with in a consistent manner and in consultation with all non- interested NZRLC directors.

Reporting Breaches of this Code

NZRLC People must report any breaches, or potential breaches of this Code to the chair of the Board (**Chair**). If the reported breach or potential breach involves the Chair, it must be reported to an independent director.

The Chair will investigate any reported breach of this Code by an NZRLC director (**Director**). The independent director will investigate the reported breach if the report is in relation to the Chair.

Ethical Expectations

A failure to comply with the ethical expectations outlined below will be considered a breach of this Code.

Honesty and Integrity NZRLC People must act honestly and are expected to uphold and maintain the highest standards of integrity.

NZRLC People must treat all stakeholders fairly and with respect and at all times act in the best interests of its shareholders, stakeholders and NZRLC itself.

Anti-Discrimination and Anti-Harassment

NZRLC is committed in all areas to providing a safe environment that is free from harassment or bullying. Harassment includes language or conduct that may be derogatory, intimidating offensive to others. Bullying and intimidating behaviour is repeated inappropriate behaviour that undermines someone's right to respect. Any form of this behaviour will not be ignored or tolerated.

NZRLC is also focused on creating a diverse and inclusive environment, where individual differences are valued and respected. Behaviour that disadvantages or discriminates on the basis of gender, marital status, religious belief, ethnicity, colour, race, origin, disability, age, political opinion, employment status, family status, sexual orientation or any other characteristic will not be tolerated.

The safety and well-being of NZRLC People, Shareholders and stakeholders are paramount. NZRLC encourages everyone to speak out against any harassment, bullying or discrimination that is witnessed or experienced. All allegations will be thoroughly investigated, and appropriate action will be taken. No person will be adversely affected as a result of bringing complaints. All complaints will be handled in as a discreet and confidential a manner as possible under the circumstances.

All NZRLC People are required and expected to abide by these policies.



Ensuring legal compliance NZRLC People must ensure they are complying with all applicable laws, rules, regulations and codes of practice.

NZRLC People may only trade in NZRLC financial products in accordance with NZRLC's Financial Product Trading Policy and Guidelines.

Avoiding Conflicts of Interest NZRLC People have an obligation to ensure that their individual interests do not interfere, or appear to interfere, with NZRLC's interests. NZRLC People must declare conflicts of interest and proactively disclose the material particulars of any potential conflicts of interest in writing.

NZRLC People must advise the Chair (or the Manager, as applicable) of any conflict of interest or potential conflict of interest. NZRLC People must not, without the prior written consent of NZRLC, engage in any other commercial activities which may conflict with their ability to perform their duties to NZRLC.

NZRLC People will not accept any bribe, gratuity or other inducements in the course of their business dealings on behalf of NZRLC. "Gifts" and "personal benefits" can include accommodation, goods, services, discounts, and special terms on loans and so on. NZRLC People will not accept gifts or personal benefits of any value from internal or external parties if it could be perceived that this could compromise or influence any decision by NZRLC taking into account the perceptions of key stakeholders.

If a Director is "interested" in any transaction (as that term is defined in section 139 of the Companies Act 1993) then that Director will not vote on that transaction. If a significant conflict of interest exists, the Board may form an independent committee to consider the relevant matter. NZRLC maintains an interest's register in which relevant transactions and matters in which any Directors are interested must be recorded.

Proper use of NZRLC's Information, Assets and Property NZRLC is committed to protecting NZRLC's assets and property from loss, damage, misuse or theft and the confidential or personal information of all NZRLC stakeholders.

NZRLC People must ensure:

- the proper receipt and use of NZRLC's corporate information, assets and property;
- accounting records are complete and accurately reflect transactions and events;
- company funds are managed and spent responsibly; and
- they protect NZRLC's assets and property from loss, damage, misuse, waste and theft.

NZRLC's assets and property in the control of NZRLC People can only be used for the legitimate business purposes of NZRLC, and not for personal gain.

No opportunity discovered through the use of NZRLC's corporate information or business position may be taken for personal gain. NZRLC People must only use corporate information gained during their relationship with NZRLC in the best interests of NZRLC.

Professional Due Care NZRLC People and Directors must give proper attention and care to the matters before them. All work must be completed to the appropriate standard.

Whistle Blower Protection Any director, employee and contractor of NZRLC who becomes aware of a legal, regulatory, policy or other compliance issue has a responsibility to report it to the Chair. In addition, accounting, auditing or internal control breaches or concerns may be reported confidentially to the chair of the NZRLC Audit and Risk Management Committee.

