

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Boart Longyear Limited

ABN / ARBN:

49 123 052 728

Financial year ended:

31 December 2015

Our corporate governance statement² for the above period above can be found at:³

This URL on our website: <http://www.boartlongyear.com/company/corporate-profile/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 30 March 2016 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 10 April 2016

Fabrizio Rasetti

Name of Secretary authorising lodgement

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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 rule 4.10.3.

² "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.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

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.

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 ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Board Charter, which may be accessed at http://www.boartlongyear.com/company/corporate-profile/corporate-governance/	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	

⁴ 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.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> our Workforce Diversity Policy may be accessed at http://www.boartlongyear.com/company/corporate-profile/corporate-governance/</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, 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 nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> our Remuneration and Nominations Committee Charter may be accessed at http://www.boartlongyear.com/company/corporate-profile/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement for members of the committee AND</p> <p><input checked="" type="checkbox"/> the number of times the committee met throughout the period and the individual attendances of members may be found on page 74 of our 2015 Annual Report. That report may be accessed at http://www.boartlongyear.com/company/investors/</p>	
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and the length of service of each director: <input checked="" type="checkbox"/> on pages 71 to 73 of our 2015 Annual Report. That report may be accessed at http://www.boartlongyear.com/company/investors/	
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
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"/> an explanation why that is so in our Corporate Governance Statement
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement AND <input checked="" type="checkbox"/> our Code of Business Conduct may be accessed at http://www.boartlongyear.com/company/corporate-profile/corporate-governance/	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁵	
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> our Audit, Compliance and Risk Committee Charter may be accessed at http://www.boartlongyear.com/company/corporate-profile/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> on pages 71 to 74 of our 2015 Annual Report. That report may be accessed at http://www.boartlongyear.com/company/investors/</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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

⁵ 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.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁵
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement AND <input checked="" type="checkbox"/> our External Communications Policy may be accessed at http://www.boartlongyear.com/company/corporate-profile/corporate-governance/	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> information about Boart Longyear Limited may be found on our website at http://www.boartlongyear.com/ information about our governance may be found on our website at http://www.boartlongyear.com/company/corporate-profile/corporate-governance/	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁵	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> our Audit, Compliance and Risk Committee Charter may be accessed at http://www.boartlongyear.com/company/corporate-profile/corporate-governance/</p> <p>our Environment, Health and Safety Committee Charter may be accessed at http://www.boartlongyear.com/company/corporate-profile/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement for members of each committee AND</p> <p><input checked="" type="checkbox"/> the number of times each committee met throughout the period and the individual attendances of members may be found on page 74 of our 2015 Annual Report. That report may be accessed at http://www.boartlongyear.com/company/investors/</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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁵
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in the Outlook section of our Operating and Financial Review on pages 35 to 36 of our 2015 Annual Report. That report may be accessed at http://www.boartlongyear.com/company/investors/</p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁵	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, 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>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> our Remuneration and Nominations Committee Charter may be accessed at http://www.boartlongyear.com/company/corporate-profile/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement for members of the committee AND</p> <p><input checked="" type="checkbox"/> the number of times the committee met throughout the period and the individual attendances of members may be found on page 74 of our 2015 Annual Report. That report may be accessed at http://www.boartlongyear.com/company/investors/</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>... separately our remuneration 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 Remuneration Report on pages 41 to 46 of our 2015 Annual Report. That report may be accessed at http://www.boartlongyear.com/company/investors/</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>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Statement

For the year ended 31 December 2015

BOART LONGYEAR LIMITED

The Board believes that high standards of corporate governance are an essential prerequisite for creating sustainable value for shareholders. This Corporate Governance Statement (**Statement**) summarises the main corporate governance policies and practices in place within Boart Longyear Limited (**Company**) and its affiliated companies (**Group**). **Unless otherwise noted, the Company has followed all of the best practice recommendations set out in the ASX Corporate Governance Council's Principles and Recommendations (3rd edition) (ASX Guidelines).**

This Statement is current as at 30 March 2016 and has been approved by the Board of Directors of the Company.

The Company's corporate governance policies and its Board and committee charters may be found on the Company's website at www.boartlongyear.com/company/corporate-profile/corporate-governance/.

The Board of Directors

Go to [Board of Directors Charter](#)

Go to [Board Delegation Policy](#)

The Board is responsible for verifying and approving the strategic goals of Boart Longyear and for oversight of management and direction of the Company's business strategy, with the ultimate aim being an increase in shareholder value.

