

## Appendix 4G

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

Name of entity:

L1 Long Short Fund Limited

ABN / ARBN:

623 418 539

Financial year ended:

30 June 2018

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: <https://www.l1longshort.com/company-information/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 23 October 2018 and has been approved by the board.

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

Date: 23 October 2018

Name of Director or Secretary authorising  
lodgement: Adam Sutherland

<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: in our Corporate Governance Statement <b>OR</b> at <i>[insert location]</i> ... 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): at <i>[insert location]</i>	an explanation why that is so in our Corporate Governance Statement <b>OR</b> 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: in our Corporate Governance Statement <b>OR</b> at <i>[insert location]</i>	an explanation why that is so in our Corporate Governance Statement <b>OR</b> 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: in our Corporate Governance Statement <b>OR</b> at <i>[insert location]</i>	an explanation why that is so in our Corporate Governance Statement <b>OR</b> 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: in our Corporate Governance Statement <b>OR</b> at <i>[insert location]</i>	an explanation why that is so in our Corporate Governance Statement <b>OR</b> we are an externally managed entity and this recommendation is therefore not applicable

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

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>in our Corporate Governance Statement <b>OR</b></p> <p>at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p>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>in our Corporate Governance Statement <b>OR</b></p> <p>at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p>in our Corporate Governance Statement <b>OR</b></p> <p>at <i>[insert location]</i></p>	<p>an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p>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>in our Corporate Governance Statement <b>OR</b></p> <p>at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p>in our Corporate Governance Statement <b>OR</b></p> <p>at <i>[insert location]</i></p>	<p>an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p>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>in our Corporate Governance Statement <b>OR</b></p> <p>at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p>in our Corporate Governance Statement <b>OR</b></p> <p>at <i>[insert location]</i></p>	<p>an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p>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 ... <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>	<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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p style="padding-left: 40px;">at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <a href="http://www.L1LongShort.com">www.L1LongShort.com</a></p>	<p>an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p>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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at Annual Report</p>	<p>an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p>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 ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, 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:  in our Corporate Governance Statement <b>OR</b>  at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b):  in our Corporate Governance Statement <b>OR</b>  at <i>[insert location]</i> ... and the length of service of each director:  in our Corporate Governance Statement <b>OR</b>  is in the Annual Report.	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:  in our Corporate Governance Statement <b>OR</b>  at <i>[insert location]</i>	an explanation why that is so in our Corporate Governance Statement <b>OR</b>  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:  in our Corporate Governance Statement <b>OR</b>  at <i>[insert location]</i>	an explanation why that is so in our Corporate Governance Statement <b>OR</b>  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:  in our Corporate Governance Statement <b>OR</b>  at <i>[insert location]</i>	an explanation why that is so in our Corporate Governance Statement <b>OR</b>  we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it:  in our Corporate Governance Statement <b>OR</b>  at <a href="http://www.L1LongShort.com">www.L1LongShort.com</a> .	an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p style="padding-left: 40px;">at www.L1LongShort.com</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">in the Annual Report.</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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p>	<p>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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p>	<p>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 ... <sup>4</sup>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: in our Corporate Governance Statement <u>OR</u> at <i>[insert location]</i>	an explanation why that is so in our Corporate Governance Statement <u>OR</u> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: in our Corporate Governance Statement <u>OR</u> www.L1LongShort.com	an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: at www.L1LongShort.com	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.	... the fact that we follow this recommendation: in our Corporate Governance Statement <u>OR</u> at <i>[insert location]</i>	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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: in our Corporate Governance Statement <u>OR</u> at www.L1LongShort.com	an explanation why that is so in our Corporate Governance Statement <u>OR</u> 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.	... the fact that we follow this recommendation: in our Corporate Governance Statement <u>OR</u> at <i>[insert location]</i>	an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p style="padding-left: 40px;">at www.L1LongShort.com</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i>.</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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p>	<p>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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p>	<p>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 ... <sup>4</sup>
<p>7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p>in our Corporate Governance Statement <u>OR</u></p> <p>at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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>in our Corporate Governance Statement <u>OR</u></p> <p>at www.L1LongShort.com</p>	<p>an explanation why that is so in our Corporate Governance Statement</p>
<p>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>	<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>in our Corporate Governance Statement <u>OR</u></p> <p>in the Annual Report.</p>	<p>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 ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p style="padding-left: 40px;">at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p>	<p>an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p>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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p>	<p>an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p>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 style="padding-left: 40px;">in our Corporate Governance Statement <b>OR</b></p> <p style="padding-left: 40px;">at <i>[insert location]</i></p>	<p>an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p>we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p>we are an externally managed entity and this recommendation is therefore not applicable</p>