NZRLC is committed to supporting NZRLC People who report potential breaches. This support will be given regardless of whether action is taken in respect of the reported breach.

NZRLC recognises the importance of open channels of communication within NZRLC, particularly in respect of reasonable concerns surrounding potential breaches of this Code and any laws, regulations, or policies.

Training

The Code and where to find it will be communicated to NZRLC People as part of their initial and ongoing training. It is expected that NZRLC People have read and understand each of the Ethical Expectations outlined in the Code.

General

The Board retains ultimate accountability and responsibility for the implementation of the Code.

The Code will be published on NZRLC's website and updated as required.

The Code will be reviewed at least annually to ensure it is up to date in respect of internal policy and external ethical standards.

Contact: For queries in relation to this policy, please contact the Chair or the Management Representative.

This Policy has been agreed by the Board of New Zealand Rural Land Company Limited.

| Issue | Approved by | Date |
|-------|-------------|-------------|
| 1.0 | The Board | 11 May 2020 |



New Zealand Rural Land Co

The Rural Land Investors

REMUNERATION COMMITTEE CHARTER

13 NOVEMBER 2020

www.nzrlc.co.nz

listed on:



NEW ZEALAND RURAL LAND COMPANY LIMITED

REMUNERATION COMMITTEE CHARTER

Policy Statement

Introduction

This Charter governs the operations of the Remuneration Committee of New Zealand Rural Land Company Limited (**NZRLC**).

NZRLC's board of directors (**Board**) has appointed a Remuneration Committee (the **Committee**) of at least 2 members. The Board will be responsible for the appointment and removal of Committee members.

The Committee shall meet as frequently as required to undertake its role effectively, but at least once per year.

Purpose

The objective and purpose of the Committee is to promote appropriate remuneration policies and practices to the Board and to oversee that these remuneration policies and practices:

- Are appropriate from NZRLC's shareholders' perspective;
- Enable NZRLC to attract, retain and motivate directors who will create value for shareholders;
- Support NZRLC's risk management framework;
- Are consistent with agreed NZRLC policies;
- Are consistent with and promote NZRLC's Code of Ethics; and
- Comply with the provisions of the Companies Act 1993 and any other relevant legislative requirements.

The decisions of the Committee must be reported back to the Board in order to allow the other members of the Board to question committee members.

Responsibilities

The responsibilities of the Committee include:

- Review and recommend to the Board for approval the Remuneration Policy for directors and ensure that the structure of the policy allows NZRLC to attract and retain directors of sufficient calibre to facilitate the efficient and effective management of the NZRLC's operations;
- Annually review and recommend to the Board for approval the remuneration packages of all Directors of NZRLC; and
- Ensure letters of appointment are in place for all Directors.

In addition, the Committee shall examine any other matters referred to it by the Board.

Authority

The Committee is authorised by the Board to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires from New Zealand Rural Land Management Limited (the **Manager**) and the Manager will be directed to cooperate with any request made by the Committee.

The Committee shall have the authority of the Board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary. The Committee shall have no executive powers with regard to findings and recommendations.

Review of the Remuneration Committee

The Committee will undertake a formal review of its objectives, activities and this charter as it considers necessary.

It must recommend to the Board any suggested changes in the responsibilities of the Committee and the terms of this charter.

The Committee's performance, objectives and responsibilities may also be reviewed annually by the Board.

Reporting Procedures

After each Committee meeting, the chair of the Committee (**Committee Chair**) shall report the Committee's findings and recommendations to the Board.

The Committee Chair or if they are unable, another member of the Committee, must be available at all annual shareholders' meetings to respond to any shareholder questions on the Committee's activities and areas of responsibility.

The minutes of all Committee meetings shall be circulated to all directors.

General

NZRLC will communicate this Charter to its shareholders and to the market, including via its website, in the interests of transparency and accountability, and to better promote achievement of the objectives of this policy.

This Charter has been agreed by the Board of New Zealand Rural Land Company Limited.

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REMUNERATION POLICY

13 NOVEMBER 2020

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NEW ZEALAND RURAL LAND COMPANY LIMITED

REMUNERATION POLICY

Policy Statement

New Zealand Rural Land Company Limited (**NZRLC**) is committed to the provision of transparent information about NZRLC directors' (**Director**) remuneration. NZRLC believes directors' remuneration should be fair and reasonable, yet competitive, to ensure that NZRLC attracts and retains high calibre directors who have the skills, experience and knowledge to increase NZRLC's value, to the benefit of all shareholders. Equal remuneration will be awarded when the nature of the services performed by directors is similar, when taking into account directors' experience, skills and overall performance.

