

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Boyuan Holdings Limited
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ABN/ARBN

92 608 897 963
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Financial year ended:

31 December 2019
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Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: [www.bhlgroup.com.au](http://www.bhlgroup.com.au)

The Corporate Governance Statement is accurate and up to date as at *27 March 2020* and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 27 March 2020  
Name of authorised officer authorising lodgement: Jia Chen Wang

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed a copy of our board charter at this location: <a href="https://bhlgroupp.com.au/corporate-governance/">https://bhlgroupp.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (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.	<input checked="" type="checkbox"/> in our Corporate Governance Statement, in our 'Directors' Report' section of the BHL 2019 Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> in our Corporate Governance Statement, in our 'Directors' Report' section of the BHL 2019 Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) 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><input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed a copy of our diversity policy at this location: <a href="https://bhlgroupp.com.au/corporate-governance/">https://bhlgroupp.com.au/corporate-governance/</a> and we have disclosed the information referred to in paragraph (c):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed the evaluation process referred to in paragraph (a)</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>and we have disclosed the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a nomination committee which:                             <ul 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:                                     <ul style="list-style-type: none"> <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> </ul> </li> </ul> </li> <li>(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.</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed a copy of the charter of the committee at this location: <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a> and the information referred to in paragraphs (4) and (5) at:                             <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in our Corporate Governance Statement, in our 'Directors' Report' section of the BHL 2019 Annual Report</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></li> <li><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</li> </ul>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in our Corporate Governance Statement</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></li> <li><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</li> </ul>

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## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation 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 or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<input checked="" type="checkbox"/> in our Corporate Governance Statement, in our 'Directors' Report' section of the BHL 2019 Annual Report and we have disclosed the names of the directors considered by the board to be independent directors at: <input checked="" type="checkbox"/> in our Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at: <input checked="" type="checkbox"/> in our Corporate Governance Statement and the length of service of each director at: <input checked="" type="checkbox"/> in our 'Directors' Report' section of the BHL 2019 Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> in our Corporate Governance Statement, in our 'Directors' Report' section of the BHL 2019 Annual Report <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (2) any other material breaches of that code that call into question the culture of the organisation.	<input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed our code of conduct at: this location: <a href="https://bhlgroupp.com.au/corporate-governance/">https://bhlgroupp.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed our whistleblower policy at: this location: <a href="https://bhlgroupp.com.au/corporate-governance/">https://bhlgroupp.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> in our Corporate Governance Statement

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
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><input type="checkbox"/> in our Corporate Governance Statement and we have disclosed a copy of the charter of the committee at:</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement and we have disclosed a copy of the charter of the committee at this location: <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a> and the information referred to in paragraphs (4) and (5) at:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement, in our 'Directors' Report' section of the BHL 2019 Annual Report</p>
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, 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.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed our continuous disclosure compliance policy at: this location: <a href="https://bhlgroupp.com.au/corporate-governance/">https://bhlgroupp.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – 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.	<input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed information about us and our governance on our website at: this location: <a href="https://bhlgroupp.com.au/corporate-governance/">https://bhlgroupp.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> at this location: <a href="https://bhlgroupp.com.au/corporate-governance/">https://bhlgroupp.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed how we facilitate and encourage participation at meetings of security holders at: <input checked="" type="checkbox"/> at this location: <a href="https://bhlgroupp.com.au/corporate-governance/">https://bhlgroupp.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement

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Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> in our Corporate Governance Statement and at: <a href="https://bhlgroupp.com.au/investors/">https://bhlgroupp.com.au/investors/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 7 – 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>	<p><input type="checkbox"/> in our Corporate Governance Statement and we have disclosed a copy of the charter of the committee at:</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement and we have disclosed a copy of the charter of the committee at this location: <a href="https://bhlgroupp.com.au/corporate-governance/">https://bhlgroupp.com.au/corporate-governance/</a> and the information referred to in paragraphs (4) and (5) at:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
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 that the entity is operating with due regard to 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><input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<input type="checkbox"/> set out in our Corporate Governance Statement
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 governance, risk management and internal control processes.</p>	<p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed whether we have any material exposure to environmental and social risks at: <input checked="" type="checkbox"/> in our Corporate Governance Statement and, if we do, how we manage or intend to manage those risks at: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement

