

26 February 2018

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the position of Eagle Health Holdings Limited (**Company**) with regards to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition, 2014) (**Principles and Recommendations**).

While the Principles and Recommendations are not mandatory, the Company is required to disclose the extent to which it complies with the Principles and Recommendations in its annual reports.

ASX BEST PRACTICE RECOMMENDATIONS

Item	ASX Best Practice Recommendation	Comment	Implemented
Principle 1: Lay a solid foundation for management and oversight			
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>	<p>The Company's Board Charter sets out the roles and responsibilities of the Board and Management. It is available for review on the Company's website: https://www.eaglehealthltd.com</p> <p>The Role of the Board The Board is responsible for, and has the authority to determine, all matters relating to strategic direction, policies, practices, management goals and the operations of the Company.</p> <p>The Role of Management It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.</p>	Y
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>	<p>The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background.</p> <p>All security holder releases will contain material information following the guidance contained in the ASX Corporate Governance Principles and Recommendations (3rd Edition) about any candidate to enable security holders to make informed decisions regarding the candidate's election or re-election.</p>	Y
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the</p>	<p>The Company requires that a detailed letter of appointment or employment contract is agreed with each director and</p>	Y

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	terms of their appointment.	<p>employee.</p> <p>The Company's officers and management have all entered into service contracts which outline the responsibilities of each of the Company's officers and of management personnel when performing their roles for the Company.</p>	
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.	<p>The Company's Board Charter sets out the roles and responsibilities of the Company Secretary. It is available for review on the Company's website: https://www.eaglehealthltd.com</p> <p>The Company Secretary has a direct reporting line to the Board, through the Chair.</p>	Y
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>	<p>The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals.</p> <p>The Board has established a Diversity Policy which is available on its website: https://www.eaglehealthltd.com</p> <p>The Company has currently set an objective to increase gender diversity within the organisation each year, however, no specific targets have been set.</p> <p>The Company has achieved an appropriate level of gender diversity in accordance with its Diversity Policy.</p> <p>There are currently:</p> <ul style="list-style-type: none"> ● Two female directors (of six) on the Board; and ● Two female senior executives (of five). <p>The Company intends to maintain a diverse mix of gender among its Directors and executives.</p>	Partial

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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>	<p>The Company has a process of periodic evaluation and disclosure for the board, its committees and individual directors, as set out in its Board Charter. The Board Charter is available on the Company's website: https://www.eaglehealthltd.com</p> <p>As the Company only listed on ASX during the year, a formal Board review was not conducted during the year. The Board intends to conduct a Board review during the 2018 financial year.</p>	Y
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>	<p>The Board and/or Managing Director is responsible for evaluating the performance of the senior executives. The evaluation procedure for senior executives is set out in the executives' formal job description or determined by the Managing Director based on relevant key performance indicators.</p> <p>Reviews were conducted during the year in accordance with this process.</p>	Y
Principle 2: Structure the board to add value			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination 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,</p> <p>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</p>	<p>The Company has established a Nomination and Remuneration Committee which shall be responsible for ensuring that its officers and executives are remunerated commensurate with their skills and experience and which is reflective of their performance.</p> <p>The current members of the committee are Andrew Smith and Andrew Thomson. The Company considers Andrew Smith and Andrew Thomson to be independent directors. Andrew Smith is the chair of the Nomination and Remuneration Committee. The Company considers that the current structure of the Nomination and Remuneration Committee is appropriate for the current stage in the Company's development and given the current composition of the Board.</p>	Partial