The Board has in place a formal charter for the effective operation of the Board. The charter sets out:

- the Board's composition requirements;
- the term of office for directors;
- processes for evaluating director and Board performance;
- the establishment of the Board Chairman;
- the Board's functions and responsibilities, including matters specifically reserved for the Board;
- the authority delegated to the CEO and senior management;
- the Board's criteria for assessing director independence; and
- other administrative provisions.

The key functions and responsibilities of the Board include:

- providing strategic direction to management and approving the Company's business strategies and objectives;
- monitoring the operational and financial position and performance of the Company;
- setting the risk appetite for the Company;
- identifying the principal risks faced by the Company (including material economic, environmental and social sustainability risks), taking reasonable steps designed to ensure a sound risk management framework exists at the Company, including, in consultation with the Audit, Compliance and Risk Committee, reviewing the framework at least annually and taking reasonable steps to implement appropriate controls and mitigation strategies;
- requiring financial and other reporting mechanisms to be implemented and operating to ensure the Board, shareholders and the financial market as a whole are accurately and timely informed about all material developments relating to the Company;
- reviewing the composition, diversity and performance of the Board and management;
- reviewing and approving appropriate succession plans for key executives;
- overseeing and evaluating the performance of the Chief Executive Officer and other senior executives, having regard to business strategies and objectives;
- reviewing and approving remuneration for senior executives;
- approving the Company's budgets and business plans and monitoring the Company's capital management, including major capital expenditures, acquisitions or divestitures;
- monitoring procedures to ensure compliance with legal and regulatory requirements and accounting standards;
- establishing, disclosing and implementing a policy concerning diversity; and
- determining the level of authority delegated to the Chief Executive Officer and Company management.

Corporate Governance Statement

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BOART LONGYEAR LIMITED

The Board has delegated to the Chief Executive Officer and to the Company's Executive Management Committee responsibility for managing the business of the Company in compliance with Board policies, legal requirements and the fundamental standards of ethics and integrity reflected in the Company's [Code of Business Conduct](#). The Board policies and charter set clear thresholds for management authority and ensure accountability to, and oversight by, the Board or its committees for the approval of specific matters, including remuneration of senior executives, changes to the Company's share capitalisation, declaration of dividends, the Company's annual operating budget, material acquisitions and divestitures and changes to corporate strategy. Delegations are periodically reviewed by the Board and may be changed by the Board at any time.

The Board also is assisted by the Company secretaries, who are directly accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board.

Composition of the Board

Go to 2015 Annual Report, pages 71 to 73 – Board of Directors

The Board currently comprises seven non-executive directors and two executive directors. During 2015, the Board underwent a period of renewal, resulting in a Board with a diverse range of skills and experiences that will continue to act effectively and in the best interests of shareholders.

As part of the Centerbridge Partners, L.P. (**Centerbridge**)-led recapitalisation of the Company, which completed in early 2015, the Board agreed that Centerbridge would be entitled to nominate up to four directors (depending on the size of the Board), including the Board Chairman, subject to the approval of a majority of the independent directors. Messrs Clayton, Lewinsohn, Long and Randolph are current directors who were nominated by Centerbridge and approved by the Board.

The Board also conducted an extensive search for two additional independent directors during 2015, following which Ms O'Toole and McClain were appointed.

As a result of Mr Richard O'Brien stepping down as the Company's President and Chief Executive Officer, Mr Marcus Randolph assumed the role of Interim CEO and Executive Chairman from 1 September 2015 through 29 February 2016. Effective 1 March 2016, when Mr Jeffrey Olsen was promoted to the role of the Company's Chief Executive Officer and joined the Board as an executive director, Mr Randolph relinquished his responsibilities as Interim CEO. The Board considered Mr Randolph's assumption of executive duties in addition to his director duties to be essential in maintaining the stewardship of the Company while the search for a permanent replacement chief executive officer was undertaken, and Mr Randolph has been asked by the Board to continue to perform executive duties for the foreseeable future to assist Mr Olsen with the assumption of his new responsibilities.

As the Chairman served as Interim CEO and Executive Chairman during part of the reporting period, the Company did not comply with Recommendation 2.5 of the ASX Guidelines for the full reporting period. The Recommendation provides that the Chairman of the Board should be an independent director and should not be the same person as the Chief Executive Officer.