**L1 Long Short Fund Limited  
(ACN 623 418 539) (Company)**

**Corporate Governance Statement**

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's 3<sup>rd</sup> edition Corporate Governance Principles and Recommendations (**ASX Recommendations**). The ASX Recommendations are not mandatory. However, the Company will be required to provide a statement in future annual reports disclosing the extent to which the Company has followed the ASX Recommendations.

	<b>ASX Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
<b>1.</b>	<b>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.	Complies	The functions of the Board are set out in the Company's Board policy ( <b>Board Policy</b> ) that is contained in Section 2 of the Company's corporate governance charter ( <b>Corporate Governance Charter</b> ).  The Investment Management Agreement dated 16 February 2018 between the Company and L1 Capital Pty Limited (ACN 125 378 145) ( <b>Investment Manager</b> ) sets out the specific responsibilities of the Board and those delegated to the Investment Manager.
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.	Complies	The Board Policy: (a) sets out what the Board will consider when appointing a director, including the results of an appropriate background check, which the Board will undertake; and (b) requires the Board to 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.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	The current directors do have written agreements with the Company.  Under the Board Policy, when the Board considers the appointment of any new director, the terms of appointment of a director must be recorded in a letter of appointment which takes into consideration the ASX Recommendations. This will form the basis of the written agreement

	ASX Recommendations	Compliance	Comment
			entered into between the Company and a director. All the current directors do have such written agreements with the Company in place. The Company does not have any senior executives.
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.	Complies	The Board Policy states that the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
1.5	A listed entity should: <ul style="list-style-type: none"> <li>(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;</li> <li>(b) disclose that policy or a summary of it; and</li> <li>(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: <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul> </li> </ul>	Complies	The Company has a diversity policy that is contained in Section 3 of the Corporate Governance Charter ( <b>Diversity Policy</b> ) which is available on the Company's website at: <a href="http://www.L1LongShort.com">www.L1LongShort.com</a> However, at present, the Company does not have any employees or management and the Diversity Policy will only apply to the Board.
1.6	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</li> <li>(b) disclose, in relation to each reporting period, whether</li> </ul>	Complies	The Board will review its performance by discussion and by reference to generally accepted Board performance standards. A performance evaluation of the Board will be undertaken annually in accordance with the Corporate Governance Charter. The Company was

	ASX Recommendations	Compliance	Comment
	a performance evaluation was undertaken in the reporting period in accordance with that process.		listed in April 2018. In the circumstances, the Company considers that it is appropriate to conduct a Board review following a full year of the Company operating as a listed entity.
1.7	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</li> <li>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	N/A	The Company does not have any senior executives.
<b>2.</b>	<b>Structure of the Board to add value</b>		
2.1	The Board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a nomination committee which: <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</li> </ul>	Complies	<p>The Board has not established such a committee. Given the Company's size and nature, the formation of such a committee would not serve to protect or enhance the interest of shareholders. Should the size of the Company change, the Board will consider establishing a separate nomination committee.</p> <p>The Board will deal with this issue as a whole. The Board identifies suitable candidates to fill vacancies as they arise with consideration to the optimal mix of skills and diversity. The Board Policy sets out how the Company addresses succession issues. The Board Policy is available on the Company's website at <a href="http://www.L1LongShort.com">www.L1LongShort.com</a>.</p>
2.2	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.	Does not comply	The Company is currently developing a formal Board skills matrix and will make this available on the Company's website, <a href="http://www.L1LongShort.com">www.L1LongShort.com</a> , when it is complete.