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## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>	
<b>PRINCIPLE 8 – 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>	<p><input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed a copy of the charter of the committee at this location: <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a> and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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><input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>this location: Remuneration Report in our 2019 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed this:	We have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>4</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input checked="" type="checkbox"/> in our Corporate Governance Statement and we have disclosed information about the processes in place: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		<input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed 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.		<input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
	NOT APPLICABLE		

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## FY19 Corporate Governance Statement

## Boyuan Holdings Limited ACN 608 897 963 (“BHL” or “Company”)

The Board of the Company is committed to principles of best practice in corporate governance and is responsible for ensuring the existence of an effective corporate governance environment to safeguard the interests of the Company, its Shareholders and other stakeholders.

This statement sets out the Company's current compliance with the fourth edition of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, February 2019 (Principles or Recommendations)*. The Principles are not prescriptive regarding the conduct of ASX listed companies. Rather, an ASX listed company is required to disclose the reasons why it is not complying fully with its obligations under the Principles. To the extent that they are relevant to the organisation, the Company has adopted the Principles.

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
<b>Principle 1- Lay solid foundations for management and oversight</b>		
<p><b>Recommendation 1.1:</b> 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>	Compliant	<p>The Company's Board Charter sets out:</p> <ul style="list-style-type: none"> <li>• the CEO and the Board's responsibilities;</li> <li>• the functions of the Board, Chairman and CEO; and</li> <li>• the relationship between the Board and management.</li> </ul> <p>The Board has appointed committees to oversee certain functions, including the Audit and Risk Committee and the Nomination and Remuneration Committee.</p> <p>While the Board is responsible for and has the authority to determine all matters relating to the running of the Company, including policies, planning and practices of the Company, the Board has delegated the day to day operations of the Company's business to the CEO and his management team. The Board establishes goals for management and ensures that the business is managed in a manner consistent with the agreed objectives.</p>

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
<p><b>Recommendation 1.2:</b> A listed entity should:</p> <p>(c) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(d) 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>	Compliant	<p>The Board undertakes appropriate checks, including police clearance checks, bankruptcy searches, verification of qualifications and experience of potential Directors before appointing a Director or putting forward to Shareholders a candidate for election as a Director.</p> <p>The Nomination and Remuneration Committee reviews appropriate checks such as the police clearance checks, bankruptcy searches, verification of qualifications and experience of potential Senior Executives recruited to the company that is undertaken by the Company's Human Resources department.</p> <p>All material information in relation to potential Directors or Senior Executives appointed to the Board (such as our Deputy CEO, Adam Pearce on 6 December 2019) will be provided to Shareholders, including in the form of disclosures contained in an explanatory memorandum to a notice of meeting, seeking the approval of Shareholders for the election or re-election of Directors.</p>
<p><b>Recommendation 1.3:</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Compliant	<p>The Company has appointment letters for the non-executive Director being Dr Saliba Sassine and Mr Xiaofeng Chen. These letters set out the terms of their appointments as non-executive Directors.</p> <p>The Company has entered into Executive Services Agreement for its Senior Executives who are Key Management Personnel (KMP). The contractual arrangements of these KMP for the financial year ended 31 December 2019 are disclosed in the BHL 2019 Annual Report</p>
<p><b>Recommendation 1.4:</b> The company secretary of a listed entity should be accountable directly to the board, through the</p>	Compliant	<p>The Company Secretary, Jia Chen Wang, is directly accountable to the Board in relation to matters of governance. His role includes advising the Board and its committees on governance matters, monitoring that policy and procedures are followed, coordinating the</p>