Skills and diversity of the Board

The Board, with the assistance of its Remuneration and Nominations Committee, regularly assesses the skills and diversity of the Board and considers whether the Board's composition and mix of skills are sufficient for the Board to competently discharge its responsibilities and meet its objectives. The Board has determined that together, Board members have a broad range of skills, extensive experience and knowledge and sufficient diversity necessary to oversee the Company's business.

The following Board skills matrix demonstrates the skills, experience and diversity of the directors in office as at the date of this Statement.

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For the year ended 31 December 2015

BOART LONGYEAR LIMITED

Skill	Percentage of Board with Skill as Area of Significant Experience
Mining Operations and Manufacturing	88%
Engineering/Technology	50%
Accounting/Finance	63%
Commercial/Sales/Business Development	75%
Governance	50%

Tenure	Percentage
<2 years	75%
2-5 years	25%
>5 years	0%

Gender	Percentage
Male	75%
Female	25%

Geography	Percentage with Significant Experience in Location
North America	100%
South America	63%
Australia/Asia	88%
Europe	100%
Africa	50%

Board independence

Go to [Board of Directors Charter](#)

The Company recognises that a majority of the directors should be independent, and the Board reviews director independence at least annually. In assessing the independence of non-executive directors, the Board has considered the criteria detailed in the Board charter and the ASX Guidelines including, whether a director:

- is a substantial shareholder of the Company, or an officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the Company;
- is or has been employed in an executive capacity by the Company or another member of the Group within the last three years, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the Company or another member of the Group;
- is, or has within the last three years been, in a material business relationship (e.g., as a material supplier or material customer) with the Company or another member of the Group, or an officer of, or otherwise associated directly or indirectly with, someone with such a relationship;

Corporate Governance Statement

For the year ended 31 December 2015

BOART LONGYEAR LIMITED

- has a material contractual relationship with the Company or another member of the Group other than as a Director of the Company;
- has close family ties with any person who falls within any of the categories described above;
- has served on the Board for such a period that his or her independence may have been compromised; and
- the director or any family member of the director has received compensation in excess of A\$100,000 from the Company during the past year other than in direct connection with the director fulfilling their role as a director of the Company.

The Board annually assesses the independence of each director in accordance with the Board's independence criteria. The Board has determined that Messrs Clayton, Day and McLennan and Mses O'Toole and McClain are independent directors and, therefore, the Board is currently comprised of a majority of independent directors.

The Board has considered the independence of several directors in light of their relationships with Centerbridge. Messrs Lewinsohn and Long are not regarded as independent due to their current or, in Mr Long's case, recent employment with Centerbridge, a significant shareholder in the Company.

Messrs Randolph's and Clayton's nomination to the Board by Centerbridge also has been considered. Each of them joined the Board as an independent, non-executive director, as neither represents Centerbridge's interests on the Board, and the Board is comfortable that they are able to bring an independent judgment to bear on issues presented before the Board. In forming the view that Mr Clayton is an independent director, the Board also took into account Mr Clayton's former employment as an executive of Rio Tinto prior to July 2014, including the fact that, in accordance with normal corporate practice, Mr Clayton currently holds unvested equity remuneration from Rio that relates to his prior employment. Although Rio Tinto is a material customer of the Company, the Board does not consider that Mr Clayton's prior relationship with Rio Tinto threatens his independence. The Company's relationship with Rio Tinto is a customary arms'-length customer-supplier relationship based on normal commercial terms, and Mr Clayton does not participate in any manner in the terms on which the parties transact.

As discussed above, Mr Randolph temporarily acted as Interim CEO and will continue to serve as Executive Chairman for the foreseeable future. The Board has determined that Mr Randolph should not be considered an independent director in light of the executive responsibilities he continues to exercise at the Company. The Board has, in the meantime, appointed Mr Rex McLennan as Senior Independent Director to preside over private sessions of the independent directors and otherwise represent the views of the independent directors.

The Board's annual review of director independence also includes reviewing for director relationships with the Company's customers, suppliers, consultants and professional advisors. Apart from the certain director relationships with Centerbridge, as noted above, no director has any significant relationship with a material business partner the Company.

Board processes

The Board meets at least six times a year and convenes additional meetings as required. The agenda for Board meetings is prepared by the Chief Executive Officer, the Company Secretary and other senior management in conjunction with the Chairman and, along with supporting papers, is distributed to directors prior to each meeting. Certain senior executives participate in Board and committee meetings to provide the directors with access to key operating, financial and compliance personnel on a regular basis. In addition, the directors have access to other Company employees in Board and committee meetings and in other settings.