NZRLC has a Remuneration Committee (**Committee**) which reviews and makes recommendations to the Board (generally annually) in respect of remuneration practices, policies and levels for directors.

Application

This Remuneration Policy applies to all NZRLC executive and non-executive directors. This policy does not address remuneration of other executive managers or employees or the remuneration of directors or senior management of New Zealand Rural Land Management Limited (**Management** or **Manager**).

Directors' Remuneration

As required by NZRLC's Constitution, no increase in Directors' remuneration shall apply unless that increase has been approved by ordinary resolution of shareholders. A notice of meeting proposing any increase in Directors' remuneration for shareholders' approval shall include the amount of, and an explanation for, the proposed increase.

If the Committee thinks fit and for the purpose of aligning remuneration with shareholders' interests, it may make a recommendation to the Board that it seek shareholder approval to satisfy Directors' remuneration (or to otherwise incentivise directors) through issues of equity securities in NZRLC in accordance with relevant legislation and regulation.

In reviewing remuneration policies and practices for directors, the Committee will take into account:

- Independent assessments of the competitive market;
- NZRLC's remuneration practices compared with similar companies and market trends;
- The competitiveness of the prevailing level of remuneration and its ability to meet the primary remuneration policy objective of attracting and retaining high quality Directors; and
- Changes in Directors' workloads.

Executive Remuneration

NZRLC's broad remuneration policy is to ensure that any remuneration package properly reflects the corresponding duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Executive (including executive directors) will be remunerated solely by the Manager from fees paid under the Management Contract operating between the Manager and NZRLC (the **Management Contract**).

Where any review or determination relating to remuneration needs to be made under the Management Contract, it shall for NZRLC be determined by the non-interested directors of NZRLC. These non-interested directors may commission any third party advice they believe appropriate to assist in their decision making at the cost of NZRLC.

Non-executive Remuneration

Non-executive Directors' remuneration is paid in the form of directors' fees. The value of these fixed fees will reflect the time commitment of each individual Director and the level of responsibility each have in performing part of the collective duties of the Board.

Non-executive directors' will not receive performance based remuneration. NZRLC recognises the importance of non-executive directors' independence and freedom from any potential or perceived bias in decision making.

Non-executive directors' can receive equity securities in NZRLC as part of their total remuneration package.

Non-executive directors are not entitled to any retirement payments.

Non-executive directors are entitled to be reimbursed by NZRLC for reasonable traveling, accommodation and other expenses they may incur whilst traveling to or from meetings of the directors or committees (where those meetings cannot be held by conference call).

Non-executive Directors who are the chair of the Board or the chair of the Audit and Risk Committee may receive additional directors fees to compensate them for the additional time commitment that those roles require.

Disclosure

NZRLC will disclose Director remuneration in accordance with all legal requirements.

Actual Director remuneration will be disclosed to shareholders in NZRLC's annual report. The annual report will outline components of individual director remuneration, including remuneration for committee roles and for fees and benefits received for any other services provided to the issuer. The annual report will also disclose details of fees paid to the Manager.

This Remuneration Policy will be available on NZRLC's website. NZRLC reserves the right to review and amend this policy at any time to meet the needs of NZRLC. Any changes will be communicated to all Directors and shareholders.

This Policy has been agreed by the Board of New Zealand Rural Land Company Limited.

| Issue | Approved by | Date |
|-------|-------------|-------------|
| 1.0 | The Board | 11 May 2020 |



New Zealand Rural Land Co

The Rural Land Investors

SECURITIES TRADING POLICY

17 MAY 2023

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New Zealand Rural Land Co

The Rural Land Investors

1 Purpose

- 1.1 This policy details the policy of New Zealand Rural Land Company Limited (**NZRLC**) on, and rules for trading in, Restricted Financial Products (defined below). The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand.
- 1.2 If you do not understand any part of this policy, or how it applies to you, you should raise the matter with the Chair of the NZRLC Board (**Chair**) before trading in Restricted Financial Products.

2 Scope

- 2.1 This policy applies to all directors, officers and employees of NZRLC, its subsidiaries and the New Zealand Rural Land Management Limited Partnership (**Manager**) (collectively **NZRLC Personnel**) who intend to trade in Restricted Financial Products. For the purposes of this policy, Restricted Financial Products means:
 - 2.1.1 ordinary shares in NZRLC
 - 2.1.2 any other quoted financial products of NZRLC or its subsidiaries; and
 - 2.1.3 any quoted derivatives (including futures contracts quoted on an authorised futures exchange) in respect of NZRLC financial products, from time to time,

(together, **Restricted Financial Products**).
- 2.2 In this policy, “trade” includes buying or selling Restricted Financial Products, or agreeing to do so, whether as principal, agent or trustee, but does not include subscription for, or the issue of, new Restricted Financial Products.
- 2.3 This policy provides additional more specific and stringent rules for certain Restricted Persons (defined below) in the Schedule.