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	<p>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 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>	<p>The Company has adopted a Charter for the Nomination and Remuneration Committee which sets out the committee's responsibilities, procedures, guidelines and composition. It is available for review on the Company's website: https://www.eaglehealthltd.com</p> <p>The number of times the committee met during the year and the individual attendances of the members at those meetings is detailed in the directors report.</p>	
2.2	<p>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.</p>	<p>The mix of skills and diversity of the Board was reviewed during the listing process and is reviewed on at least an annual basis. The Board is considered to be of an appropriate size and structure, and to possess appropriate skills and knowledge to effectively and efficiently oversee the management and operations of the Company.</p> <p>The Board does not consider it necessary to develop a Board skills matrix at this stage. The Board is aware of the skills and experience of each directors and the necessary skills and experience required to manage the Company and this is periodically evaluated.</p> <p>Details of the Directors' skills, experience and meeting attendance will be set out in the Directors' report in each year's Annual Report.</p>	N
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 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>The Board consists of six Directors, being The Hon. Andrew Thomson, Messrs Zhang Mingwang, Andrew Smith and Rodney Hannington and Mses Chen Linxiang and Liu Yuhong.</p> <p>The Company considers The Hon. Andrew Thomson and Mr Andrew Smith to be independent directors. Rod Hannington was considered to be independent prior to his appointment as an Executive Director during the year.</p> <p>Details of the length of service of each director will be set out in the Directors' report in each year's Annual Report.</p>	Y

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	(c) The length of service of each director.		
2.4	A majority of the board of a listed entity should be independent directors	<p>The Company considers two of the current six directors to be independent, being the Hon. Andrew Thomson and Mr Andrew Smith. The Board considers that the presence of two Australian based independent directors (including the Chairman) provides the Board with sufficient independent presence.</p> <p>The Board intends to review its composition as the Company's activities and operations in Australia and internationally evolve, and may in the future appoint additional independent Directors as it deems appropriate.</p>	N
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.	<p>The Chair of the Board is the Hon. Andrew Thomson, who is considered an independent Director.</p> <p>The role of CEO and Chairman are not exercised by the same person.</p>	Y
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.	The Board and Company Secretary shall induct new directors in accordance with the process set out in the Company's Board Charter.	Y
Principle 3: Act ethically and responsibly			
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>	<p>The Board has established a Code of Conduct, to provide guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.</p> <p>The Code of Conduct is available on the Company's website: https://www.eaglehealthltd.com</p>	Y
Principle 4: Safeguard integrity in corporate reporting			

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4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <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>	<p>The Company has established an Audit and Risk Committee which shall be responsible for monitoring and reviewing financial reporting by the Company.</p> <p>The current members of the committee are Andrew Smith (Chair), Andrew Thomson and Rodney Hannington. The Company considers Andrew Smith and Andrew Thomson to be independent directors.</p> <p>The Company has adopted a Charter for the Audit and Risk Committee which sets out the committee's responsibilities, procedures, guidelines and composition. It is available for review on the Company's website: https://www.eaglehealthltd.com</p> <p>The Board considers that having two independent directors on the Committee provides the committee with sufficient independent presence.</p> <p>The relevant qualifications and experience of the members of the committee are set out in the Company's annual report.</p> <p>The number of times the committee met during the year and the individual attendances of the members at those meetings is detailed in the directors report.</p>	Y
4.2	<p>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 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</p>	<p>The Board receives a written assurance from the CEO and CFO for each financial reporting period that their opinion is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p>	Y

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	which is operating effectively.		
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.	The Company's auditor is required to attend the Company's AGM and is available to answer questions relevant to the audit.	Y
Principle 5: Make timely and balanced disclosure			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	The Company has adopted a Continuous Disclosure Policy and Communications Strategy to ensure compliance with the ASX Listing Rules continuous disclosure requirements. The Continuous Disclosure Policy and Communications Strategy will be reviewed by Directors on an annual basis. The Continuous Disclosure Policy and Communications Strategy is available on the Company's website: https://www.eaglehealthltd.com	Y
Principle 6: Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Information about the Company and its governance is available to shareholders via the Company's website.	Y
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Board is committed to ensuring that the Company's shareholders receive information relating to the Company on a timely basis and shall endeavour to keep shareholders well informed of all material developments of the Company. The Board has adopted a Continuous Disclosure Policy and Communications Strategy, and as part of this policy, will ensure that all relevant announcements and documents are published on the Company's website in a prompt fashion. The Company will respect the rights and entitlements of the Company's shareholders under the Constitution and the Corporations Act 2001 (Cth).	Y
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	The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event that they cannot attend, to participate by recording their votes.	Y
6.4	A listed entity should give security holders the option to receive communications from, and send	The Company and its share registry actively encourage electronic communication. All new shareholders will	Y