Details about the number of times the Board met throughout the financial year ended 31 December 2015 and the attendance of each Director at those meetings can be found on page 74 of the Company's 2015 Annual Report

Board and Director nomination and selection

The Remuneration and Nominations Committee assists the Board with respect to succession planning and the assessment of director candidates, having particular regard to ensuring that the Board is comprised of directors with the appropriate balance of skills, experience, diversity and expertise. Boart Longyear undertakes appropriate checks of director candidates as part of

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assessing their suitability for appointment to the Board or election by shareholders. When candidates are submitted to shareholders for election or re-election, the Company includes in the notice of meeting all information in its possession that is material to the decision whether to elect or re-elect the candidate.

Director induction and continuing education process

Upon appointment, non-executive directors are given an appointment letter setting out the terms of appointment. The letter details the director's obligations, including to:

- act in the best interests of the Company at all times;
- submit to re-election from time to time as required by the Company's constitution;
- notify the Chairman of any change in circumstances that might prevent the director from being regarded as independent;
- comply with the Company's constitution, governance policies and all applicable legal requirements, including the Company's Securities Trading Policy;
- devote sufficient time to prepare for and attend Board meetings and otherwise to discharge the director's duties;
- keep confidential, and not use for the benefit of any person or party other than the Company, any confidential information of the Company; and
- disclose any directorships, business interests or circumstances that might represent conflicts of interests or reasonably be perceived to interfere with the exercise of the director's independent judgment, or have an adverse impact on the Company's reputation or public profile.

The appointment letter also confers certain benefits and rights upon the director, including indemnities and insurance coverage for liabilities arising out of the discharge of the director's duties and unfettered access to papers, information and employees of the Company. In addition, directors may, with the approval of the Chairman, consult with professional advisors.

The Company has established an induction process for new directors to inform them of the nature of the Company's business, strategies, risks and issues, and expectations about director performance, including awareness of continuous disclosure principles. The Company's induction process also includes meetings with senior management, including the leaders of the Company's business units and administrative functions. The Company has not completed its induction process for its new directors but intends to do so.

Directors may also engage in continuing education in respect of the skills and knowledge relevant to the Company, the industry in which the Company operates and the obligations of a listed company director. In addition, the Company occasionally engages professional advisors and other third parties to assist with the directors' awareness of regulatory developments and matters impacting on the discharge of their duties.

Board committees

Go to 2015 Annual Report pages 11 to 78 – Directors' Report

Go to 2015 Annual Report, pages 71 to 74 – Board of Directors

The Board is assisted by the following three committees in discharging its responsibilities:

- Audit, Compliance and Risk Committee;
- Remuneration and Nominations Committee; and
- Environment, Health and Safety Committee.

The committees have written charters that are reviewed annually. All non-executive directors may attend any committee meeting. The Chairman of each committee reports on committee proceedings at the next Board meeting, and minutes of all committee meetings are circulated to directors in subsequent Board meeting papers.

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Details about the number of times each Committee met throughout the financial year ended 31 December 2015 and the attendance of each Director at those meetings can be found on page 74 of the Company's 2015 Annual Report. Further details about the skills and experience of each Board and Committee member, including each Director's length of tenure, can be found on pages 71 to 73 of the Company's 2015 Annual Report.

Audit, Compliance and Risk Committee

Go to [Audit, Compliance and Risk Committee Charter](#)

The Audit, Compliance and Risk Committee assists the Board in the effective discharge of its responsibilities in relation to:

- external and internal audit functions;
- accounting policies;
- financial reporting;
- financial matters including treasury risks and practices (including hedging and risk management), insurance requirements and employee benefit plan investment policies;
- performance and funding requirements;
- business risk monitoring; and
- certain legal and regulatory compliance matters.

The Audit, Compliance and Risk Committee charter also sets out the duties of the Committee, including to:

- evaluate, and review the appointment of, the external auditor, including the provision of non-audit services;
- make recommendations on the appointment, and performance, of the internal auditor;
- review the accounting policies of the Company;
- review in detail and report to the Board on the integrity of Boart Longyear's half year and annual financial statements; and
- assist the Board as required in relation to the identification of the principal financial and compliance risks faced by the Company and review steps taken by management to implement controls and otherwise mitigate risks.

