

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Leigh Creek Energy Limited

ABN / ARBN:

107 531 822

Financial year ended:

30 June 2015

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

These pages of our annual report:

This URL on our website:

www.lcke.com.au/Investors/Corporate-Governance

The Corporate Governance Statement is accurate and up to date as at 30 June 2015 and has been approved by the board.

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

Date: 30 September 2015

Name of ~~Director or~~ Secretary authorising
lodgement: Jordan Mehrtens

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 OR <input type="checkbox"/> at [insert location] ... 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"/> at www.lcke.com.au/Investors/Company-Charter-Policies/Board-Charter	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a 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 OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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.

For personal use only

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 type="checkbox"/> in our Corporate Governance Statement OR</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 type="checkbox"/> at <i>[insert location]</i></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 OR</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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ 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><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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 OR</p> <p><input checked="" type="checkbox"/> at http://www.lcke.com.au/About-Us/Our-People-Board</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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 type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.lcke.com.au/Investors/Corporate-Governance ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.lcke.com.au/About-Us/Our-People-Board	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and 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 OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.lcke.com.au/Investors/Company-Charter-Policies/Code-of-Conduct 	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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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>[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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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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.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
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.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at http://www.lcke.com.au/Investors/Corporate-Governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so 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.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.lcke.com.au/Investors/Corporate-Governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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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>[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 Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://lcke.com.au/Investors/Company-Charter-Policies/Audit-Risk-Committee</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at http://www.lcke.com.au/Investors/Corporate-Governance</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so 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
<p>7.3 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>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at http://www.lcke.com.au/Investors/Corporate-Governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>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.</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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at http://www.lcke.com.au/Investors/Corporate-Governance</p>	<p><input type="checkbox"/> an explanation why that is so 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 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>[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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... 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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Leigh Creek Energy Limited - Corporate Governance Statement

Leigh Creek Energy Limited (Leigh Creek Energy) provides this Corporate Governance Statement which discloses the extent to which Leigh Creek Energy follows the recommendations set by the ASX Corporate Governance Council in its *Corporate Governance Principles and Recommendations (Third Edition)* (Recommendations). The information in this statement is current as at 30 June 2015 and has been approved by the Board.

To the extent that Leigh Creek Energy does not intend to follow all of the Recommendations, this Corporate Governance Statement identifies those Recommendations and sets out Leigh Creek Energy's reasons for not following them.

