



BGD CORPORATION LTD 2015 CORPORATE GOVERNANCE STATEMENT

Approved by the Board of Directors on 11 September 2015

The Company's Board of Directors is responsible for the Corporate Governance of BGD Corporation Ltd (BGD) and its controlled entities. The Board guides and monitors the business and affairs of the group on behalf of the shareholders by whom they are elected and to whom they are accountable. The governance practices adopted by the Company are structured with reference to the 3rd Edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX CGPR).

The Board aims to achieve all of the Principles and Recommendations in stages as the Company grows and its circumstances change over time. The Company has experienced a significant period of time in external administration and has had a significant number of changes to the Board in recent years. Significant progress in the improvement of the Company's Corporate Governance practices was achieved with the adoption of a Corporate Governance package, as announced to ASX on 24 December 2014. ***The information provided below summarises how the Company presently complies with the ASX CGPR, and how it intends to comply with each of the current Principles and Recommendations going forward. As a result of the recent appointment of the majority of the Board and the Company's period under external management the Board does not comment on the Companies compliance or otherwise with the ASX CGPR for the full 2015 Financial Year.***

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the board, the chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management.	YES	<p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter is available on the Company's website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p>

<p>Recommendation 1.2</p> <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 relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>YES</p>	<p>(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</p>
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>YES</p>	<p>The Company's Corporate Governance Plan requires the Board to ensure that each director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p>
<p>Recommendation 1.4</p> <p>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>	<p>YES</p>	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.</p>
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity's</p>	<p>NO</p>	<p>(a) The Company has adopted a Diversity Policy.</p> <p>(i) The Company has not established measureable objectives for achieving gender diversity, in view of the current size and nature of operations of the Company.</p> <p>(ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The Company is responsible for implementing, monitoring and reporting on the measurable objectives, when considered appropriate.</p>

<p>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:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) 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>(B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p>		<p>(b) The Diversity Policy is available on the company website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p> <p>(c)</p> <p>(i) Measurable objectives were not set during the reporting period for the reasons noted above.</p> <p>(ii) As at 30 June 2015, the proportion of women employed by the Group was as follows:</p> <ul style="list-style-type: none"> • Board of Directors: 0% • Senior Executive positions: 0% • Total Company workforce: 17%
<p>Recommendation 1.6</p> <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>YES</p>	<p>(a) The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan, at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p> <p>(b) A performance evaluation was not carried out during the reporting period. The Company was released from external administration during the reporting period and the majority of the Board have only been recently appointed. On that basis a performance evaluation was not considered necessary, although the process will be</p>

		undertaken during the next reporting period.
<p>Recommendation 1.7</p> <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>	YES	<p>(a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. A performance evaluation was not carried out during the reporting period. The Company was released from external administration during the reporting period and the majority of staff / executives have only been recently appointed. On that basis a performance evaluation was not considered necessary, although the process will be undertaken during the next reporting period.</p>
Principle 2: Structure the board to add value		
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the</p>	NO	<p>Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Nomination Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee.</p> <p>The duties of the Nomination Committee (as carried out by the Board) are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p>

<p>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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>		<p>The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	NO	<p>The Board has not adopted a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) as the Company was released from external administration during the reporting period and the majority of the Board have only been recently appointed. The composition of the Board is reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction and a skill matrix will be adopted when considered appropriate.</p> <p>Full details as to each director and senior executive's relevant skills and experience are available in the Directors Report contained in this 2015 Annual Report and Company's website.</p>
<p>Recommendation 2.3</p> <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 ASX Corporate Governance Principles and Recommendation (3rd Edition), but</p>	YES	<p>(a) The Board Charter provides for the disclosure of the names of Directors considered by the board to be independent. The Directors considered to be independent are Messrs Tanner, Ismail and Higgins.</p> <p>(b) No disclosures are required in regard to (b); and</p> <p>(c) The length of service of each Director is provided in the Directors Report contained in this 2015 Annual Report.</p>