Under the Audit, Compliance and Risk Committee charter, the Committee is to consist of at least three members, all of which are non-executive directors, and the chairman should be an independent director who is not the Chairman of the Board. It is expected that each member of the Committee should be financially literate, and at least one member should have significant expertise in financial reporting, accounting or auditing. The current members of the Committee are Messrs Clayton (Chairman), Day and McLennan.

Remuneration and Nominations Committee

Go to [Remuneration and Nominations Committee Charter](#)

The Remuneration and Nominations Committee supports the Board in the effective discharge of its responsibilities in relation to:

- remuneration of executives and non-executive directors;
- recruitment and retention of management; and
- Board composition including with respect to Board succession planning and diversity.

In particular, the scope of the Committee's responsibilities include:

- reviewing the executive remuneration policy of the Company to ensure that it motivates management to pursue the Company's strategic priorities and is clearly linked to performance;
- reviewing the policy and any proposed change for the remuneration of non-executive directors, including the process for allocating the fee pool approved by shareholders;

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- assessing the skills required for the Board to competently discharge its responsibilities and meet its objectives;
- making recommendations to the Board in relation to the appointment and re-election of directors; and
- regularly reviewing the diversity policy of the Company and reporting to the Board on whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

Under the Remuneration and Nominations Committee charter, the Committee is to consist of at least three directors, the majority of which will be independent directors and all of which will be non-executive directors. The Chairman of the Committee should also be an independent director. The current members of the Committee are Mr. Day (Chairman) and Mses McClain and O'Toole.

Environment, Health and Safety Committee

Go to [Environment, Health and Safety Committee Charter](#)

Boart Longyear places a high priority on safety, management of operational risks and compliance with environmental laws and regulations. The Environment, Health and Safety Committee assists the Board in the effective discharge of its responsibilities in relation to these matters, and the Committee's responsibilities include:

- providing assurance to the Board that the Company has in place appropriate health, safety and environmental policies, processes and programs consistent with the Company's strategy and risk tolerance;
- receiving and reviewing reports from management on the status of compliance with the safety, health and environmental policies of the Company and on compliance with all applicable regulatory requirements including, where considered appropriate, through internal and external audits;
- in the event of the occurrence of a material safety, health or environmental incident, which occurrence is required to be reported to appropriate regulatory authorities and may have a material effect on the financial condition or reputation of the Company, receiving and reviewing reports from management detailing the nature of the incident and describing the remedial action being taken;
- reviewing with management safety, health, environmental and security related emergency response planning procedures of the Company;
- reviewing such other safety, health and environmental matters as the Committee may consider suitable or the Board may specifically direct;
- reviewing proposed new (or amendments to existing) safety, health or environmental regulations in jurisdictions applicable to the Company and its Directors and officers; and
- reviewing safety objectives for purposes of the Company's corporate bonus plan (or such other incentive programs as may be relevant) and making recommendations to the Board regarding the appropriateness of those objectives.

Under the Environment, Health and Safety Committee charter, the Committee is to consist of at least three non-executive directors. The current members of the Committee are Messrs McLennan (Chairman), Clayton and Long.

Performance evaluation and remuneration

Board and Director performance

The Board has a formal assessment process that includes performance assessments of the Board, Board committees and individual directors that is conducted on a regular basis. As part of the assessment process, each director and certain executives complete a questionnaire on the operation of the Board and its committees and the performance and contributions of the directors. The results of the questionnaires are compiled by the Chairman of the Board or committee, as applicable.

Board and committee performance evaluations were not completed during the financial year ended 31 December 2015 due to the significant turnover in the Board and its committees. The Board intends to resume regular performance assessments in

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2016. Performance evaluations as outlined in the foregoing paragraph were most recently completed in the financial year ended 31 December 2014.

Executive performance

The Company employs a structured performance evaluation process to ensure that senior executives are motivated to deliver shareholder value and are accountable to the Board at all times. The process commences early each financial year when the Board establishes and approves corporate performance objectives, as well as individual performance objectives for senior managers of the Company.

Senior executive performance evaluations were conducted for 2015 and details of the results of these evaluations, and their impact on executive remuneration, can be found in the Remuneration Report, on pages 46 to 65 of the Company's 2015 Annual Report (**2015 Remuneration Report**). Performance against each senior executive's strategic personal objectives impacts the potential incentive an executive may receive under the Company's short-term incentive plan, which also sets corporate financial performance and safety objectives that must be met.