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.1</p> <p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Yes	<p>Leigh Creek Energy's Board has adopted a Board Charter which clearly defines the roles and responsibilities of the Board and management.</p> <p>Leigh Creek Energy's Board Charter has been disclosed on its website at http://www.lcke.com.au/Investors/Company-Charter-Policies/Board-Charter</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not</p>	Yes	<p>Although the Board does not have a separate nomination committee to oversee such matters (see Recommendation 2.1 below), as a matter of practice the Board ensures that all potential candidates for election are appropriately vetted, including by carrying out criminal history and bankruptcy checks and conferring with referees. The Board also ensures that all material information regarding candidates is put to security holders at the time of election or re-election to the Board.</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
to elect or re-elect a director.		
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	Leigh Creek Energy has entered into written agreements with each director and senior executive.
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Yes	The Company Secretary is accountable to the Board through the Chair on all governance matters. The appointment or removal of the Company Secretary is a matter of decision for the Board.
<p>Recommendation 1.5</p> <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</p>	No	<p>Leigh Creek Energy does not have a diversity policy and the Board does not set objectives for achieving gender diversity.</p> <p>The Board and senior management recruit persons based on skills and experience appropriate for the role concerned and do not discriminate based on gender, age, ethnicity or cultural background.</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
<p>progress towards achieving them, and either:</p> <p>(i) 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>(ii) 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>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	No	<p>Leigh Creek Energy does not have a formal documented process for the evaluation of the Board, its committees or individual directors.</p> <p>The Board undertakes an ongoing process of evaluation and the composition of the Board is changed accordingly.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether</p>	Yes	<p>Senior management are subject to an Annual Performance Evaluation which is undertaken by the Board.</p> <p>The reviews are internal. The use of external facilitators is not warranted as the members of the Board have direct access to management.</p> <p>The Chairman presides over the review process with input from other</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
a performance evaluation was undertaken in the reporting period in accordance with that process.		Directors. Review of senior staff is ongoing.
Principle 2: Structure the board to add value		
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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</p>	No	<p>Leigh Creek Energy does not have a nomination committee.</p> <p>The Board is of the opinion that it is not of a sufficient size to warrant a separate nomination committee at this time. It is part of the Board's role to regularly evaluate its composition to ensure that it has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> <p>The scope and size of Leigh Creek Energy dictates a small Board. When a need arises and where it is considered the Board would benefit from the appointment of a Director with specific skills and experience, all members of the Board participate in seeking out appropriate potential candidates. In some instances assistance from external sources may be sought if necessary.</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
discharge its duties and responsibilities effectively.		
<p>Recommendation 2.2</p> <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>	Yes	<p>The skills and experience of each director are set out in detail on Leigh Creek Energy's website:</p> <p>http://www.lcke.com.au/About-Us/Our-People-Board</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type that might cause doubts about the independence of the director 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>	Yes	<p>Leigh Creek Energy has disclosed those directors that it considers to be independent- see Leigh Creek Energy's website at:</p> <p>http://www.lcke.com.au/Investors/Corporate-Governance</p> <p>The length of service of each director is also set out on Leigh Creek Energy's website at:</p> <p>http://www.lcke.com.au/About-Us/Our-People-Board</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	No	<p>Two of the four Directors on the Board are independent.</p> <p>The Board considers it presently has an appropriate balance of skills, experience and independence to properly fulfil its role.</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	No	<p>The Chair of the Board is Mr Justyn Peters who is also an Executive Director.</p> <p>The Board considers that, given Leigh Creek Energy's size and nature, it is appropriate for Mr Peters to act as Chair in addition to his executive functions. Although he has an executive position, Mr Peters is not the CEO of Leigh Creek Energy with that role performed by Mr David Shearwood as Managing Director.</p>
<p>Recommendation 2.6</p> <p>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>	Yes	<p>Leigh Creek Energy has a program for inducting new directors and ensures that current directors have the opportunity to develop and maintain the skills and knowledge needed to perform their roles.</p>
<p>Principle 3: Act ethically and responsibly</p>		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(d) have a code of conduct for its directors, senior executives and employees; and</p> <p>(e) disclose that code or a summary of it.</p>	Yes	<p>Leigh Creek Energy has a Code of Conduct which has been disclosed on its website at:</p> <p>http://www.lcke.com.au/Investors/Company-Charter-Policies/Code-of-Conduct</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
Principle 4: Safeguard integrity in corporate reporting		
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; 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</p>	See explanation	<p>The Board of Leigh Creek Energy has an Audit and Risk Committee which has three members and is chaired by an independent director who is not the Chair of the Board.</p> <p>However, one of the members of the Audit and Risk Committee is an executive director.</p> <p>The Board is comprised of only four directors, two of whom are executive directors. The Audit and Risk Committee is therefore unable to have three members, all of whom are non-executive directors.</p> <p>Leigh Creek Energy has disclosed a copy of the charter for the Audit and Risk Committee on its website:</p> <p>http://www.lcke.com.au/Investors/Company-Charter-Policies/Audit- Risk-Committee</p> <p>The relevant qualifications of each member of the Audit and Risk Committee are set out on Leigh Creek Energy's website at:</p> <p>http://www.lcke.com.au/Investors/Corporate-Governance</p> <p>Leigh Creek Energy's Directors' Report for each reporting period will contain a summary of the number of times the Audit and Risk Committee met during that period and each member's attendance record.</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