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
<p>chair on all matters to do with the proper functioning of the board.</p>		<p>timely completion and despatch of Board papers and ensuring that the business at meetings is accurately captured in the minutes.</p> <p>The Company Secretary is accessible to all Directors. The Board is responsible for the appointment and removal of the Company Secretary.</p>
<p><b>Recommendation 1.5:</b> A listed entity should:</p> <p>(e) have and disclose a diversity policy;</p> <p>(f) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(g) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined</p>	<p>Compliant</p>	<p>A copy of the Diversity Policy is available on the Company's website at <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a></p> <p>In the current reporting period, BHL's Human Resources Team continues to work alongside the Executive Team to eliminate barriers to career development and progression for women in the workplace. This has allowed BHL to continue to deliver better outcomes to its staff.</p> <p>In FY2019 we took leaping steps to ensure inclusion and diversity is an integral part of how we conduct business. In the past 12 months there was a huge focus on creating policies that would create a flexible and inclusive workplace as well as creating a culture that truly celebrated diversity.</p> <p>The following initiatives were implemented during FY2019:</p> <ul style="list-style-type: none"> <li>• Focused on converting all job descriptions and advertisements to gender neutral language.</li> <li>• Established a Recruitment and Selection policy to ensure merit-based recruitment through a capability-based process.</li> <li>• Established a Parental leave policy which promises to top up the Primary Carer's pay during the period of government funded parental leave pay to their full rate of pay for the first 14 weeks at their base salary. BHL will also top up Partner's pay during the period of government funded parental leave pay to their full rate of pay for the first 2 weeks.</li> <li>• Established a Learning and Development policy providing eligible employees an annual allowance to diversity their skills and qualities in the workplace.</li> </ul>



ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not																												
<p>“senior executive” for these purposes); or            (B) 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>		<ul style="list-style-type: none"> <li>Created and sustained a diverse and inclusive environment. BHL has taken a person-centred approach educating employees on the EAP service available to them.</li> <li>Celebrated and acknowledged a variety of holidays that support inclusion and diversity.</li> <li>Cross cultural emersion by providing weekly Mandarin lessons to all our employees.</li> </ul> <p><i>Pursuant to the Workplace Gender Equality Agency, a relevant employer is a non-public sector employer with 100 or more employees in Australia for any six months or more of a reporting period. As at the end of FY19, BHL had less than 100 employees and therefore is not yet considered a relevant employer.</i></p> <p><b>BHL’s workplace gender profile as at 31 December 2019 was as follows:</b></p> <table border="1" data-bbox="987 767 2078 1058"> <thead> <tr> <th>BHL Level</th> <th>Number of Board/ employees (2019)</th> <th>Number of women (2019)</th> <th>% of women (2019)</th> </tr> </thead> <tbody> <tr> <td><b>Board</b></td> <td>4</td> <td>0</td> <td>0%</td> </tr> <tr> <td><b>Executive</b></td> <td>10</td> <td>4</td> <td>40%</td> </tr> <tr> <td><b>Manager</b></td> <td>12</td> <td>6</td> <td>50%</td> </tr> <tr> <td><b>Supervisor</b></td> <td>6</td> <td>3</td> <td>50%</td> </tr> <tr> <td><b>Employee</b></td> <td>33</td> <td>16</td> <td>48%</td> </tr> <tr> <td><b>Entire company</b></td> <td>65</td> <td>29</td> <td>45%</td> </tr> </tbody> </table> <p><b>Definitions</b>  <b>Executives</b> – Executives report directly to the CEO and include the CEO.  <b>Managers</b> – Managers report two layers below the CEO.  <b>Supervisors</b> – Supervisors report three layers below the CEO.  <b>Employee</b> – Employees report four layers below the CEO</p> <p><b>Currently 45% of our entire organisation is held by women with 40% in Executive roles. Our continuous goal at BHL is to embed diversity and inclusion into the workplace. BHL will continue to invest in education, equality in recruitment, the promotion of an equal culture and career development programs.</b></p>	BHL Level	Number of Board/ employees (2019)	Number of women (2019)	% of women (2019)	<b>Board</b>	4	0	0%	<b>Executive</b>	10	4	40%	<b>Manager</b>	12	6	50%	<b>Supervisor</b>	6	3	50%	<b>Employee</b>	33	16	48%	<b>Entire company</b>	65	29	45%
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ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
		<p>Our inclusion and diversity strategy 2020 continue to educate and empower change by contributing to positive social change within our internal culture and the communities we build. The initiatives for 2020:</p> <ul style="list-style-type: none"> <li>• Leadership retreat for the formation of company values and mission statement.</li> <li>• Create a Flexible Work Policy to enable a more diverse and inclusive organisation.</li> <li>• BHL has already partnered with ELMO to set up a learning management system to promote cultural awareness, competency training, code of conduct, diversity in the workplace and discrimination.</li> </ul>
<p><b>Recommendation 1.6:</b> A listed entity should:</p> <p>(h) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(i) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Compliant	<p>The Board has adopted the Nomination and Remuneration Committee Charter which specifies the authority of the Nomination and Remuneration Committee and sets out its role and responsibilities. The Nomination and Remuneration Committee oversees the process of appointment and remuneration of the Non-executive Directors, the CEO and other individual directors.</p> <p>The Board reviews its corporate governance policies and processes regularly and performs an evaluation of the Board's performance at appropriate intervals. The Board agreed that there would be a performance evaluation along with a Board renewal in FY2020 with the departure of Mr David Batten. The Board advises that is currently undertaking a search process to identify suitable independent candidates to join the Board and will update the market in due course.</p>
<p>2. <b>Recommendation 1.7:</b> A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its</p>	Compliant	<p>The Board or the Nomination and Remuneration Committee reviews the remuneration arrangement of its senior executives on an annual basis and takes into account industry benchmarks, the Company targets, and also personal performance metrics. These Key Performance Indicators (KPIs) are based on a weighted principle which include:</p>

