

Corporate Governance Statement of Compliance

A. INTRODUCTION

In order for a Prospects Multi Trading Facility Company ("MTF") to remain admitted on the exchange, the Prospect Rules issued by the Malta Stock Exchange require that the company shall comply with, provide equivalent disclosure or explain the extent to which it adheres to, the relevant corporate governance standards, in this case Appendix 5.1 to the Listing Rules - The Code of Principles of Good Corporate Governance (the "Code"), published by the Competent Authority, and publish a statement thereon by the Company's Auditors.

Agriholdings PLC (the "Company") notes that the Code does not prescribe mandatory rules but recommends principles so as to provide proper incentives for the Board of Directors (the "Board") and the company's management to pursue objectives that are in the interests of the company and its shareholders. The Board strongly believes that it would be in the interest of the company and its shareholders if it adopts the Code to the fullest extent that it is practical to do so.

The Board has taken such measures as are necessary in order for the company to comply with the requirements of the Code to the extent that these were considered appropriate and complementary to the size, nature and operations of the company.

As demonstrated by the information set out in this Statement, the company believes that it has applied the principles and complied with the provisions of the Code throughout the accounting period under review.

B. COMPLIANCE WITH THE CODE

Principle 1: The Board

The Board's role and responsibility is to provide the necessary leadership, to set strategy and to exercise good oversight and stewardship. The Board is composed of a Non-Executive Chairman, two Executive Directors and four Non-Executive Directors. This mix of Executive and Non-Executive Directors on the Board enables the Non-Executive Directors to exercise their monitoring function over the management and the executive arm of the Board at the level of the Board. Moreover, the fact that the Chief Executive Officer (CEO) is also an Executive Director on the Board, enables the Board to be in receipt of timely and appropriate information in relation to the business of the Bank and Management's performance. As a result, the Board can contribute effectively to the decision-making process, whilst at the same time exercising prudent and effective controls.

The Board delegates specific responsibilities to a number of Committees, notably the Audit Committee, the Credit Risk Committee, and the Onboarding Committee.

Principle 2: Chairman and Chief Executive Officer (CEO)

The Bank's current organisational structure incorporates the position of a CEO. The position of the Chairman and that of the CEO are occupied by different individuals. Their respective positions have been defined with specific roles rendering these positions completely separate from one another. This separation of roles of the Chairman and the CEO avoids concentration of authority and power in one individual.

The Chairman is responsible to lead the Board and to set its agenda. The Chairman ensures that the Board's discussions on any issue put before it goes into adequate depth, that the opinions of all the Directors are taken into account and that all the Board's decisions are supported by adequate and timely information. The Chairman ensures that the CEO develops a strategy which is agreed to by the Board. On the other hand, the CEO, besides being an Executive Director, leads the day to day operations of the Bank.

Principle 3: Composition of the Board

The Board considers that the size of the Board, whilst not being too large as to be unwieldy, is appropriate, considering the size of the Bank and its operations. The combined and varied knowledge, experience and skills of the Board members provide a balance of competences that are required and add value to the proper functioning of the Board.

Independence of Directors

During the period under review, the Board consisted of four Independent Non-Executive Directors (including the Chairman) and one Non-Independent Non-Executive Director and two Executive Directors. The appointment of all Directors is subject to regulatory approval.

Principles 4 and 5: The Responsibilities of the Board and Board Meetings

The Board meets approximately twice every three months, unless further meetings are required for the Board to discharge its duties effectively. The Board discusses and decides upon matters relating to the Bank's business. During the financial period the board met 8 times.

The Board regularly reviews and evaluates corporate strategy, major operational and financial plans, risk policies, performance objectives and business alternatives. The Board also monitors implementation and corporate performance within the parameters of all relevant laws, regulations and codes of best business practice. The Board has a formal schedule of matters reserved for its decision and also delegates specific responsibilities to Board Committees.

The Board ensures that it has the appropriate policies and procedures in place which guarantee that the Bank and its employees maintain the highest standards of corporate conduct, including compliance with applicable laws, regulations, business and ethical standards.

After each Board meeting, minutes that faithfully record attendance, matters discussed and decisions taken, are prepared and circulated to all Directors as soon as practicable after the meeting. During the current financial year, the Board met 8 times during which meetings all members attended.

Board Committees

Credit Risk Committee

The Credit Risk Committee was set up by the Board to discuss and decide upon credit proposals. The Committee also considers credit related issues which the Bank's Executives may wish to escalate.

During the current financial year, the Credit Risk Committee met 17 times during which meetings all members attended.

The Audit Committee

The Audit Committee's terms of reference include the monitoring of the financial reporting process, the effectiveness of the Bank's internal control, internal audit and risk management systems and the audit of the Bank's annual and consolidated accounts. The Audit Committee has established internal procedures and monitors these on a regular basis. The Audit Committee also scrutinizes and approves related party transactions as per the Related Party Transaction Policy. The Audit Committee considers the materiality and the nature of the related party transactions carried out by the Bank to ensure that the arms' length principle is adhered to at all times. The Audit Committee is also responsible for managing the Board's relationships with internal and external auditors.

In terms of Listing Rules 5.117, 5.118 and 5.118A, the Audit Committee is composed of three Non-Executive and Independent Directors and chaired by a warranted accountant.

During the current financial year, the Audit Committee met 4 times during which meetings all members attended.

The Onboarding Committee

The Onboarding Committee's terms of reference include whether proposed clients for corporate accounts are within the risk appetite of the Bank. If approved then the clients will be subject to detailed due diligence to decide or not whether to open the corporate account.

During the current financial year, the Onboarding Committee met 19 times during which meetings all members attended.

Independent auditor's report on Corporate Governance statement

to the members of
Agriholdings PLC

Report on Corporate Governance Statement

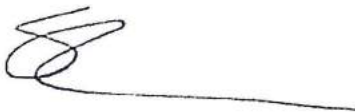
The Directors have been requested by the Malta Stock Exchange to follow the requirements of Rule 4.11.13, Table 2, item 8 of the Prospects MTF Rules, applicable to issuers of equity securities on the Prospects MTF Market, by including in the company's annual financial report a Corporate Governance Statement explaining the extent to which they have adopted The Code of Principles of Good Corporate Governance set out in Appendix 5.1 to Chapter 5 of the Listing Rules issued by the Malta Financial Services Authority, and the effective measures that they have taken to ensure compliance with those principles. The Directors have adopted Listing Rule 5.97 issued by the Malta Financial Services Authority, which sets out information to be contained in the Corporate Governance Statement.

The Malta Stock Exchange has also requested that we report on AgriHoldings PLC's Corporate Governance Statement.

We read the Corporate Governance Statement and consider the implications for our report if we become aware of any information therein that is materially inconsistent with the financial statements or our knowledge obtained in the audit, or that otherwise appears to be materially misstated.

We are not required to, and we do not, consider whether the Directors' statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

In our opinion, the Corporate Governance Statement set out on Pages 1 to 3 has been properly prepared in accordance with the requirements of Listing Rule 5.97.



Sarah Curmi as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor
Mriehel, Malta.

11 January 2019