

## Appendix 4G

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

Name of entity:

LEAF RESOURCES LIMITED

ABN / ARBN:

18 074 969 056

Financial year ended:

30 June 2017

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: <http://www.leafresources.com.au/Investor-Resources/Corporate-Governance/>

The Corporate Governance Statement is accurate and up to date as at 30th June 2017 and has been approved by the board.

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

Date: 31/8/2017



Ian Hobson

Company Secretary

<sup>1</sup> 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.

<sup>2</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.

<sup>3</sup> 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 ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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 The functions reserved for the Board and delegated to senior executives are clearly set out in Corporate Governance Policy available on the company's website.	
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 The Appropriate checks have been undertaken and security holders receive appropriate information via the annual report and notice of meeting for the AGM.	
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 Agreements are in place.	
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 type="checkbox"/> in our Corporate Governance Statement The company secretary reports to Chairman for all board matters and this will be incorporated into our Corporate Governance Policy	

<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.

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 ... <sup>4</sup>
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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.leafresources.com">http://www.leafresources.com</a></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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> 1.5(c) an explanation why that is so 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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>		<p><input checked="" type="checkbox"/> an explanation why that is so</p> <p>(a) The Company has had a process in place for the past 3 years and utilised that process but it is not currently disclosed.</p> <p>(b) The Board has undertaken regular performance reviews. The process will be added to the Company's 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><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement - refer annexure to Corporate Governance Statement (attached)</p> <p>Performance of senior management is evaluated each year as part of the process of determining whether each executive has achieved their predetermined performance criteria. Although evaluations have been undertaken, the process is not yet documented or directly disclosed apart from disclosures within the remuneration report (refer p15 of the Company's 2016 Annual Report). The process will be added to the Company's 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 ... <sup>4</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>		
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>	
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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.leafresources.com.au">http://www.leafresources.com.au</a></p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> Dr Jay Hetzel, Mr Doug Rathbone and Mr Matt Morgan are Non-Executive independent directors as defined in ASX guidelines.</p> <p>Refer to our annual report at <a href="http://www.leafresources.com.au/Investor-Resources/Annual-Reports/">http://www.leafresources.com.au/Investor-Resources/Annual-Reports/</a></p>
		<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement - refer annexure to Corporate Governance Statement (attached)</p> <p>Due to the small size of the Company the functions of the nomination committee are undertaken by the Board. The Board will review recommendation 2.1 as part of its annual Corporate Governance review.</p> <p>A nomination committee charter is disclosed in the Corporate Governance Policy at <a href="http://www.leafresources.com.au/UserFiles/files/Documents/Corporate-Governance/V7_Leaf%20Resources-%20Corporate%20Governance%20Policies_2016.pdf">http://www.leafresources.com.au/UserFiles/files/Documents/Corporate-Governance/V7_Leaf%20Resources-%20Corporate%20Governance%20Policies_2016.pdf</a></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 ... <sup>4</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> In our annual report at <a href="http://www.leafresources.com.au/Investor-Resources/Annual-Reports/">http://www.leafresources.com.au/Investor-Resources/Annual-Reports/</a></p> <p>Three of the four directors are independent directors.</p>	
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>The Chairman, Dr Jay Hetzel is an independent non-executive director.</p>	
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.		<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement - refer annexure to Corporate Governance Statement (attached)</p> <p>An induction program has not been developed due to the small size of the company. All directors receive a copy of our policies and procedures upon joining the board.</p>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>The Code of Conduct is included in the Corporate Governance policy which is available on the company's website at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a></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 ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</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>[If the entity complies with paragraph (a):]</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"/> at in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>The Company has an Audit and Risk committee which consists of Mr Matt Morgan (Chairman), Dr Jay Hetzel and Mr Doug Rathbone all of whom are independent.</p> <p>The Audit and Risk committee charter is included in the Corporate Governance policy which is available on the company's website at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a></p> <p>Other details are included in the 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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</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 ... <sup>4</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	... our continuous disclosure compliance policy or a summary of it: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in our Corporate Governance Statement</li> </ul> Continuous disclosure policy included in the Corporate Governance policy and is available on the company's website at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a> .	
<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.	... information about us and our governance on our website: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a>, in the Corporate Governance Section.</li> </ul>	
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: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in our Corporate Governance Statement</li> </ul> See <a href="http://www.leafresources.com.au/Investor-Resources/">http://www.leafresources.com.au/Investor-Resources/</a> in the Investors Section.	
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: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in our Corporate Governance Statement</li> </ul> See communication policy in the Corporate Governance policy which is available on the company's website at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a> .	
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: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> through our share registry</li> </ul>	

