

## Objectives

- To ensure the integrity of the Company's financial reporting.
- To oversee the independence of the external auditors.
- To ensure that controls are established and maintained in order to safeguard the Company's financial and physical resources.
- To ensure that systems and procedures are in place so that the Company complies with relevant statutory, regulatory and reporting requirements.

## Membership

- Members shall be independent, non-executive directors appointed by the Board. There must be at least three members.
- The chairperson of the Committee shall be an independent director.
- The Company Secretary of the Board shall be the Secretary of the Committee.
- The Committee shall meet often enough to undertake its role effectively.

## Authority

- The Committee has the authority to require members of management (including executive directors) or others to attend meetings and to provide advice or information.
- The Committee shall have access to legal or other specialist advice.

## Responsibilities

### Generally

- To assess whether the resources devoted to the accounting function (including training) are adequate to ensure that reporting arrangements are of high quality and to advise the Board of any identified shortcomings.
- To ensure that periodic assessments of the financial risks faced by the Company in the course of its operating activities are undertaken and to review and agree on the arrangements effected to manage or mitigate those risks.
- To consider and review the adequacy of financial internal controls.

### Responsibilities in relation to independent external audit

- To conduct audit tenders periodically, and recommend the selection and appointment of an auditor.
- To review and approve the audit plan proposed by the auditor.
- To review audit fees each year and the terms of the audit engagement.
- To assess the performance of the external auditor on an annual basis, and oversee the rotation of audit partners.
- To resolve any disagreements between management and the external auditors regarding financial reporting.
- To review and approve all non-audit services to be provided to the Company or its subsidiaries by its external auditor.

### Responsibilities in relation to financial reporting

- To review and assess management's processes and policies regarding external reporting.
- To make determinations in relation to the choice of accounting policies.
- To review draft annual and half year financial statements and reports and make a recommendation to the Board prior to endorsement by the Board for public disclosure.

### **Responsibilities in relation to risk management**

- To review management's approach to the management of financial risks (including economic dependency, the adequacy of insurance arrangements, business continuity planning, fraud or misappropriation, and, if applicable, exposures to movements in exchange rates or interest rates).
- To assess whether audit plans developed by the external auditor are consistent with the financial and operating risks facing the organisation.

### **Responsibilities in relation to compliance**

- To ensure that the procedures established to monitor compliance with statutory requirements, regulations, and contractual obligations are appropriate.

### **Procedures**

#### **Attendance**

- All directors who are not members of the Committee shall have the right to make enquiry to the Committee regarding matters conducted and reviewed by the Committee.
- The Managing Director and the Chief Financial Officer may be invited to attend any or all meetings of the Committee (though not necessarily for all agenda items).
- The external auditor may be invited to attend any or all meetings (though not necessarily for all agenda items).

#### **Reporting relationships with the external auditor**

- The external auditor shall report directly to the Committee and the Committee shall have authority to communicate directly with the external auditor.
- The chairperson of the Committee shall provide opportunities for the external auditor to meet with the Committee without executive directors or other management representatives present.

#### **Reporting to the Board**

- The Committee should report regularly to the Board. The report should contain all matters relevant to the Committee's role and responsibilities.

#### **Confidential communications from employees and others**

- Employees shall be advised that, under certain limited circumstances, they may communicate to the chairperson of the Committee regarding potential fraud or misappropriation, weaknesses in internal controls, or the adequacy or accuracy of information being provided within the Company to the Board. Such employee communications shall be treated as confidential.
- The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters.

#### **Review of Committee performance**

- The Board will conduct an annual review of the operation and performance of the Committee.

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#### **For more information please contact:**

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