and removal of the external auditor and the rotation of the audit engagement partner.		
<p>Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, 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>	Yes	<p>In accordance with the requirements of section 295A of the <i>Corporations Act 2001</i>, before the Board approves Leigh Creek Energy's financial statements for a financial period, the Board ensures that it receives assurance from the Managing Director and Chief Financial Officer for that financial period that, in their opinion:</p> <ul style="list-style-type: none"> • Financial records have been properly maintained in accordance with section 286 of the Corporations Act. • Financial statements and notes are in compliance with accounting standards as required by Sec 296 of the Corporations Act. • Financial statements and notes give a true and fair view of the financial performance and position at balance date required by Sec 297 of the Corporations Act. • Risk management and internal compliance and control systems are operating efficiently and effectively in all material respects. <p>Confirmation that the Board has received the assurance is set out in the statutory annual Directors' Declaration.</p>
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions</p>	Yes	<p>Leigh Creek Energy requires the attendance of a representative of its external auditors at its AGM and encourages shareholders to attend and raise questions with the auditor's representative or directors.</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
from security holders relevant to the audit.		
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	No	<p>Leigh Creek Energy has not publicly disclosed a formal disclosure policy.</p> <p>Given Leigh Creek Energy's size, the Board does not consider publication of disclosure policy to be necessary. The Board takes ultimate responsibility for these matters.</p>
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	<p>Leigh Creek Energy has set out comprehensive information in relation to itself and its governance on its website. See in particular:</p> <p>http://www.lcke.com.au/Investors/Corporate-Governance</p>
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	<p>A Communications Manager is employed by Leigh Creek Energy to, amongst other things, promote the interests of shareholders and to facilitate effective two-way communication between Leigh Creek Energy and its shareholders.</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
<p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Yes	<p>Leigh Creek Energy's processes are set out on its website at:</p> <p>http://www.lcke.com.au/Investors/Corporate-Governance</p>
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	<p>Shareholders have the option to receive communications from, and to send communications to, Leigh Creek Energy and its share registry electronically.</p>
<p>Principle 7: Recognise and manage risk</p>		
<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p>	Yes	<p>The Audit and Risk Committee is also responsible for risk management and must ensure that controls are in place to monitor all levels of management in the efficient and effective discharge of their responsibilities by the use of independent analysis, appraisals, advice and recommendations.</p> <p>The composition of the Audit and Risk Committee, and a link to its charter which has been made available on Leigh Creek Energy's website, is set out in Recommendation 4.1 above.</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
<p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <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>Recommendation 7.2</p> <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>	Yes	<p>Leigh Creek Energy has adopted a Risk Management Policy which has been disclosed on Leigh Creek Energy's website at:</p> <p>http://www.lcke.com.au/Investors/Company-Charter-Policies/Risk-Management-Policy</p> <p>That policy is regularly reviewed to ensure that it remains adequate.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and</p>	Yes	<p>Leigh Creek Energy does not have any formal internal audit function. However, it has disclosed this fact and the processes employed by the Board and management regarding risk management on its website:</p> <p>http://www.lcke.com.au/Investors/Corporate-Governance</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
continually improving the effectiveness of its risk management and internal control processes.		
<p>Recommendation 7.4</p> <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>	Yes	<p>Key areas of risk are disclosed on Leigh Creek Energy's website at:</p> <p>http://www.lcke.com.au/Investors/Corporate-Governance</p>
<p>Principle 8: Remunerate fairly and responsibly</p>		
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual</p>	See explanation	<p>The Board does not have a remuneration committee.</p> <p>The Board is of the opinion that it is not of a sufficient size to warrant a remuneration committee at this time. The role of setting remuneration levels for directors and senior executives is undertaken by the Board.</p> <p>The remuneration of Non Executive Directors is set by reference to an aggregate cap approved by shareholders from time to time at the annual general meeting. The contribution of each Non Executive Director is taken into account in arriving at individual remuneration levels having regard for reasonable and competitive market rates.</p> <p>The performance of Executive Management and Executive Directors, when such office is held, is reviewed by the Board in establishing the remuneration of such persons, with the exclusion of the Executive concerned from those deliberations.</p>

Principle/Recommendation	Compliance	How Leigh Creek Energy complies or reasons for non-compliance
<p>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>External advice is sought on remuneration matters when deemed necessary to ensure that the remuneration of Directors and Executive Management is appropriate and not excessive.</p> <p>The details of remuneration of Directors and Senior Management during each reporting period are set out in the statutory Directors' Report.</p>
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	No	<p>Leigh Creek Energy has not separately disclosed such policies and practices.</p> <p>Given Leigh Creek Energy's size, the Board does not consider publication of formal policies and practices to be necessary. The remuneration of Executive and Non-Executive Directors has been disclosed.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>Leigh Creek Energy has established an Employee Share Option Plan which functions as an equity-based remuneration scheme. Participants are not able to hedge options acquired under the plan to reduce the economic risk of participating.</p>