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 ... <sup>4</sup>	
<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>[If the entity complies with paragraph (a):]</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</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Company's annual report  <a href="http://www.leafresources.com.au/Investor-Resources/Annual-Reports/">http://www.leafresources.com.au/Investor-Resources/Annual-Reports/</a></p> <p>The board has established an audit and risk committee as detailed in 4.1. The company has a risk register, which is reviewed twice a year.</p> <p>Chair is Mr Matt Morgan, who is not the Company Chairman.</p> <p>The audit and risk committee charter is included in the Corporate Governance policy which is available on the company's website at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a></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>	
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><input checked="" type="checkbox"/> refer annexure to Corporate Governance Statement (attached)</p> <p>Due to the small size of the company it does not currently have an internal audit function. The Board will review recommendation 7.3 as part of its annual Corporate Governance review.</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 ... <sup>4</sup>
7.4	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.		<input checked="" type="checkbox"/> refer annexure to Corporate Governance Statement (attached) The entity carries out a risk review twice annually and has not identified any material exposure to economic, environmental and social sustainability.
<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>[If the entity complies with paragraph (a):]</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"/> at <a href="http://www.leafresources.com.au/UserFiles/files/Documents/Corporate-Governance/V7_Leaf%20Resources-%20Corporate%20Governance%20Policies_2016.pdf">http://www.leafresources.com.au/UserFiles/files/Documents/Corporate-Governance/V7_Leaf%20Resources-%20Corporate%20Governance%20Policies_2016.pdf</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at <a href="http://www.leafresources.com.au/Investor-Resources/Annual-Reports/">http://www.leafresources.com.au/Investor-Resources/Annual-Reports/</a></p> <p>The members of the Remuneration committee are Dr Jay Hetzel (Chairman), Mr Doug Rathbone and Mr Matt Morgan.</p> <p>The Remuneration policy and Remuneration charter Are included in in the Corporate Governance policy which is available on the company's website at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a>.</p> <p>Other details are included in the annual report.</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 ... <sup>4</sup>
8.2	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>... 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"/> at at <a href="http://www.leafresources.com.au/Investor-Resources/Annual-Reports/">http://www.leafresources.com.au/Investor-Resources/Annual-Reports/</a></p> <p>The structure of non-executive Directors' remuneration is disclosed in the annual report.</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> <p>The company's security trading policy deals with this area. The policy is included in the Corporate Governance policy which is available on the company's website at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a></p>	

Further information about the Company's corporate governance practices is set out on the Company's website at <http://www.leafresources.com.au/Investor-Resources/>

**Leaf Resources Limited**  
**Corporate Governance Statement**

ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations – 3<sup>rd</sup> edition*

**As at 30 June 2017 and approved by the Board.**

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The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments.

A full copy of the Company's corporate governance charter and associated policies, protocols and related instruments is available on the Company's website under its "Corporate Governance" heading – [www.leafresources.com.au](http://www.leafresources.com.au)

The Company intends to follow the ASX CGC P&R in all respects other than as specifically provided below.

The independent directors of the Company are Dr Jay Hetzel, Mr Doug Rathbone, Mr Matt Morgan and Mr Bill Baume.

<b>Recommendation</b>	<b>Compliance</b>	<b>Explanation</b>
1.1 A listed entity should disclose:		The Board has established a Corporate Governance Policy which summaries the role and duties of the Board.
a. The respective roles and responsibilities of its board and management; and	✓	The Company considers that the primary responsibility of the Board is to oversee the Company's business activities and management for the benefit of the shareholders by:
b. Those matters expressly reserved to the board and those delegated to management.	✓	<ul style="list-style-type: none"><li>– setting objectives, goals and strategic direction with management with a view to maximising shareholder value;</li><li>– overseeing the financial position and monitoring the business and affairs of the Company;</li><li>– establishing corporate governance, ethical, environmental and health and safety standards;</li><li>– ensuring significant business risks are identified and appropriately managed; and</li><li>– ensuring the composition of the Board is appropriate, selecting directors for appointment to the Board and reviewing the performance of the Board and the contributions of individual directors.</li></ul> The management structure of the Company and the suitability of authority levels are determined and reviewed by the Board. Matters which are not covered by the delegations require Board approval.