POLICY

3 Fundamental rule – Insider trading is prohibited at all times

- 3.1 If you possess any Material Information (as defined below), you must not:
 - 3.1.1 trade in Restricted Financial Products;
 - 3.1.2 advise or encourage others to trade or hold any Restricted Financial Products;
 - 3.1.3 advise or encourage a person to advise or encourage another person to trade or hold Restricted Financial Products; or
 - 3.1.4 directly or indirectly disclose or pass on the Material Information to anyone else – including colleagues, partners, family or friends, as well as companies, trusts or nominees and other persons over whom you have investment control or influence – knowing (or where you ought reasonably to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, Restricted Financial Products.
- 3.2 This offence, called “**insider trading**”, can have significant consequences for you and others (refer to section 4 below).

- 3.3 The prohibitions apply regardless of how you learn of Material Information, and regardless of why you are trading. You should note that, even if you change jobs within NZRLC or leave the organisation completely, the prohibitions will still apply to you as a matter of general law if you remain in possession of Material Information.

4 Confidential information

- 4.1 In addition to the above, you also have a duty of confidentiality to NZRLC. You must not reveal any confidential information concerning NZRLC to a third party (unless that third party has signed a confidentiality agreement with NZRLC and you have been authorised to disclose confidential information), or to use confidential information in any way which may injure or cause loss to NZRLC, or to use confidential information to gain an advantage for yourself. You should ensure that external advisers keep NZRLC' information confidential.

5 Material information

- 5.1 Material Information is information that:

- 5.1.1 is not generally available to the market;
- 5.1.2 if it were generally available to the market, a reasonable person would expect to have a material effect on the price of Restricted Financial Products; and
- 5.1.3 relates to NZRLC's Restricted Financial Products, or NZRLC' specifically,

(Material information)

- 5.2 Information is "**generally available**" to the market if:

- 5.2.1 it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in Restricted Financial Products and reasonable period for it to be disseminated among those persons has passed; or
- 5.2.2 it has been released as an NZX announcement; or
- 5.2.3 the information is readily obtainable by investors that commonly invest in Restricted Financial Products (whether by observation, use of expertise, purchase or other means).

- 5.3 It does not matter how you come to know the Material Information (including whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in a lift, or at a social function).

- 5.4 Information includes rumours, matters of supposition, intentions or likely intentions of a person (including NZRLC) and information which is insufficiently definite to warrant disclosure to the public.

- 5.5 Any person who trades in Restricted Financial Products while they possess Material Information will be liable to both civil penalties and liabilities and criminal liabilities (including fines and imprisonment).

6 Example of Material Information

- 6.1 The following list is illustrative only. Material Information could include information which has not been released to the market concerning:

- 6.1.1 NZRLC's financial performance;
- 6.1.2 a possible change in NZRLC's strategic direction;
- 6.1.3 the introduction of an important new product or service;
- 6.1.4 a possible acquisition or sale of any assets, business or company by NZRLC;
- 6.1.5 entry into or the likely entry into, or termination or likely termination, of material contracts or other business arrangements which are not publically known;
- 6.1.6 changes in NZRLC's actual or anticipated financial condition or business performance;
- 6.1.7 a possible change in NZRLC's capital structure, including proposals to raise additional equity or borrowings;
- 6.1.8 a change in the historical pattern of dividends;
- 6.1.9 senior management changes;

6.1.10 a possible change in the regulatory environment affecting NZRLC;

6.1.11 a material legal claim by or against NZRLC; and

6.1.12 any other material unexpected liability.

7 Restrictions on trading in Restricted Financial Products

7.1 In addition to the above insider trading prohibition, there are further restrictions on trading in Restricted Financial Products on all NZRLC Personnel, and in some circumstances, further restrictions on Restricted Persons (as defined in the Schedule to this policy) only.