Remuneration

Go to 2015 Annual Report pages 38 to 70 – Remuneration Report

Details regarding the policies and practices of Boart Longyear regarding the remuneration of non-executive directors, executive directors and senior executives are contained on pages 41 to 46 of the 2015 Remuneration Report. The 2015 Remuneration Report also details the results of the above performance evaluations of the Company's senior executives and impacts on individual remuneration levels.

Non-executive directors are not entitled to receive any performance-related remuneration, such as short-term or long-term incentives. Non-executive directors are remunerated by a fixed annual base fee with additional fees paid for serving on Board committees. . At the 2015 Annual General Meeting of the Company, shareholders approved that non-executive directors could contribute an amount equivalent to 50% of their annual base directors' fees towards acquiring ordinary shares in the Company. Accordingly, all non-executive directors and the Executive Chairman are receiving part of their fees in the form of Company shares.

Each executive director and senior executive has a written contract with the Company, details of which are included in the 2015 Remuneration Report.

Risk management and sustainability

Go to [Risk Management Policy](#)

The Board recognises that disciplined risk management and sound internal controls are fundamental to good corporate governance, and the Board and senior management accept their responsibility to identify and manage risk on an ongoing basis. The Company's risk management framework consists of a number of controls, including:

- documented systems, procedures, authorities and delegations for the orderly management of the Company;
- policies and ethical standards, and ensuring that employees understand such obligations;
- risk-based internal audits to test the Company's controls and assist management with the enforcement of Company policies;
- certifications from management and process owners throughout the Company regarding the design and operation of risk management systems, internal controls and compliance; and
- a formal risk management system, overseen by the Associate General Counsel and the Audit, Compliance and Risk Committee, based on a written risk management policy; and
- regular corporate risk identification and mitigation reviews.

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The Board reviews on an annual basis the risk registers prepared by corporate management. The Board is assisted and advised in its oversight of the Company's risk management system by two of its committees: the Environment, Health and Safety Committee with respect to health safety and operational risks, generally, and the Audit, Compliance and Risk Committee with respect to controls and compliance risks. Those committees consider the risks identified by senior management and review the corrective actions to mitigate identified risks and deficiencies.

The Board reviews the risk management framework at least annually and, in consultation with the Audit, Compliance and Risk Committee and Environment, Health and Safety Committee, takes reasonable steps to implement appropriate controls and otherwise mitigate risk. The Board reviewed the risk management framework in the financial year ended 31 December 2015 and is satisfied that it continues to be sound.

Integrity of financial reporting

Prior to approving the Company's financial statements for a reporting period, the Board receives from its Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records of the entity have been properly maintained, the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the entity, and the opinion has been formed on the basis of a sound system of risk management and internal controls that is operating effectively.

Such declarations were received by the Board in respect of both the half-year and full-year financial statements for 2015.

The declarations are supported by certifications made to the Chief Executive Officer and Chief Financial Officer by certain operating and financial managers of each of the Company's divisions as well as other accounting and financial personnel in the Company's significant operating jurisdictions. The certification framework provides a reasonable, but not absolute, level of assurance and does not imply a guarantee against adverse events or more volatile outcomes arising in the future. Management has also reported to the Board as to the effectiveness of the Company's management of material business risks.

Internal Audit

The Company has an internal audit function. The function is independent from the external auditor, is staffed by three professional auditors and is led by the Associate General Counsel, who reports to the Audit, Compliance and Risk Committee as well as to the Sr. VP, General Counsel and Secretary. Internal Audit provides independent assurance over the effectiveness of the Company's risk management, internal controls, and governance processes.

Environmental performance and sustainability

Go to [Environment, Health and Safety Policy](#)

Go to [Environment, Health and Safety at Boart Longyear](#)

Boart Longyear is committed to behaving compliantly, responsibly and ethically with respect to the environmental matters and to minimize the environmental impact of its operations. The Board, with the assistance of the Environment, Health and Safety Committee, monitors environmental performance against relevant legislation and Company values and monitors remedial action, when required.

The Company has pursued a corporate environmental sustainability initiative for the past several years that has focused on reducing the environmental impacts of its operations. The programme has included an assessment of impacts to air and water quality and waste generation from the Company's operations and the establishment of strategies to reduce such impacts through improved efficiencies, conservation and recycling as well as the reduced use of hazardous substances, where possible.