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
<p>senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>		<ul style="list-style-type: none"> <li>• financial metrics;</li> <li>• operational metrics;</li> <li>• team metrics; and</li> <li>• stakeholder metrics,</li> </ul> <p>which are tailored for each departmental or functional heads.</p> <p>Arising from these annual performance evaluations conducted at the end of the financial year, new KPIs are then established for the coming year for the Senior Executives.</p> <p>In FY19, the performance evaluations were conducted for the Senior Executives and the remuneration of the Key Management Personnel are disclosed in the Remuneration Report section of the 2019 Annual Report.</p>
<b>Principle 2 – Structure the board to add value</b>		
<p><b>Recommendation 2.1:</b> The Board of a listed entity should:</p> <p>(c) 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>	Compliant	<p>The Board has appointed the Nomination and Remuneration Committee to oversee the process of appointment and remuneration of the Directors and Company Secretary, CFO and other senior executives of the Company.</p> <p>The Nomination and Remuneration Committee comprised of three members, being Dr Saliba Sassine, Mr Yading Wan, and Mr Xiaofeng Chen (who temporarily stepped in with the departure of Mr David Batten), the majority whom are independent. Mr Chen will be formally appointed to the Nomination and Remuneration Committee in FY20.</p> <p>The Board has adopted the Nomination and Remuneration Committee Charter which specifies the authority of the Nomination and Remuneration Committee and sets out its role</p>

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
<p>and disclose:</p> <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(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.</li> </ul>		<p>and responsibilities. The Nomination and Remuneration Committee is chaired by Dr Saliba Sassine, who is an independent Director.</p> <p>A copy of the Nomination and Remuneration Committee Charter is available on the Company's website at <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a>.</p> <p>The information referred to in paragraphs (4) and (5) are also disclosed in the Directors' Report section in the Annual Report for the period ended 31 December 2019.</p>
<p><b>Recommendation 2.2:</b> 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>	Compliant	<p>The Company has a strong commitment to diversity in business which is evidenced through its Diversity Policy. A copy of the Diversity Policy is available on the Company's website at <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a>.</p> <p>The Board also has a mix of skills and expertise including property development in Australia and overseas, financial, management, operations, investment, corporate governance, audit and risk management, and strategy.</p> <p>In view of the departure of one of BHL's directors, the Company will be undertaking a Board evaluation and renewal process with the intention to find suitable independent non-executive directors with the requisite skills, qualifications and experience commensurate to the growth of the Company, the nature of its activities and its strategy. The Company believes the current Executive Directors have the appropriate skillsets and experience to grow the company. The qualifications and experience of the directors are set out in the Directors' Report section of the BHL 2019 Annual Report.</p>