	ASX Recommendations	Compliance	Comment
			The qualifications, skills, experience and expertise of each of the Company's current Board members can be found in the Company's Annual Report and on the Company's website, <a href="http://www.L1LongShort.com">www.L1LongShort.com</a> .
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 of the Corporate Governance Principles and Recommendations 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.	Complies	The names of the directors that the Board considers to be independent, and the interests of each director are set out in the Company's Annual report as is the length of service of each director.  This information is also available on the Company's website, <a href="http://www.L1LongShort.com">www.L1LongShort.com</a>
2.4	A majority of the Board of a listed entity should be independent directors.	Complies	Three of the five Directors, Andrew Larke, John MacFarlane and Harry Kingsley are independent Directors. Raphael Lamm and Mark Landau are associated with the Investment Manager.
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.	Complies	The Company does not have a chief executive officer. The Chair, Andrew Larke, is an independent director.
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.	Complies	Under the Board Policy: (a) the Company Secretary is responsible for arranging for a new Director to undertake an induction program enabling the new Director to understand specified elements of the business; and (b) the Directors are entitled to receive appropriate professional development opportunities.
<b>3.</b>	<b>Act ethically and responsibly</b>		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and	Complies	The Company has a code of conduct that is contained in Section 5 of the Corporate Governance Charter ( <b>Code of Conduct</b> ) which is available on the Company's website at <a href="http://www.L1LongShort.com">www.L1LongShort.com</a> .

	ASX Recommendations	Compliance	Comment
	(b) disclose that code or a summary of it.		
4.	<b>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>	Complies	<p>The Board has established an Audit and Risk Committee that has four, a majority of whom are independent. The Committee is chaired by an independent director, Harry Kingsley, who is not the Chairperson of the Board. Andrew Larke, John MacFarlane and Raphael Lamm are the other members of this committee. The relevant qualifications of the Directors are disclosed in the Annual Report and on the Company's website, <a href="http://www.L1LongShort.com">www.L1LongShort.com</a></p> <p>A combined Audit and Risk Committee was established as the Board felt this was the most suitable for the current size and nature of the Company.</p> <p>The Company has adopted an Audit and Risk Committee charter that is contained in Section 8 of the Corporate Governance Charter (<b>Audit and Risk Committee Charter</b>) which is available on the Company's website at <a href="http://www.L1LongShort.com">www.L1LongShort.com</a>.</p> <p>The Company listed in April 2018, the Committee did not meet during the period ending 30 June 2018. The Annual Report will disclose for each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>



	ASX Recommendations	Compliance	Comment
4.2	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.	Complies	The Investment Manager will be responsible for preparing the declaration pursuant to section 295A of the Corporations Act as the Company does not have a chief executive officer (or equivalent) or a chief financial officer (or equivalent). Accordingly, the terms of the Investment Management Agreement between the Company and the Investment Manager require the Investment Manager to maintain sound systems of risk management and internal controls and ensure that the systems are operating effectively in all material respects in relation to financial reporting risks.
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.	Will comply	The Company will ensure that, when it has an AGM its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
<b>5.</b>	<b>Make timely and balanced disclosure</b>		
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.	Complies	The Company will operate under the continuous disclosure requirements of the ASX Listing Rules as set out in its continuous disclosure policy that is contained in Section 4 of the Corporate Governance Charter ( <b>Continuous Disclosure Policy</b> ). The Company will ensure that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company.  The Company Secretary has the responsibility for ensuring that all relevant information is released to the market in a timely manner in consultation with the Board. The Company considers this to be a satisfactory protocol given the size and nature of the Company.  The Continuous Disclosure Policy is publicly available at <a href="http://www.L1LongShort.com">www.L1LongShort.com</a> .