8 General Principles

8.1 All NZRLC Personnel must comply with the following general principles regarding trading of Restricted Financial Products:

8.1.1 avoid and be seen to avoid, actual or potential conflict between your personal interest and your duty to NZRLC;

8.1.2 do not derive personal advantage from information which is not generally available and which has been obtained in the course of, your directorship, employment or engagement;

8.1.3 in the case of Restricted Persons, seek prior approval to trade in Restricted Financial Products from the Chair (or the Chair of Risk Assurance and Audit Committee in the case of the Chair);

8.1.4 do not trade in Restricted Financial Products if in possession of Material Information

9 Exceptions

9.1 This policy does not apply to:

9.1.1 acquisitions or disposals of Restricted Financial Products by gift or inheritance; and

9.1.2 acquisitions through an issue of new Restricted Financial Products, such as an issue of new shares on the exercise of options, under a rights issue, or a dividend reinvestment plan.

10 No short-term trading

10.1 You should not engage in short term trading of any Restricted Financial Products. In general, the purchase of securities with a view to resale within a 12-month period and the sale of securities with a view to repurchase within a 12-month period is considered to be short-term trading. However, the sale of shares immediately after they have been acquired through the conversion of a security (e.g. exercise of an option) will not be regarded as short-term trading.

10.2 Short-term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade Restricted Financial Products on a short-term basis.

11 No short-selling

11.1 You should not short-sell any Restricted Financial Products.

12 NZX Notification

12.1 A Director or Senior Manager (where applicable) must notify the NZX within 5 trading days after any change in the Director's relevant interest in securities of NZRLC or a related body corporate.

12.2 A Director or Senior Manager (where applicable) must notify the Chair in writing of the requisite information for the Chair to make the necessary notifications to NZX as required by the Financial Markets Conduct Act and the NZX Listing Rules.

13 If in doubt, don't trade

13.1 The rules contained in this policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical may be insider trading. If in doubt, don't trade!

14 Breaches of Policy

- 14.1 Potentially serious criminal and civil liability arises for breaches of insider trading laws. These laws also apply to individuals outside NZRLC, such as your family, should they become aware of Material Information. Strict compliance with this policy is a condition of your employment and engagement of contractors. Breaches of this policy will be subject to disciplinary action, which may include termination of your employment or contract for services.

15 Monitoring for trading

- 15.1 NZRLC may monitor the trading of directors, officers and employees as part of the administration of this policy.

16 Application of policy

- 16.1 The Board has approved this policy. The Board may approve updates, amendments to, and exemptions from, this policy from time to time, which may be implemented by written notice to you.
- 16.2 To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this policy prevails over them.
- 16.3 This policy is not intended to be legal advice and is not a substitute for legal advice. If you have any doubt about whether you may trade in Restricted Financial Products you should raise the matter with the Chair or consult a legal adviser.

17 Takeover

- 17.1 For the avoidance of doubt, nothing in this policy will apply to the trading of financial products in respect of a takeover made under the Takeovers Code Approval Order 2000.

18 Roles and Responsibilities

- 18.1 In addition to any other responsibilities of the Chair set out in this policy, the Chair is also responsible for:
- 18.1.1 ensuring all NZRLC employees and directors are aware of this policy and that this policy is easily accessible;
 - 18.1.2 ensuring that Restricted Persons follow the appropriate procedures and complete the relevant forms in relation to trading in NZRLC's securities;
 - 18.1.3 considering requests for consent to trade in NZRLC's securities and providing a recommendation to the Board (if required); and
 - 18.1.4 passing on the Board's response to any requests for consent to Restricted Persons that have been referred to the Board.
- 18.2 In addition to any other responsibilities of the Board set out in this policy, the Board is also responsible for:
- 18.2.1 giving consent for NZRLC's securities trading transactions to Restricted Persons; and
 - 18.2.2 approving this policy, and any amendments to this policy, from time to time.
- 18.3 Business managers of NZRLC subsidiaries are responsible for ensuring their employees are aware of this policy.

Document Control

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| Version: | 2.0 |

SCHEDULE

Additional trading restrictions for Restricted Persons

1 Restricted Persons

- 1.1 The following people are subject to the additional trading restrictions set out in this Schedule:
- 1.1.1 all directors of NZRLC, both during the period in which that person holds office as a Director and for a period of six months from the date on which that person ceases to be a Director of the Company;
 - 1.1.2 all senior managers (as defined in the Financial Markets Conduct Act 2013) including the senior managers of the Manager, both during the period in which that person is a senior manager and for a period of six months from the date on which that person ceases to become a senior manager;
 - 1.1.3 all associates of any of the above, including the spouse and dependent children of such persons and trusts and companies in which such persons have a material interest or which are controlled by such persons; and
 - 1.1.4 anyone else notified by NZRLC from time to time,
(together, **Restricted Persons**).
- 1.2 Directors and employees will be considered responsible for the actions of trusts and companies controlled by them. In this respect, “control” is not to be construed in a technical way but by looking at how decisions are made in practice.

