

Risk Management Policy

Effective date: 27 January 2026

Reviewed: Annually

Owner: Company Secretary

Approval: Board

Policy

Rural Funds Management Limited (**RFM**, the **Company**) is committed to establishing an effective risk management system to enable the Company to protect and add value for investors while practicing good corporate governance.

Purpose

The Board has established this policy (**Policy**) to outline RFM's objectives and commitments in achieving these goals, and the risk assessment process which will enable consistent and reproducible risk assessments to be conducted on RFM activities.

RFM's approach to risk management is aligned with the International Standard ISO 31000:2018 Risk Management – Principles and Guidelines and ASIC Regulatory Guide (**RG**) 259 – Risk management systems of fund operators.

Scope

This policy applies to RFM and all entities which are owned and/or managed by RFM and their employees.

Related Policies

- AML/CTF Program
- Anti-Bribery and Corruption Policy
- Business Continuity and Disaster Recovery Plan
- Complaints Handling Policy
- Cyber Security Management Plan
- Safety Management System

Need help?

Any queries regarding this policy should be directed to the Compliance team.

Risk Management Framework

Principles

1. For continual improvement of RFM's internal risk culture, an effective risk management system has been created. The risk management framework is designed to monitor and manage risks within the Company.
2. The objectives of this framework are to:
 - provide the foundations for RFM's risk management process
 - assist in the implementation of an effective risk management policy and procedures
 - ensure adequate reporting of risks
 - provide a basis for decision making and accountability at all levels
 - integrate risk management across RFM's policies and procedures, guidelines and models, business and strategic planning and management processes.
3. The process listed in this Policy will assist in determining risks and the extent they may affect the RFM business, as well as advising on a structured approach to enable a valid assessment of risks. This ultimately leads to effective management of risks within the Company.

Risk Appetite Statement

General statement of risk appetite

4. RFM is responsible for the strategic direction and day-to-day management of the **Funds**, which each have varying risk appetites. RFM has resources available to control these risks at an acceptable level, whilst realising it is not possible, nor sometimes desirable, to eliminate risk.
5. The Board has accepted the below risk appetite for the different RFM entities and their exposure to the Company's operations.

Fund	Categories	Risk Appetite
RFM ¹	Responsible Entity	Medium
RFF	Listed Entity – ASX	Low

6. RFM's appetite for risk is influenced by a range of factors including strategic goals and objectives, the amount of risk RFM will accept given organisational constraints, RFM's system of ethics, values and risk-based behaviours as well as the level of maturity of RFM's internal risk and internal control programs.

Risk Compliance Process

7. The Company has established policies, procedures and registers to identify, assess and understand material risk that may affect RFM and its associated entities. The risk

¹ RFM has subsidiaries that undertake operations which are included as part of the assessment of overall RFM risk appetite.

management policy and procedures form an integral part of the Company's internal processes. Risk management has been integrated across RFM's policies and procedures, guidelines and models, business and strategic planning and management processes.

8. RFM will ensure identified risk owners have accountability as well as competence and authority to manage the risk. There will be a clear understanding of the roles and responsibilities and reporting requirements in relation to managing risks and the risk management process. The nominated Risk Owners are responsible for reviewing and updating risk assessments for risks relevant to their business unit.
9. The Risk Manager, Risk Officer or National Managers can arrange and convene a meeting of all, or team-based, Risk Owners if required.

Risk Management Review

10. Risk assessments will be subject to an annual review in accordance with this policy. Work, health and safety risk audits are conducted in accordance with the Safety Management System.
11. It is recommended that specific business units conduct an annual risk identification and review meeting with key members of their team and the Compliance team. The review will consist of reviewing and reassessing current risks, confirm current control actions are in place and whether further updates of these controls may be required.
12. This review should include identifying and analysing other/additional risks that may have arisen in specific parts of the business and retire any risks that are no longer a threat to the Company.
13. As detailed in RFM's risk management procedures, the Board **will not** tolerate a residual risk rating of **Extreme** whilst a risk rated as **High** must be assessed regularly as part of the risk assessment process.