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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	✓	Appropriate checks have been undertaken.												
	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	✓	All material information that the Company has in its possession has been disclosed.												
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	✓	Agreements are in place.												
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 proper functioning of the board.	✓	This practice is in place.												
1.5	A listed entity should:														
	a. Have a diversity policy;	✓	While not setting specific targets for achieving gender diversity, Leaf Resources does not discriminate in favour of or against the appointment of women at any level in the organisation, nor does it discriminate based on gender in setting salary levels, training and development or in other advancement opportunities. This will always be based on technical abilities and qualifications with no consideration to gender.  The table below provides actual data on gender diversity that currently exists within the group.												
	b. Disclose that policy or a summary of it;	✓													
	c. Disclose the measurable objectives for achieving gender diversity and the its progress towards achieving them; and	x													
	d. The respective proportions of men and women.	✓													
			<table> <thead> <tr> <th></th> <th>Number</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Women employed whole organisation</td> <td style="text-align: center;">2</td> <td style="text-align: center;">25%</td> </tr> <tr> <td>Women in senior executive roles</td> <td style="text-align: center;">1</td> <td style="text-align: center;">33%</td> </tr> <tr> <td>Women in board positions</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0%</td> </tr> </tbody> </table>		Number	%	Women employed whole organisation	2	25%	Women in senior executive roles	1	33%	Women in board positions	0	0%
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Women employed whole organisation	2	25%													
Women in senior executive roles	1	33%													
Women in board positions	0	0%													
1.6	A listed entity should:														
		x	The Company does not have a documented procedure for the evaluating the performance of the Board, its committees and directors.												

	<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 whether performance evaluations were undertaken.</p>	✓	<p>An evaluation of the performance of the Board and its directors is undertaken informally each year. The Chairman of the Board is the driver of this process.</p> <p>The evaluation of the performance of the Board's various committees is undertaken on an exception basis. This is also an informal process which is driven by the Chairman of the Board.</p>
1.7	<p>A listed entity should:</p> <p>a. Have and disclose a process for periodically evaluating the performance of senior management; and</p> <p>b. Disclose whether performance evaluations were undertaken.</p>	<p>x</p> <p>✓</p> <p>✓</p>	<p>The Board regularly evaluates the performance of senior executives however the process has not been documented or disclosed.</p> <p>The Company has undertaken a performance evaluation for senior executives during the financial year.</p>
2.1	<p>A listed entity should have a nomination committee which:</p> <ul style="list-style-type: none"> <li>- Consists of at least 3 members, a majority of whom are independent directors;</li> <li>- Is chaired by an independent director;</li> </ul> <p>And disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul> <p>If it does not have a nomination committee disclose that fact and the process it follows to address that role.</p>	<p>x</p> <p>✓</p>	<p>The Company does not presently have a separate nomination committee. The size of the Company and Board does not warrant the establishment of a separate nomination committee. The duties of such committee have been considered and adopted by the Board.</p> <p>The Company does not have a documented procedure for the selection and appointment of directors. The Board informally reviews the skill set of and market expectations for its directors on a regular basis and considers these factors when appointing / re-electing directors.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix.</p>	✓	<p>The director skills matrix is available on the corporate governance section of the website.</p>
2.3	<p>A listed entity should disclose:</p>	✓	<p>The independent directors of the Company are Dr Jay Hetzel, Mr Doug Rathbone, Mr Matt Morgan and Mr Bill Baume. Their respective length of service is set out in the annual report.</p>

	<ul style="list-style-type: none"> <li>- The names of the directors considered by the board to be independent directors and length of service.</li> <li>- If a director has an interest / association / relationship that meets the factors of assessing independence.</li> </ul>		
2.4	A majority of the board should be independent directors.	✓	Four of the five board members are independent.
2.5	The chair should be an independent director.	✓	The Chairman, Mr Jay Hetzel, is an independent non-executive chairman.
	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	✓	The positions of Chairman and Chief Executive Officer are not held by the same person.
2.6	A listed entity should have a program for inducting new directors.	✘	The Company does not presently have a program for inducting new members as the size of the Company and Board does not warrant this practice.
3.1	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>- have a code of conduct; and</li> <li>- disclose the code or a summary of it.</li> </ul>	<p>✓</p> <p>✓</p>	<p>The Board has adopted a Code of Conduct. The code outlines the Company's position on a range of ethical and legal issues including financial inducements, conflicts of interest and accountability and addresses:</p> <ul style="list-style-type: none"> <li>• the practices necessary to maintain confidence in the company's integrity;</li> <li>• the practices necessary to take into account their legal obligations and the expectations of their stakeholders; and</li> <li>• responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> <li>•</li> </ul> <p>The code applies to directors, employees, and anyone who works with the Company.</p> <p>The Code of Conduct is available at <a href="http://www.leafresources.com.au">www.leafresources.com.au</a></p>
4.1	The board of a listed entity should have an audit committee which:	✓	The Company has an Audit and Risk committee which consists of Mr Matt Morgan (Chairman), Dr Jay Hetzel and Mr Doug Rathbone all of whom are independent.