2 Additional trading restrictions (Black-Out Periods)

- 2.1 Restricted Persons are prohibited from trading in any Restricted Financial Products during the following periods:
- 2.1.1 the four (4) weeks prior to NZRLC’s half year and full year balance date until the second trading day after the release of the interim and full year results announcements (as applicable); and
 - 2.1.2 any other period NZRLC specifies from time to time,
(**Black-Out Periods**).
- 2.2 Despite clause 2.1 of this Schedule:
- 2.2.1 Restricted Persons may trade in Restricted Financial Products during a Black-Out Period if the Board provides a specific exemption in respect of a particular Black-Out Period; and
 - 2.2.2 the Chair or the Chair of the Risk Assurance and Audit Committee have discretion to reduce or extend (conditionally or unconditionally) the Black-Out Periods.

3 Exceptional circumstances

- 3.1 Trade should generally be limited to outside the Black-Out Periods defined in clause 2.1 above and the Chair (or the Chair of the Risk Assurance and Audit Committee in the case of the Chair) will generally refuse consent of trades in NZRLC securities within these times unless exceptional circumstances exist. Exceptional circumstances may include:
- 3.1.1 severe financial hardship being a pressing financial commitment that cannot be satisfied otherwise than by selling the securities; or
 - 3.1.2 if there is a court order or court enforceable undertaking to transfer or sell the securities or there is some other overriding legal or regulatory requirement to do so.

4 Requirements before trading for Restricted Persons

- 4.1 If you hold Material Information you must not trade Restricted Financial Products at any time – regardless of any Black-Out Periods or exceptional circumstances described above.
- 4.2 Before trading in Restricted Financial Products at any time, Restricted Persons must, in writing (which can be by email):
 - 4.2.1 notify the Chair of their intention to trade in Restricted Financial Products, and seek consent to do so using the *Request for Consent to Trade in Quoted Financial Products* form included in this schedule;
 - 4.2.2 confirm that they do not hold Material Information; and
 - 4.2.3 confirm that there is no known reason to prohibit trading in any Restricted Financial Products.
- 4.3 The Chair will review the form, in consultation with the Manager’s representative on the Board if appropriate, and either provide approval of the request or decline the request. A consent is only valid for a period of 10 trading days after written approval (which can be by email) is given. A consent is automatically deemed to be withdrawn if the person becomes aware of Material Information prior to trading.
- 4.4 The Chair is required to seek approval from the Chair of the Risk Assurance and Audit Committee in respect of any trading in Restricted Financial Products.
- 4.5 NZRLC Personnel who are not Restricted Persons may trade in Restricted Financial Products outside Black-Out Periods if the employee notifies the Chair (rob@tutanekai.com) before commencing the transaction and provides confirmation of the trading immediately after the transaction has occurred.

5 Requirements after trading for Restricted Persons

- 5.1 A Restricted Person must advise the Chair promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations that person has under the Financial Markets Conduct Act 2013.
- 5.2 If a Restricted Person is subject to disclosure obligations under the Financial Markets Conduct Act 2013, such disclosure obligations continue to apply for six months after that person ceases to be a Restricted Person.

6 No hedging

- 6.1 Notwithstanding any other provision in this policy, Restricted Persons must not, without prior approval from the Chair (or the Chair of the Risk Assurance and Audit Committee in the case of the Chair) engage in hedging arrangements, trade in derivatives or enter into other arrangements which mitigate economic risk related to Restricted Financial Products including, for example, dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of Restricted Financial Products. This provision includes engaging in hedging or other arrangements that have the effect of limiting the economic risk in connection with unvested securities issued pursuant to any employee option or share plan.

7 Margin lending

- 7.1 Restricted Persons are discouraged from entering into any margin loan arrangement where Restricted Financial Products may be used as a security against repayment of the loan. This is because the terms of such a loan may require the sale of Restricted Financial Products during Black-Out Periods or while the Restricted Person is in possession of Material Information.



New Zealand Rural Land Co

The Rural Land Investors

DIVERSITY POLICY

13 NOVEMBER 2020

www.nzrlc.co.nz

listed on:



NEW ZEALAND RURAL LAND COMPANY LIMITED

DIVERSITY POLICY

Policy Statement

New Zealand Rural Land Company Limited (**NZRLC**) believes that building diversity and inclusion as well as proactively recognising equality in NZRLC will deliver enhanced business performance. NZRLC strives to celebrate diversity in its workforce to create an inclusive workplace culture which leverages its peoples' unique backgrounds, qualities and contributions to deliver value to NZRLC's shareholders (**Shareholders**).