Roles and Responsibilities

14. Risk management is a core management requirement and an integral part of day-to-day operations. It is the responsibility of all RFM employees to play a part in managing risk at all levels. RFM employees are responsible for understanding the risk management policy and procedures as they relate to their area of work.

Role	Responsibility
Board of Directors	<p>The RFM Board has ultimate responsibility for risk management and the implementation of this policy. The Board is responsible for reviewing and approving this policy annually.</p> <p>The Board has delegated the responsibility for reviewing the risk management framework to the ICC, reporting to the Board quarterly.</p>
Internal Compliance Committee (ICC)	<p>The ICC oversees the risk management of the Company and assists the Board in evaluating the risk management framework and material business risks.</p> <p>The ICC provides quarterly risk reports to the Board and will advise the Board of any recommendations for change to processes and systems.</p>

Audit Committee (AC)	The AC will oversee the financial reporting process to ensure the balance, transparency and integrity of published financial reporting. The AC will review and monitor the effectiveness of the entities internal control and financial risk management.
Remuneration Committee (RC)	The RC monitors risks associated with the Company's remuneration policies and framework, and issues relevant to remuneration policies and procedures.
Management team	<p>Managers are responsible for endorsing RFM's risk management policy and procedures, ensuring the risk management culture is fully integrated within their team, and to consider the Company's objectives and strategies within their normal course of activities.</p> <p>Managers are to ensure their teams will meet all legal and regulatory compliance associated with risk management.</p> <p>Managers are to assign risk accountabilities and responsibilities at appropriate levels and are expected to coordinate risk management activities within their own business units and/or areas of expertise.</p>
Risk Owners	Risk Owners are responsible for identifying risks in their area and analysing, evaluating and treating risks allocated to them. They are also responsible for ensuring controls are implemented and remain effective and escalating any issues to the Management team and ICC.
Risk Manager (RM)	<p>The RM is responsible for the development, coordination, and promulgation of the risk management framework including monitoring and reporting systems capable of identifying and reporting new and evolving risks.</p> <p>The RM is responsible for ensuring a risk management culture is promoted within RFM and for ensuring appropriate risk management strategies are implemented.</p>
Risk Officer (RO)	The RO's responsibility lies with ensuring that officers and employees are aware of the risk management policy, procedures and risk register, maintaining the consolidated risk register, assist with reporting to the Board and ICC, and convening meetings to review the risk requirements and breaches.
Compliance team	The Compliance team is responsible for assigning accountability for managing risks, monitoring the internal control effectiveness of the risk management system and ensuring all employees have adequate training with the risk management process.
All employees	<p>All employees are responsible for managing risks within their area as identified in the risk register. They are also responsible for identifying any potential risks and bringing these to the attention of any of the following: the Risk Officer, the Risk Manager, the ICC or the Board.</p> <p>Employees are responsible for identifying and evaluating any significant risks that may affect RFM's business and are expected to report identified weaknesses or incidents to either their Manager or the Compliance team.</p>

Definitions

Board	RFM Board of Directors
Company or RFM	Rural Funds Management Limited (ACN 077 492 838), and includes its subsidiary companies and any entity for which it is the responsible entity
Funds	The registered managed investment schemes managed by RFM as responsible entity which at the date of this document includes: a. RF Active (ARSN 168 740 805) b. Rural Funds Trust (ARSN 112 951 578)
Monitoring	Continual checking, supervising, critically observing or determining the status in order to identify change from the performance level required or expected
Residual risk	The risk remaining after risk treatment has been implemented
RFF	Rural Funds Group (ASX: RFF), a stapled entity comprising Rural Funds Trust (ARSN 112 951 578) and RF Active (ARSN 168 740 805)
Risk Appetite Statement	The amount of risk that the organisation is willing to accept, or take on in pursuit of vision, strategic goals and objectives
Risk assessment	The overall process of risk identification, risk analysis and risk evaluation
Risk identification	The process of finding, recognising and describing risk
Risk Manager	Company Secretary
Risk management	The coordinated activities (culture, process and structure) to direct and control an organisation with regard to risk
Risk owner	The person who has accountability and authority to manage a risk
Risk Officer	Compliance Manager
Risk rating (level of risk)	A classification of risk level determined by a combination of likelihood and consequences