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
<p><b>Recommendation 2.3:</b> A listed entity should disclose:</p> <p>(d) the names of the directors considered by the board to be independent directors;</p> <p>(e) if a director has an interest, position, affiliation 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 or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(f) the length of service of each director.</p>	Compliant	<p>The Board considers that the following Directors to be independent:</p> <p>(g) Dr Saliba Sassine; and</p> <p>(h) Mr Xiaofeng Chen.</p> <p>Each of the above Directors were appointed in October 2015 when the Company was first established and have served the Company for over 4 years.</p> <p>The Board is of the opinion that none of the scenarios set out in Box 2.3 apply to the two independent Non-executive Directors and that their independence is not compromised.</p>
<p><b>Recommendation 2.4:</b> A majority of the board of a listed entity should be independent directors.</p>	Partially-Compliant	<p>The Board comprises of one Executive Director and three independent Non-executive Directors for the majority of the financial year ended 31 December 2019. On 6 December 2019, independent Non-executive Directors, Mr David Batten resigned and BHL's Deputy CEO, Adam Pearce joined the Board which took the ratio of independent directors and executive directors to be equal. The Board is committed to recruit an independent non-executive Director to replace the departure of Mr David Batten and to bring the Board composition to a majority of independent directors.</p>

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
<b>Recommendation 2.5:</b> 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.	Compliant	The Company's Chair is Dr Saliba Sassine. Dr Saliba Sassine is not the CEO and is considered to be independent.
<b>Recommendation 2.6:</b> A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Compliant	The Nomination and Remuneration Committee is responsible for the induction program for new directors and the development of a director's education program. The Nomination and Remuneration Committee develops and implements induction programs for Non-executive Directors, including ongoing professional development and ensure that suitable candidates are identified with the appropriate mix of expertise, experience, diversity and succession. It is intended that this Committee meet at least once a year to ensure that the Committee fulfils its role and objectives set out in its Charter.
<b>Principle 3 – Act ethically and responsibly</b>		
<b>Recommendation 3.1:</b> A listed entity should articulate and disclose its values.	Non-compliant	BHL Group will convene a three-day leadership retreat early March 2020. As part of that workshop, BHL Group leadership will be asked to identify the Company's: <ul style="list-style-type: none"> <li>• Competitive strategy / unfair advantage - “organisational DNA”</li> <li>• vision statement - “where BHL Group is headed”</li> <li>• mission statement - “why BHL Group exists”.</li> </ul>
<b>Recommendation 3.2:</b> A listed entity should:	Compliant	The Board has established and adopted a Code of Conduct which is available on the Company's website at <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a> .

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
<p>(i) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(j) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and</p> <p>(k) any other material breaches of that code that call into question the culture of the organisation.</p> <p>(l)</p>		<p>The Code of Conduct sets out the Company's commitment to making positive economic, social and environmental contributions to each of the communities in which it operates, while complying with all applicable laws and regulations and acting in a manner that is consistent with the Company's foundational principles of honesty, integrity, fairness and respect.</p> <p>BHL's Office of the General Counsel (OGC) ensures that the Board or the Audit &amp; Risk Committee is duly informed of any material breaches of the code of conduct by a director or a Senior Executive or any other material breaches of the code that may call into question the culture of the organisation. The Code of Conduct will be periodically reviewed by the OGC to check that it is operating effectively and whether any changes are required to the code.</p>
<p><b>Recommendation 3.3:</b> A listed entity should:</p> <p>(m) have and disclose a whistleblower policy; and</p> <p>(n) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	Compliant	<p>The Company established a Whistleblowing Policy on 4 February 2020.</p> <p>The policy aims to allow individuals who need to disclose instances of wrongdoing with confidence and know that they are protected and supported by BHL. This applies to all members affiliated with BHL, encompassing current and former staff, contractors and suppliers. The policy provides (amongst other things):</p> <ul style="list-style-type: none"> <li>• how confidentiality of the whistleblower's identity is safeguarded;</li> <li>• the process to follow up and investigate reports made under the policy;</li> <li>• the training of the relevant managers and others who may receive whistleblower reports; and</li> </ul>

