

## Dongfang Modern Agriculture Holding Group Limited ACN 604 659 270 (Company) Corporate Governance Statement

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's 3rd edition Corporate Governance Principles and Recommendations (Recommendations). The Recommendations are not mandatory. However, the Company will be required to provide a statement in future annual reports disclosing the extent to which the Company has followed the Recommendations.

	Recommendations	Compliance	Comment
1	<b>Lay solid foundations for management and oversight</b>		
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its Board and management; and</p> <p>(b) those matters expressly reserved to the Board and those delegated to management.</p>	Complies	<p>The Prospectus in section 11.2 sets out the respective roles and responsibilities of the Company's Board and management.</p> <p>The functions of the Board are set out in the Board Charter contained in the Company's Policies Manual which will be placed on the Company's website <a href="http://www.dongfangmodernagriculture.com.au">www.dongfangmodernagriculture.com.au</a> before listing.</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	Complies	<p>The Company's Policies Manual:</p> <ul style="list-style-type: none"> <li>sets out what the Board will consider when appointing a director including the requirement for a candidate to provide checks as to their character, experience, education, criminal record and bankruptcy history;</li> <li>sets out the procedures for obtaining material information from candidates to be provided to security holders that will be relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>

2.

	<b>Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	The Company has entered into written agreements with each of its directors. The Company's Policies Manual requires that each director sign an agreement in writing or letter of engagement that sets 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	Complies	The Company's Policies Manual provides that the company secretary is accountable directly to the Board, through the Chairman on all matters to do with the proper functioning of the Board.

	Recommendations	Compliance	Comment
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) 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.</p>	Does not presently comply	<p>While the Company and all its related bodies corporate are committed to workplace diversity and the Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent, the Company's main business undertaking is located in the Peoples Republic of China and therefore it is difficult for the Company to meet this requirement immediately. The Company has to meet certain legal and cultural requirements in relation to employment of staff in that country.</p> <p>The implementation of an appropriate diversity policy to reflect the circumstances of the Company and the industry in which the Company operates is currently under review.</p>

	<b>Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complies	<p>The Company's Policies Manual provides for:</p> <ul style="list-style-type: none"> <li>• an annual review of the performance of the individual directors by the Chairman;</li> <li>• an annual assessment of the Board's collective performance and the performance of its Committees.</li> </ul> <p>The Company must disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complies	<p>The Company's Policies Manual provides for an annual review of the performance of its senior executives and provides for reporting to the company secretary so that with respect to each reporting period the Company may report whether a performance evaluation was undertaken in the reporting period in accordance with the process for review</p>

	Recommendations	Compliance	Comment
2	<b>Structure of the Board to add value</b>		
2.1	<p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) 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</li> </ol> <p>(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</p>	Complies	<p>The Company has not yet formed a nomination committee.</p> <p>However the Company's Policies Manual sets out the processes for addressing Board succession issues and to ensure that the Board has appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities.</p>

	<b>Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Complies	The Prospectus sets out the skills and diversity of the Board. The Annual Report will also disclose these matters
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the Board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the Corporate Governance Principles and Recommendations but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Complies	The Prospectus discloses the matters referred to in paragraphs 2.3(a) and (b) in Section 8. The Company was only incorporated on 10 March 2015.
2.4	A majority of the Board of a listed entity should be independent directors.	Does not comply	There are only 2 out of the 5 directors who are independent.
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.	Does not comply	The Chairman of the Board is not an independent director being the major shareholder of the Company.

	Recommendations	Compliance	Comment
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Will comply	<p>In relation to new appointees the Company's Policies Manual provides that:</p> <ul style="list-style-type: none"> <li>All new appointees shall undertake an induction programme enabling the new appointee to understand specified elements of the Company's business.</li> <li>All directors shall be entitled to receive appropriate professional development opportunities approved by the Board.</li> </ul>
3	<b>Act ethically and responsibly</b>		
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	Complies	<p>The Company's Policies Manual contains a Code of Conduct. This Code of Conduct will be placed on the Company's website <a href="http://www.dongfangmodernagriculture.com.au">www.dongfangmodernagriculture.com.au</a> before listing.</p>

	Recommendations	Compliance	Comment
4	<b>Safeguard integrity in corporate reporting</b>		
4.1	<p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the Board, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(5) 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</li> </ol> <p>(b) 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.</p>	Complies	<p>The Company does not have an audit committee.</p> <p>Until an audit committee is appointed, the Board will carry out the function of the audit committee.</p> <p>The Company's Policies Manual sets out the processes the Company 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.</p>



	<b>Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
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.	Complies	<p>The Chief Financial Officer is responsible for providing the declaration pursuant to section 295A(2) of the Corporations Act.</p> <p>The Board will ensure that the Chief Financial Officer puts in place sound systems of risk management and internal controls and ensure that the systems are operating effectively in all material respects in relation to financial reporting risks.</p>
4.3	A 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.	Complies	The external auditors are requested to attend the Annual General Meeting and are available to answer shareholders' questions regarding the conduct of the audit and preparation of the Auditor's Report.