Additional information about the program is available on the Company's website at

<http://www.boartlongyear.com/company/sustainability/>.

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The Company's operations are subject to various environmental regulations in the jurisdictions in which it operates, including in Australia under Commonwealth, State and Territory legislation. Applicable environmental requirements, licenses and permits are identified in each business unit's risk register, which forms part of the consolidated entity's Environmental, Health and Safety (EHS) Management System. The consolidated EHS Risk Register is reviewed annually to ensure that cited regulations are current and to document whether or not compliance has been achieved. Where a non-compliance is discovered, corrective actions are developed to address the issue, and counsel is advised to ensure that any reporting requirements are included in the compliance plan. All agency interactions, including inspections, meetings, hearings or the receipt of environmental citations, notices of violations, penalties or compliance orders are tracked in the corporate EHS Information Management System.

Environmental inspections are conducted monthly by each business entity. Additionally, a system of both internal and external audits evaluates conformance with the ISO-14001 international standard for environmental management systems, and legal compliance is also incorporated within that audit process.

Management and the directors are not aware of any business unit operating in material breach of environmental regulations, including under any applicable law of the Commonwealth or of a State or Territory, during the calendar year ended 31 December 2015 or as at the date of this report. Nor is the Company aware of fines, citations or other significant regulatory enforcement action having been taken against the Company in Australia or another jurisdiction during such period.

Material risks

Go to 2015 Annual Report, pages 13 to 37 – Operating and Financial Review

Details regarding the material economic, environmental and social sustainability risks faced by the Company are contained in the Operating and Financial Review on pages 35 to 36 of the Company's 2015 Annual Report. That section of the Annual Report explains the Company's exposure to economic, environmental and social sustainability risks and how that exposure is managed.

Boart Longyear's policies

Code of Business Conduct and ethical standards

Go to [Code of Business Conduct](#)

Boart Longyear's directors, management and employees are required to adhere to the Company's core values and act with integrity at all times and maintain high ethical standards. The Company has adopted a Code of Business Conduct that covers a broad range of matters, including:

- conflicts of interest and the preservation and proper use of Company assets;
- protection of confidential and commercially sensitive information;
- employment legislation;
- competition law and fair dealing;
- environmental, health and safety considerations;
- improper payments, bribery and money laundering, including transactions with government officials;
- financial reporting and record-keeping; and
- each employee's affirmative duty to report violations of policy or law.

The Company supplements the Code of Business Conduct with additional policies that provide more detailed guidance on substantive legal requirements and other principles and requires employees to successfully complete assigned compliance training courses on an ongoing basis.

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In addition, the Company maintains, and actively promotes the use of, several systems for employees and other persons to report potential violations of the Code of Business Conduct and other policies. Reported concerns are investigated by the Company's legal department or external legal counsel and reported to the Board.

Securities Trading Policy

Go to [Securities Trading Policy](#)

The Company has a Securities Trading Policy that sets out the circumstances in which Key Management Personnel (including directors and senior employees) and all other employees are permitted to trade in the Company's shares. The policy sets out the Company's rules for dealing in securities and the procedures KMP and other designated employees must follow for prior approval to deal in Company securities. The policy establishes closed periods when dealing may not take place and also include prohibitions against short-term trading and hedging or other transactions that limit the economic risk of employees in respect of Company securities granted as remuneration.

Workforce diversity

Go to [Workforce Diversity Policy](#)

The Board of Directors has established a workforce diversity policy for the Company.

The policy sets out the Company's commitment to creating a diverse workforce that is representative of the diverse communities in which the Company operates and a work environment where people are free to achieve their best, without encountering prejudice regarding their gender, ethnicity, age, disability, sexual orientation, religion or cultural differences.

The Remuneration and Nominations Committee has responsibility for oversight of the policy. The Committee also reviews the policy at least annually and oversees its implementation, including progress made toward measurable objectives for achieving desired diversity representation and the continued relevance of those objectives.

In accordance with Company's Workforce Diversity Policy, the following objectives, and noted progress towards achieving those objectives, were established by, and reported to, the Remuneration and Nominations Committee:

- *Objective:* Continued progress in increasing female representation among all employees (excluding drillers and driller helpers) and more specifically in among senior management.

2015 progress:

- Female representation among all employees (excluding drillers and driller helpers) increased to 21% (from 17% in 2012 and 20% in 2014);
- female representation among senior managers increased to 16% (from 5% in 2010 and 13% in 2014); and
- appointment of two female directors on the Board, replacing two female directors who retired from the Board in 2015.