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
		<ul style="list-style-type: none"> <li>BHL's Board will also be informed more generally of material incidents reported under this Policy.</li> </ul>
<p><b>Recommendation 3.4:</b> A listed entity should:</p> <p>(o) have and disclose an anti-bribery and corruption policy; and</p> <p>(p) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>	Partially-compliant	<p>The Company acknowledges that any form of bribery is unacceptable to the organisation and this is set out in BHL's Code of Conduct. However, the Company recognises the need to establish a standalone Anti-bribery and Corruption policy due to the importance of this matter.</p> <p>BHL aims to implement this policy in the first half of the financial period ending 31 December 2020.</p>
<b>Principle 4 – Safeguard integrity in corporate reporting</b>		
<p><b>Recommendation 4.1:</b> The board of a listed entity should:</p> <p>(q) 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>	Partially-Compliant	<p>The Board has an Audit and Risk Committee which currently comprises Dr Saliba Sassine and Mr Xiaofeng Chen. With the departure of Mr David Batten at the end of FY19, the Board is looking to appoint Executive Director, Mr Adam Pearce to the Audit &amp; Risk Committee as a temporary measure while it undergoes recruitment for an independent Non-executive Director.</p> <p>For the majority of FY19, the Audit and Risk Committee was chaired by Mr David Batten who was an independent Director and not the Chair of the Board.</p> <p>The Audit and Risk Committee is presently chaired by Dr Saliba Sassine (also Chair of Board), as an interim measure while the Board undertakes recruitment of an additional independent Non-executive Director. The relevant qualifications, experience and attendance of members of the Audit Risk Committee are disclosed in the Directors' Report section of the 2019 Annual Report.</p>



ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
<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>The Board has adopted an Audit and Risk Committee Charter to assist with ensuring the integrity and reliability of information prepared for use by the Board.</p> <p>A copy of the Audit and Risk Committee Charter is available on the Company's website at <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a>.</p>
<p><b>Recommendation 4.2:</b> 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.</p>	Compliant	<p>The Board Charter and Audit and Risk Committee Charter make provision for the CEO and CFO to provide this declaration.</p> <p>A copy of the Board Charter and the Audit and Risk Committee Charter are available on the Company's website at <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a>.</p> <p>The Company ensures compliance in its financial reporting as part of its corporate governance process and procedure for the Board's consideration prior to the approval of the Company's financial statements for a financial period.</p>
<p><b>Recommendation 4.3:</b> A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the</p>	Compliant	<p>BHL's Continuous Disclosure and Shareholder Communications Policy governs the process by which information is communicated to its shareholders and the market. Any periodic corporate reports which are not audited or reviewed by an external auditor will be required to</p>

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
market that is not audited or reviewed by an external auditor.		<p>comply with this policy and in accordance with the continuous disclosure requirements of the ASX Listing Rules.</p> <p>A copy of the Continuous Disclosure and Shareholder Communication Policy is available on the Company's website at <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a>.</p>
<b>Principle 5 – Make timely and balanced disclosure</b>		
<b>Recommendation 5.1:</b> A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Compliant	<p>The Company's Continuous Disclosure and Shareholder Communications Policy sets out, amongst other matters, the manner in which the Board will ensure compliance with the disclosure requirements under ASX Listing Rule 3.1 which includes any material financial, performance, ownership and governance information.</p> <p>A copy of the Continuous Disclosure and Shareholder Communications Policy is available on the Company's website at <a href="https://www.bhlgroup.au/corporate-governance">https://www.bhlgroup.au/corporate-governance</a>.</p>
<b>Recommendation 5.2:</b> A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Compliant	<p>The Company Secretary is responsible for ensuring that the directors of the Board receive copies of all material market announcements once they have been released to the market. Almost always, this is immediately after the relevant material market announcements have been made to the market.</p>
<b>Recommendation 5.3:</b> A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Compliant	<p>Any substantive presentations (for example results presentations, annual general meeting presentations, investor presentations or broker conference presentations) that have been given to a new or substantive investor or to an analyst (where applicable) in relation to the Company have been released to the market as and when they have occurred.</p> <p>The Office of the General Counsel also periodically reviews the release of any investor or analyst presentations to third parties to ensure that the rights of shareholders to timely,</p>