	Recommendations	Compliance	Comment
5	<b>Make timely and balanced disclosure</b>		
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Complies	<p>The Company will operate under the continuous disclosure requirements of the ASX Listing Rules as set out in its Continuous Disclosure Policy contained in the Company's Policies Manual. The Company will ensure that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company.</p> <p>The Company Secretary has the responsibility for ensuring that all relevant information is released to the market in a timely manner in consultation with the board. The Company considers this to be a satisfactory protocol given the size and nature of the Company.</p>
6	<b>Respect the rights of security holders</b>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Will Comply	<p>The Company will make information about itself and its governance available to investors via its website  <a href="http://www.dongfangmodernagriculture.com.au">www.dongfangmodernagriculture.com.au</a> before listing..</p>

	Recommendations	Compliance	Comment
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	<p>The Company is committed to:</p> <ul style="list-style-type: none"> <li>ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the annual and half yearly reports, Investor Presentations, ASX releases, general meetings and the Company's website;</li> <li>complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act in Australia; and</li> <li>encouraging shareholder participation at general meetings.</li> </ul> <p>The Company's Policies Manual sets out the Company's Shareholder Communication Policy which will be posted on the Company's website <a href="http://www.dongfangmodernagriculture.com.au">www.dongfangmodernagriculture.com.au</a> before listing.</p>
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Will comply	<p>The Company's Policies Manual sets out the Company's Shareholder Communication Policy which will be posted on the Company's website <a href="http://www.dongfangmodernagriculture.com.au">www.dongfangmodernagriculture.com.au</a> before listing.</p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complies	<p>The Company's Registrar, Boardroom Pty Limited, provides the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at <a href="http://www.boardroomlimited.com.au/index.html">http://www.boardroomlimited.com.au/index.html</a></p>

	Recommendations	Compliance	Comment
7	<b>Recognise and manage risk</b>		
7.1	<p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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</p> <p>(b) 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.</p>	Complies	<p>The Company does not have a separate committee to oversee risk.</p> <p>However the Board is responsible for the internal control framework and risk management of the Company and for regularly reviewing its effectiveness.</p> <p>The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets.</p> <p>Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.</p> <p>The Board will review and discuss strategic risks and opportunities arising from changes in the Company's business environment regularly and on an as needs basis.</p> <p>The Company's Policies Manual sets out the Company's Risk Management Policy which will be posted on the Company's website <a href="http://www.dongfangmodernagriculture.com.au">www.dongfangmodernagriculture.com.au</a> before listing.</p>

	<b>Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
7.2	<p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and,</p> <p>(b) disclose in relation to each reporting period whether such a review has taken place.</p>	Complies	<p>The board will review and oversee the operation of systems of risk management at least annually to ensure that the significant risks facing the Company are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with, and liaise with the Chief Executive Officer to identify and manage risk. The Company will disclose in relation to each reporting period whether such a review has taken place.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) 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 risk management and internal control processes.</p>	Complies	<p>The Company does not have an internal audit function.</p> <p>The processes the Company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes are set out in the Company's Policies Manual which will be posted on the Company's website <a href="http://www.dongfangmodernagriculture.com.au">www.dongfangmodernagriculture.com.au</a> before listing.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Complies	<p>The risks and how the Company manages those risks are disclosed in section 7 of the Prospectus.</p> <p>The Company's Policies Manual also sets out the general risks management and internal control processes.</p>

	Recommendations	Compliance	Comment
8	<b>Remunerate fairly and responsibly</b>		
8.1	<p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Complies	<p>The Company does not have a remuneration committee that meets the requirements in (a).</p> <p>However the Company's Policies Manual sets out the processes the Company employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>

	<b>Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complies	The Company's Policies Manual sets out the Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Not Applicable	The Company does not have an equity-based remuneration scheme