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	communications to, the entity and its security registry electronically.	be issued with a letter encouraging the registration of electronic contact methods.	
Principle 7: Recognise and manage risk			
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,</p> <p>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>	<p>The Company has established an Audit and Risk Committee which shall be responsible for monitoring and reviewing financial reporting by the Company.</p> <p>The current members of the committee are Andrew Smith (Chair), Andrew Thomson and Rodney Hannington. The Company considers Andrew Smith and Andrew Thomson to be independent directors.</p> <p>The Company has adopted a Charter for the Audit and Risk Committee which sets out the committee's responsibilities, procedures, guidelines and composition. It is available for review on the Company's website: https://www.eaglehealthltd.com</p> <p>The Board considers that having two independent directors on the Committee is appropriate for the current stage in the Company's development and given the current composition of the Board.</p> <p>The relevant qualifications and experience of the members of the committee are set out in the Company's annual report.</p> <p>The number of times the committee met during the year and the individual attendances of the members at those meetings is detailed in the directors report.</p>	Y
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>	<p>The Company has adopted a Risk Management Policy designed to ensure:</p> <ul style="list-style-type: none"> • all major sources of potential opportunity for harm to the Company (both existing and potential) are identified, analysed and treated appropriately; • business decisions throughout the Company appropriately balance the risk and reward trade off; • regulatory compliance and integrity in reporting is achieved; and 	Y

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		<ul style="list-style-type: none"> the Company's good standing with its stakeholders continues. <p>The Board will review its risk management strategy annually.</p> <p>A review of the Company's risk management framework occurred during the year prior to the Company's listing on ASX. A full review in accordance with the Risk Management Policy is planned for 2018.</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>	<p>The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board as a whole via the review of risk management and internal control processes on a regular basis.</p>	Y
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>	<p>The material risks the Company is exposed to is set out in the Company's replacement prospectus dated 24 April 2017. Risks are managed in accordance with the Company's risk management policy.</p>	Y
Principle 8: Remunerate fairly and responsibly			
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,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p>	<p>The Company has established a Nomination and Remuneration Committee which shall be responsible for ensuring that its officers and executives are remunerated commensurate with their skills and experience and which is reflective of their performance.</p> <p>Details of the composition and functioning of the Committee is set out in section 2.1 and the Charter for the Nomination and Remuneration Committee. The Charter sets out the committee's responsibilities, procedures, guidelines and composition. It is available for review on the Company's website: https://www.eaglehealthltd.com</p>	Partial

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	<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>		
8.2	<p>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.</p>	<p>The Company discloses Director and key management personnel remuneration and policies on remuneration in its annual report.</p> <p>The remuneration of any Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.</p> <p>The Board is responsible for the Company's remuneration policy and has adopted a Charter for the <i>Nomination and Remuneration Committee</i> which outlines the processes by which the Board shall review officer and management remuneration. The Company is committed to remunerating its officers and executives fairly and to a level which is commensurate with their skills and experience and which is reflective of their performance.</p> <p>The Board reviews and approves the Company's nomination and remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.</p>	Y

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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>	<p>The Company does not have an equity based remuneration scheme at this time, however, the Board may consider offering its directors and/or executives shares or options in the Company under such a scheme from time to time subject to shareholder approval (if required).</p> <p>The Board will be responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.</p> <p>The Company recognises that Director, executives and employees may hold securities in the Company. The Company's Securities Trading Policy (available on the Company's website) explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties.</p>	N/A

For further information about the Company's corporate governance policies, and to obtain copies of these policies, please refer to the Company's website.