NZRLC is committed to pay parity as well as attracting, recruiting, developing, promoting and retaining a diverse group of individuals, who will help drive NZRLC's business performance.

Diversity involves people at all levels within NZRLC possessing a diverse blend of skills, experiences, perspectives, styles and attributes gained from life's experiences and backgrounds, including on account of their culture, gender, age, religion, sexual orientation or otherwise.

Application

This policy applies to NZRLC's board of directors (**Board**), and New Zealand Rural Land Management Limited as the Manager (**Manager**) and should be read in conjunction with the Code of Ethics and any other policies covering areas such as values, culture and employee expectations, which are consistent with the principles of this policy.

Policy Objectives

NZRLC is committed to:

- Adding to and developing the collective relevant skills, and diverse experience and attributes of NZRLC's people;
- Ensuring that NZRLC's culture and management systems are aligned with, and promote, the attainment of diversity and inclusion;
- Providing an environment where discrimination is not acceptable and in which all people are treated with fairness and respect, and have equal opportunities available at work; and
- Being recognised as being an organisation that exemplifies diversity and inclusion in action.

NZRLC will have measurable objectives in relation to diversity and the Board will annually assess and review both the objectives and the progress in achieving them.

NZRLC will provide in its annual report:

- A quantitative breakdown, as to the gender composition of NZRLC's directors and officers, including comparative figures for the prior year; and
- A statement from the Board providing its evaluation of NZRLC's performance with respect to this diversity policy.

Responsibility for Policy

Although the Board retains ultimate accountability, the Board has delegated responsibility for implementation of the policy to the Manager. Management will report to the Board periodically on the policies adopted by the Manager and NZRLC's progress towards achieving the objectives of this policy.

General

Training may be required for the Board and Management about recruitment and the factors that should be taken into account in the selection process, with an emphasis on assessing merit and avoiding discrimination. Where this training is required it will be provided.

While NZRLC is committed to fostering diversity and inclusion, NZRLC and the Manager will always seek to employ or promote the right person for the role.

Nothing in this policy will be taken or construed to endorse:

- The principal criteria for selection and promotion of NZRLC or the Manager's people as being anything other than their overall relative prospect of adding value to NZRLC and enhancing the probability of achievement of NZRLC's objectives;
- Any discriminatory behaviour by or within NZRLC or the Manager contrary to the law; and
- Any existing NZRLC or NZRLC person being in any way threatened or prejudiced by this policy in their career development or otherwise, merely because their diversity attributes at any time may be more, rather than less, in common with others.

Review and Communication of Policy

This policy will be updated as required.

NZRLC will communicate this policy to Shareholders and to the market, including via its website, in the interests of transparency and accountability, and to better promote achievement of the objectives of this policy.

This policy has been agreed by the Board of New Zealand Rural Land Company Limited.

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| 1.0 | The Board | 11 May 2020 |



New Zealand Rural Land Co

The Rural Land Investors

OVERSEAS INVESTMENT POLICY

13 NOVEMBER 2020

www.nzrlc.co.nz

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OVERSEAS INVESTMENT POLICY

1 Policy Statement

- 1.1 New Zealand Rural Land Company Limited (NZRLC) will acquire rural land across the agricultural sector in New Zealand. NZRLC intends to be a landlord only and will lease the rural land that it acquires to experienced tenants under long term leases. Tenants will undertake the on-land agricultural operations and pay rent to NZRLC.
- 1.2 In order to execute its investment strategy effectively, NZRLC intends to be a New Zealand owned acquirer of rural land. This means that NZRLC will ensure it is not an "Overseas Person" under the Overseas Investment Act 2005.
- 1.3 The reasons for this are that:
 - 1.3.1 Anyone that is an "Overseas Person" under the Overseas Investment Act 2005 must obtain approval before acquiring New Zealand rural land. An "Overseas Person" must satisfy the relevant Government ministers of the real and identifiable national benefits to New Zealand of the "Overseas Person" acquiring the land.
 - 1.3.2 The process for an "Overseas Person" to obtain consent to acquire New Zealand rural land is politicised and time-consuming. Applications for consent to acquire farm land can take, on average, six months to be determined. Generally, farm land must be advertised for sale on the open market before an "Overseas Person" may acquire it.
 - 1.3.3 On 28 November 2017, the Minister of Finance issued a ministerial directive to the Overseas Investment Office on the Government's policy approach to overseas investment. This has severely constrained overseas buyers' ability to access the New Zealand rural land market. Since that directive, overseas investment approvals granted to overseas buyers of rural land are down over 50% from the highs of 2014.
- 1.4 Overall, the overseas investment regime creates real uncertainty for vendors as to whether an overseas buyer will obtain approval and therefore whether a sale will complete. This uncertainty can lead to higher purchase prices being necessary to secure an acquisition.