- *Objective:* Improved internal analysis to more granularly identify functions or businesses that are underrepresented with respect to market demographics for those respective areas.

2015 progress:

- Analysis was completed and reviewed with the Board, with two specific functions highlighted for focused improvements as recruiting opportunities arise.

- *Objective:* Assess current recruiting practices to ensure directors and employees are selected from a diverse pool of candidates. Identify and utilize alternative recruiting sources targeting female and minority candidates.

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2015 progress:

- Limited progress was made on this objective, as recruitment activity in 2015 was extremely low because of market conditions and overall reductions in the size of the Company's workforce.

- *Objective:* Include a specific review process to identify and track female and diverse employee representation in succession plans and leadership development programs.

2015 progress:

- A specific review of women in senior management positions as part of the Company's formal leadership assessment, development and succession management process.

The levels of gender diversity as at 31 December 2015 were:

Gender Diversity	Male	Female
Total Employees	90%	10%
Total Employees (excl. Drillers and Driller Helpers)	79%	21%
Senior Managers	84%	16%
Board of Directors	75%	25%

The Company defines a "senior manager," as reflected in the above table, as an employee with a title of "director" or above. At 31 December 2015, there were 50 employees at or above such a level among a global workforce of 4760 employees.

Continuous disclosure and communication with shareholders

Go to [External Communications Policy](#)

Go to [Boart Longyear – Corporate Governance](#)

The Board aims to ensure that all of its shareholders and the market in general are kept fully and promptly informed of all potentially price-sensitive developments and changes that are likely to materially affect the Company's operations, financial results and business prospects.

Boart Longyear has adopted an External Communications Policy that details the Company's continuous disclosure obligations and how the Company manages those obligations. The Company ensures that information is appropriately disclosed to the market in a timely and effective manner through a variety of internal reporting and regular information monitoring processes that are overseen by the directors, the Company secretaries and management's Executive Committee. The External Communications Policy also establishes protocols for external communications to ensure that all such communications are factual, subject to internal review and authorisation prior to issue, contain all material information and are timely and expressed in a clear and objective manner.

Boart Longyear values engagement with its shareholders, providing an understanding to the market of the Company's business, performance and governance. The Company uses the following procedures for engaging with shareholders:

- *Periodic Reporting:* The Company produces financial statements for its shareholders and other interested parties twice per year and allows shareholders to receive these documents by mail or access them electronically. In addition, the Company endeavours to provide key operational and financial performance indicators on at least a quarterly basis throughout the year.
- *Annual General Meeting:* Shareholders are encouraged to attend the Annual General Meeting each year and are provided with an explanatory memorandum on the resolutions proposed through the Notice of Meeting. If unavailable to attend, shareholders are encouraged to appoint a proxy to vote/attend on their behalf. The Company requires its external auditor to attend each Annual General Meeting and be available to answer questions from shareholders about the conduct of the audit and the preparation and contents of the auditor's report.

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- *Website:* The Boart Longyear website provides information on the Company's products and services as well as information useful to shareholders and market participants. In particular, the Investor and Corporate Governance sections direct shareholders to information likely to be of greatest interest to them.
- *Investor Relations:* The Company has an investor relations function to manage and assure prompt and relevant communications with shareholders and the market generally. The Company posts material information for its shareholders, such as ASX announcements and financial results, on its website at <http://www.boartlongyear.com/company/investors/>. Investors can contact the Company or its share registry, Link Market Services, directly by email or by mail and can in turn choose to receive communications electronically.

Donations

Boart Longyear contributes to the communities in which it works with donations, sponsorship and practical support. The Company does not make political donations. The Company's Charitable Giving Policy formally establishes the framework and requirements for all charitable giving by, and on behalf of, all Company operations and units. The policy aims to align Company charitable giving with the charitable interests of employees and regional operations by soliciting proposals directly from them and targeting projects and causes in which they participate actively. The Company especially targets projects that have clear objectives and outcomes promoting the following:

- education and opportunities for children – programs and opportunities that assist young people to develop marketable skills and competencies, particularly in the areas of engineering, science and technology; and
- health and preventive care – programs that improve the health and safety of employees, their families and their communities by improving access to critical resources and addressing endemic illnesses, including providing access to clean water sources and supporting the development of malaria vaccinations and treatments.

The Company's charitable giving is overseen by its management Executive Committee.