	ASX Recommendations	Compliance	Comment
<b>6.</b>	<b>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.	Complies	The Company provides information about itself and will provide information about its governance to investors via its website, <a href="http://www.L1LongShort.com">www.L1LongShort.com</a> .
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	The Board has developed a strategy within its Continuous Disclosure Policy to ensure that shareholders are informed of all major developments affecting the Company's performance, activities and state of affairs. This includes having a website to facilitate communication with shareholders via electronic methods. In addition, the Company will publish regular shareholder communications, such as monthly NTA announcements, half yearly and annual reports and will provide shareholders with an opportunity to access such reports and other releases electronically. Shareholders can communicate with the Company via electronic methods.
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.	Complies	The Board encourages full participation of shareholders at the Company's AGMs and any general meetings to ensure a high level of accountability and identification with the Company's strategy. The external auditor will also be invited to attend the annual general meeting of shareholders and will be available to answer any questions concerning the conduct, preparation and content of the auditor's report.
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.	Complies	The Company will give shareholders the option to receive and send communications electronically.

	ASX Recommendations	Compliance	Comment
<b>7.</b>	<b>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>	Complies	<p>The Company has established an Audit and Risk Committee which will oversee both the audit and risk function. A combined committee was established as the Board felt this was most suitable for the current size and nature of the Company. The Audit and Risk Committee has four members, a majority of whom are independent, and is chaired by an independent director, Harry Kingsley, who is not the Chairperson of the Board. Andrew Larke, John MacFarlane and Raphael Lamm are the other members of this Committee. The relevant qualifications of the Directors are disclosed in the Annual Report.</p> <p>The Company has adopted an Audit and Risk Committee charter that is contained in Section 8 of the Corporate Governance Charter (Audit and Risk Committee Charter) which is available on the Company's website at <a href="http://www.L1LongShort.com">www.L1LongShort.com</a>.</p> <p>The Company listed in April 2018, the Committee did not meet during the period ending 30 June 2018. The Annual Report will disclose for each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</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>	Will comply	<p>The Company was only listed in April 2018, the Board will review the entity's risk management framework at least annually to satisfy itself that it continues to be sound.</p> <p>Subsequent to 30 June 2018, the Company commenced a review the entity's risk management framework.</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</p>	Complies	<p>The Company does not have an internal audit function.</p> <p>The process for evaluation and improving the effectiveness of its risk management are set out in the Board Policy (a copy of which is available on the Company's website at <a href="http://www.L1LongShort.com">www.L1LongShort.com</a>).</p>

	ASX Recommendations	Compliance	Comment
	management and internal control processes.		
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.	Complies	The Company has economic risk. The risks and how they will be managed are set out in the Annual Report.
<b>8.</b>	<b>Remunerate fairly and responsibly</b>		
8.1	<p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <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>	Complies	<p>The Board does not have and does not currently intend to establish such a committee. The Board considers that because the formation of such a committee would be inefficient given the Company's size and the fact that it does not have any employees. For this reason, a remuneration committee would not serve to protect or enhance the interest of shareholders. Should the size of the Company change the Company will consider establishing a separate remuneration committee.</p> <p>The Board will ensure that appropriate remuneration policies and practices are in place for non-executive Directors, executive directors (if any) and senior management (if any), while having regard to the ASX Recommendations.</p> <p>The Board will annually review the allocation and amount of remuneration for executive directors (if any) and non-executive Directors and this will reflect market rates.</p> <p>The Company does not have any senior executives.</p> <p>The remuneration to be paid to the Investment Manager (including worked examples) was disclosed in the Prospectus.</p> <p>Details of all management and performance fees paid to the Investment Manager for 2018 is disclosed in the Annual Report.</p>
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.	Complies	The Company does not have any executive directors or senior executives. Refer to Item 8.1 of this Statement and the Annual Report for the current remuneration levels and the policies and practices in place for the non-executive Directors.

	<b>ASX Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	N/A	The Company does not have an equity based remuneration scheme.