ASX Corporate Governance Principle/Recommendation	Compliance Status	Particulars of compliance & if not why not
		market sensitive information regarding the Company is not otherwise prejudiced. Where such presentations may contain new information regarding the Company, its disclosure will be reviewed and assessed against the Company's Continuous Disclosure and Shareholder Communications Policy and the relevant ASX listing rules.
<b>Principle 6 – Respect the rights of security holders</b>		
<b>Recommendation 6.1:</b> A listed entity should provide information about itself and its governance to investors via its website.	Compliant	A page on the Company's website, <a href="https://www.bhlgroupp.com.au/corporate-governance">https://www.bhlgroupp.com.au/corporate-governance</a> , is dedicated to corporate governance, and includes links to the latest Company's corporate governance policies.
<b>Recommendation 6.2:</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Compliant	The Company's Continuous Disclosure and Shareholder Communications Policy sets out, amongst other things, the manner in which the Company will promote effective communication with Shareholders and encourage their participation at general meetings.  A copy of the Continuous Disclosure and Shareholder Communications Policy is available on the Company's website at <a href="https://www.bhlgroupp.com.au/corporate-governance">https://www.bhlgroupp.com.au/corporate-governance</a> .
<b>Recommendation 6.3:</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Compliant	The Company has adopted the Continuous Disclosure and Shareholder Communications Policy which sets out, amongst other things, the manner in which the Company will promote effective communication with Shareholders and encourage their participation at general meetings.  A copy of the Continuous Disclosure and Shareholder Communications Policy is available on the Company's website at <a href="https://www.bhlgroupp.com.au/corporate-governance">https://www.bhlgroupp.com.au/corporate-governance</a> .

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<b>Recommendation 6.4:</b> A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Compliant	The Company will ensure that the resolutions for the upcoming BHL Annual General Meeting in May 2020 will be decided by a poll rather than by a show of hands to ensure the interests of each shareholder's voting rights are met and adequately represented.
<b>Recommendation 6.5:</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Compliant	Security holders have the additional option to receive communications from, and send communications to, BHL and its share registry, Boardroom, via the BHL website at <a href="https://bhlgroup.com.au/investors/">https://bhlgroup.com.au/investors/</a> .  Security holders can also register to receive relevant announcements or updates electronically via email using BHL's website at <a href="https://bhlgroup.com.au/contact/">https://bhlgroup.com.au/contact/</a> .
<b>Principle 7 – Recognise and manage risk</b>		
<b>Recommendation 7.1:</b> The board of a listed entity should:	Partially-compliant	The Board has an Audit and Risk Committee which currently comprises Dr Saliba Sassine and Mr Xiaofeng Chen. With the departure of Mr David Batten at the end of FY19, the Board is looking to appoint Executive Director, Mr Adam Pearce to the Audit & Risk Committee as a temporary measure while it undergoes recruitment for an independent Non-executive Director.  For the majority of FY19, the Audit and Risk Committee was chaired by Mr David Batten who was an independent Director and not the Chair of the Board.  The Audit and Risk Committee is presently chaired by Dr Saliba Sassine (also Chair of Board), as an interim measure while the Board undertakes recruitment of an additional independent Non-executive Director. The relevant qualifications, experience and

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<p>(r) have a committee or committees to oversee risk, each of 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 individual attendances of the members at those meetings.</p>		<p>attendance of members of the Audit Risk Committee are disclosed in the Directors' Report section of the 2019 Annual Report.</p> <p>The Board has adopted an Audit and Risk Committee Charter to assist with ensuring the integrity and reliability of information prepared for use by the Board.</p> <p>A copy of the Audit and Risk Committee Charter is available on the Company's website at <a href="https://bhlgroup.com.au/corporate-governance/">https://bhlgroup.com.au/corporate-governance/</a>.</p>
<p><b>Recommendation 7.2:</b> The board or a committee of the board should:</p> <p>(s) review the entity's risk management framework at least annually to</p>	Compliant	<p>The Audit and Risk Committee is responsible for the review of the Company's risk management program.</p> <p>The Company has developed a strong and comprehensive Risk Management Framework and has assessed its risk exposures which are maintained in the Risk Matrix found within</p>