<p>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>		
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	YES	<p>The Board Charter requires that where practical the majority of the Board will be independent.</p> <p>All of the Directors are considered independent.</p>
<p>Recommendation 2.5</p> <p>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>	YES	<p>The Company's Chairman, Mr Shane Tanner is an independent director and is not the CEO.</p>
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	YES	<p>The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p>
<p><i>Principle 3: Act ethically and responsibly</i></p>		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and</p>	YES	<p>(a) The Company has a Corporate Code of Conduct that applies to the Company's directors, senior executives and employees.</p>

<p>employees; and</p> <p>(b) disclose that code or a summary of it.</p>		<p>(b) The Company's Corporate Code of Conduct is available on the Company's website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p>
<p>Principle 4: Safeguard integrity in financial reporting</p>		
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) 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;</p> <p>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 financial reporting, including the processes for the appointment and removal of the external auditor and the</p>	<p>NO</p>	<p>Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p> <p>The Board devote time at board meeting(s) to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p>

rotation of the audit engagement partner.		
<p>Recommendation 4.2</p> <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 which is operating effectively.</p>	NO	<p>Although the Board is committed to this recommendation, the Company was released from external administration during the reporting period and the majority of the Board have only been recently appointed. There has been insufficient continuity in senior officer appointments for the relevant declarations to be obtained from either a CEO or CFO (neither appointment exist at the date hereof). A qualified declaration in the form and substance of declaration of this nature has been received from the Company's financial officer for the reporting period. In future reporting years, the relevant declaration is expected to be obtained from a CEO and CFO of the company.</p>
<p>Recommendation 4.3</p> <p>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.</p>	YES	<p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <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>	YES	<p>(a) The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure-Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company website at:</p>

		http://www.bouldersteel.com.au/corporate-governance.html
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and can be found on the Company's website at: http://www.bouldersteel.com.au/corporate-governance.html
Recommendation 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.	YES	The Shareholder Communication Strategy (refer Recommendation 6.2 above) discloses the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders.
Recommendation 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.	YES	Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX.
Principle 7: Recognise and manage risk		
Recommendation 7.1		Due to the size and nature of the existing board and the magnitude of the Company's operations the Company

<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) 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; <p>or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	<p>NO</p>	<p>currently has no Audit and Risk Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 the Company's Corporate Governance Plan available online on the Company's website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p> <p>The Board devote time at board meeting(s) to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>NO</p>	<p>(a) The Company process for risk management and internal compliance are set out in Schedule 8 of the Corporate Governance Plan on the Company's website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p> <p>The Board intends to review the entity's risk management framework with management at least annually.</p> <p>(b) A review of the Company's risk management framework was not carried out during the reporting period, as the Company was released from external administration during the reporting period and the majority of the Board</p>

		have only been recently appointed.
<p>Recommendation 7.3</p> <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>	YES	<p>Schedule 3 of the Company's Corporate Governance Plan provides for the internal audit function of the Company. The Corporate Governance Plan can be found on the Company's website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>Schedule 3 of the Company's Corporate Governance Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework will be conducted at least annually and reports will be created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.</p>
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p>	NO	<p>Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p>

<p>(ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) 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>		<p>The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 the Company's Corporate Governance Plan available online on the Company's website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p> <p>The Board devote time at board meeting(s) to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>
<p>Recommendation 8.2</p> <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 and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>YES</p>	<p>The Company's Corporate Governance Plan disclose its policies and practices regarding the remuneration of non-executive, executive and other senior directors. The Corporate Governance Plan is available online on the Company's website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p>
<p>Recommendation 8.3</p> <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</p>	<p>YES</p>	<p>(a) The Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) 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. The Board must review and</p>

<p>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>approve any equity based plans.</p> <p>(b) A copy of the Company's Corporate Governance Plan is available on the Company's website at:</p> <p>http://www.bouldersteel.com.au/corporate-governance.html</p>
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