2 Policy Guidelines

- 2.1 NZRLC will use its best endeavours to not become an "Overseas Person" under the Overseas Investment Act 2005. NZRLC will monitor the percentage of NZRLC shares owned or controlled by "Overseas Persons" (as that term is defined in the Overseas Investment Act 2005 or any replacement legislation) is less than any threshold defined in the Overseas Investment Act 2005 (or any other relevant legislation) at which a body corporate is an "Overseas Person".¹
- 2.2 NZRLC will actively manage the percentage of NZRLC shares owned or controlled by "Overseas Persons" as follows:
 - 2.2.1 When inviting applications for the issue of NZRLC shares or to purchase NZRLC shares, NZRLC will maintain as a key term of the offer that NZRLC may scale applications received from "Overseas Persons" so that "Overseas Persons" do not hold more than a specified percentage of all NZRLC shares (being less than the threshold defined in the Overseas Investment Act 2005 (or any other relevant legislation) at which a body corporate is an "Overseas Person") immediately after allotting the new NZRLC shares.
 - 2.2.2 If a person receives or acquires NZRLC shares and that transaction, together with any other related transaction, would result in NZRLC becoming an "Overseas Person", NZRLC will forfeit those NZRLC shares by Board resolution. This is permitted by clause 6.4 of NZRLC's constitution.
 - 2.2.3 NZRLC will regularly monitor its shareholding composition, including by reviewing its shareholding composition at least monthly.

¹ Under Section 7 of the Overseas Investment Act 2005, the current threshold for becoming an "Overseas Person" is where more than 25% of overseas persons own NZRLC's securities or overseas persons have the power to control the composition of more than 25% of NZRLC's board of directors or overseas persons have the right to exercise or control the exercise of more than 25% of the NZRLC's voting power at a shareholder meeting.

This policy has been agreed by the Board of New Zealand Rural Land Company Limited.

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New Zealand Rural Land Co

The Rural Land Investors

DIVIDEND POLICY

13 NOVEMBER 2020

www.nzrlc.co.nz

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NEW ZEALAND RURAL LAND COMPANY LIMITED

DIVIDEND POLICY

1 Policy Statement

- 1.1 New Zealand Rural Land Company Limited (**NZRLC**) manages its balance sheet and financial policies in a way that is intended to support regular dividend yields and net asset value growth.
- 1.2 NZRLC will maintain a gearing level that, at all times, will restrict debt to no more than 30% of the value of total assets.
- 1.3 NZRLC aims to provide shareholders with sustainable dividends consistent with the objectives stated above.

2 Policy Guidelines

- 2.1 NZRLC intends to pay regular dividends on its ordinary shares with an interim dividend paid in March each year and a final dividend in October each year. NZRLC intends, depending on the factors outlined below, to pay its first dividend in FY2022.
- 2.2 The dividend policy of NZRLC is to target a pay out of 90% to 95% of adjusted funds from operations (AFFO) of NZRLC each year. AFFO is a non-GAAP financial measure and is calculated based on NZRLC's net profit after tax and adjusted:
 - 2.2.1 to add back or deduct any property re-valuations which were included in net profit after tax so they are not taken into account.
 - 2.2.2 add back depreciation and amortisation.
 - 2.2.3 deduct maintenance capital expenditure (but not development capital expenditure).
 - 2.2.4 add back or deduct any other non-cash adjustments.
- 2.3 The payment of dividends is not guaranteed and will be at the discretion of the Board and depend on various factors. These factors include:
 - 2.3.1 the timing of when NZRLC makes rural land acquisitions and begins receiving rental income from those acquisitions.
 - 2.3.2 operating expenses and the overall financial position of NZRLC;
 - 2.3.3 future funding requirements, particularly any capital expenditure requirements for NZRLC's rural land assets;
 - 2.3.4 compliance with the solvency test under the Companies Act 1993 for the payment of dividends;
 - 2.3.5 compliance with any banking covenants relevant to the payment of dividends; and
 - 2.3.6 any other factors NZRLC may consider relevant at the time and in the circumstances.

This policy has been agreed by the Board of New Zealand Rural Land Company Limited.

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