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<p>satisfy itself that it continues to be sound; and</p> <p>(t) disclose, in relation to each reporting period, whether such a review has taken place.</p>		<p>the Company's Risk Management Policy. This policy, together with the Incident &amp; Breach policy and Operational Policy describe in detail, the Risk Framework.</p> <p>In FY19, KPMG conducted an external review of the Company's risk management framework. This report was provided to the Audit &amp; Risk Committee. The key recommendations arising from the review was deliberated by the Committee and it was determined that some of the recommendations may be implemented in FY2020.</p>
<p><b>Recommendation 7.3:</b> A listed entity should disclose:</p> <p>(u) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(v) 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>	Compliant	<p>BHL presently does not have an internal audit function. The Company however has developed a comprehensive Risk Management Framework to assess its exposure to risks. It continues to assess risk exposure against the company's Risk Appetite Statement when applying its due diligence processes to any opportunities that may arise.</p> <p>Within the business processes, the company uses a three (3) layers of assurance model. The first layer, business operations layer, uses a Control Self-Assessment (CSA) methodology to monitor and assess the internal process controls to constantly improve its processes.</p>
<p><b>Recommendation 7.4:</b> 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>	Compliant	<p>Some of the Company's operations are subject to various environmental regulations under both Commonwealth and State legislation. BHL undertakes an environmental due diligence and risk assessment of all properties it acquires and currently owns. Further, compliance with environmental regulations is monitored on a regular basis.</p>

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<b>Principle 8 – Remunerate fairly and responsibly</b>		
<p><b>Recommendation 8.1:</b> The board of a listed entity should:</p> <p>(w) have a remuneration 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 individual attendances of the members at those meetings; or</p>	Compliant	<p>The Board has established a Nomination and Remuneration Committee.</p> <p>The Nomination and Remuneration Committee comprises three members, being Dr Saliba Sassine, Mr Xiaofeng Chen and Mr Yading Wan, the majority who are independent.</p> <p>The Nomination and Remuneration Committee is chaired by Dr Saliba Sassine, who is an independent Director.</p> <p>A copy of the Nomination and Remuneration Committee Charter is available on the Company's website at <a href="https://www.bhlgroup.com.au/corporate-governance">https://www.bhlgroup.com.au/corporate-governance</a>.</p> <p>The attendance of members of the Nomination and Remuneration Committee are disclosed in the Directors' Report section of the 2019 Annual Report.</p>

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<p><b>Recommendation 8.2:</b> 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>	Compliant	The details of the remuneration of BHL's Non-executive and Executive Directors and Key Management Personnel, are set out in the Remuneration Report section in BHL's 2019 Annual Report.
<p><b>Recommendation 8.3:</b> A listed entity which has an equity-based remuneration scheme should:</p> <p>(x) have a policy on whether participants are permitted to enter into transactions (and whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(y) disclose that policy or a summary of it.</p>	Not applicable	The Company does not currently have an equity-based remuneration scheme.
<b>Principle 9 – Additional Recommendations (where applicable)</b>		
<p><b>Recommendation 9.1:</b> A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to</p>	Compliant	The Company's ensures that all key corporate documents submitted or tabled to Board are either translated in the language that is native to a non-English speaking Director or orally summarised in the relevant language for a Director who is not bi-lingual. The Company



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<p>ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>		<p>takes a number of measures to ensure that a director or the Board is sufficiently informed and that each individual director can contribute to the discussions by doing the following:</p> <ul style="list-style-type: none"> <li>• the Company engages Strategic Advisors who are bilingual to assist with providing strategic advice regarding the day-to-day operations of the Company. They may be invited to attend the Board meetings where necessary;</li> <li>• the Company's Chief Executive Officer and its Chief Financial Officer are bi-lingual (Chinese and English) and they ensure that any Director who is not a native English speaker can have access to up to date financial and business information at any opportunity; and</li> <li>• the Company invite its external auditor to provide bi-lingual people to assist with ensuring that all relevant financial and material information that is externally audited is properly disclosed and understood by any directors who may not be able to understand and would have the ability to ask for clarification.</li> </ul>
<p><b>Recommendation 9.2:</b> A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	Not applicable	
<p><b>Recommendation 9.3:</b> A listed entity established outside Australia, and an externally managed 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>	Not applicable	