	<ul style="list-style-type: none"> <li>- Has at least three members all of whom are non-executive directors and a majority of independent directors; and</li> <li>- Is chaired by an independent chair, who is not chair of the board.</li> </ul> <p>Disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The relevant member qualifications;</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul>		<p>The Audit and Risk committee charter is included in the Corporate Governance policy which is available on the company's website at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a></p> <p>Other details are included in the annual report.</p>
4.2	The board should receive declarations for CEO & CFO in accordance with S.295A of corporations act before approving financial statements.	✓	The declarations have been provided.
4.3	A listed entity should ensure its external auditor attends its AGM.	✓	This practice is in place.
5.1	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>- Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>- disclosure that policy or a summary of it.</li> </ul>	<p>✓</p> <p>✓</p>	<p>The Board recognises that shareholders and the investment market generally should be informed of all major business events that influence the Company in a timely and widely available manner. To safeguard the effective dissemination of information the Company has adopted an Information Disclosure Policy. The Policy outlines how the Company identifies and distributes information to shareholders and market participants and has been designed to ensure:</p> <ul style="list-style-type: none"> <li>- compliance with ASX Listing Rule disclosure; and</li> <li>- accountability at a senior executive level for that compliance.</li> </ul> <p>The Company's Information Disclosure Policy is available on the Company's website in the Policies section.</p>
6.1	A listed entity should provide information about itself and its governance to investors via its website.	✓	The company information and governance policies are contained on the company's website on <a href="http://www.leafresources.com.au">www.leafresources.com.au</a> .

6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	✓	<p>The Company's communication strategy forms part of the Company's Information Disclosure Policy. The Board aims to ensure that the market and shareholders are informed of all major developments affecting the Company. The Company's website contains a section for shareholders and investors (Investor Centre).</p> <p>All announcements and corporate material of interest to shareholders and the market generally can be found on the Investor Centre. The Company's communication strategy has been designed to:</p> <ul style="list-style-type: none"> <li>- promote effective communication with shareholders; and</li> <li>- encourage shareholder participation at AGMs.</li> </ul>
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.	✓	Satisfied. See communication policy at <a href="http://www.leafresources.com.au">www.leafresources.com.au</a> .
6.4	A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.	✓	Orchestrated via the share registry service (welcome pack to investors).
7.1	<p>The board of a listed entity should have a committee to oversee risk, which:</p> <ul style="list-style-type: none"> <li>- Has at least three members all of whom are non-executive directors and a majority of independent directors; and</li> <li>- Is chaired by an independent chair, who is not chair of the board.</li> </ul> <p>Disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee; and</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul> <p>If it does not have a risk committee disclose that fact and the process it follows to address that role.</p>	✓	<p>The board has established an audit and risk committee as detailed in 4.1. The company has a risk register, which is reviewed twice a year.</p> <p>Chair is Mr Matt Morgan, who is not the Company Chairman.</p> <p>The audit and risk committee charter is included in the Corporate Governance policy which is available on the company's website at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a></p>

7.2	<p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>- Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>- Disclose whether such a review has taken place.</li> </ul>	✓	<p>The Company has in place a system to identify, monitor and manage significant risks associated with its business activities. The risk register and related risk management controls are reviewed by management and the Board at least annually.</p> <p>The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategies, policies, internal compliance and internal controls.</p> <p>A review of the Company's risk register and controls, as well as risk management framework, was undertaken for the financial year ending 30 June 2017. The Company is satisfied that the risk management framework is in line with industry standards for risk reporting.</p>
7.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>- If it has an internal audit function, how the function is structured and what role it performs;</li> <li>- If it does not have an internal audit function, disclose that fact and the process it follows to address that function.</li> </ul>	✘	<p>Leaf Resources does not have its own internal audit function given the relative size of the organisation.</p> <p>The Board considers the current systematic monitoring of control activities to be sufficient to manage current and future risks.</p>
7.4	<p>The entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages those risks.</p>	✓	<p>The Company does not have any significant exposure to economic, environmental or social sustainability risks.</p>
8.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>- have a remuneration committee which has at least three members all of whom are non-executive directors and a majority of independent directors; and</li> <li>- Is chaired by an independent director; and</li> </ul> <p>Disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> </ul>	✓	<p>The members of the Remuneration committee are Dr Jay Hetzel (Chairman), Mr Doug Rathbone and Mr Matt Morgan.</p> <p>The Remuneration policy and Remuneration charter Are included in in the Corporate Governance policy which is available on the company's website at <a href="https://www.leafresources.com.au">https://www.leafresources.com.au</a>. Other details are included in the annual report.</p>

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- The members of the committee; and
  - The number of times the committee met and individual attendance at those meetings
- If it does not have a remuneration committee disclose that fact and the process it follows to address that role.
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8.2 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. ✓ The structure of Directors' remuneration is disclosed in the annual report.

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8.3 A listed entity which has an equity-based remuneration scheme should: ✓ The company's security trading policy deals with this area. The policy is included in the Corporate Governance policy which is available on the company's website at <https://www.leafresources.com.au>

- Have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme;
- Disclose that policy or a summary of it.

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Further information about the Company's corporate governance practices is set out on the Company's website.