

Purpose

The Board of FAR Limited ("FAR" or "the Company") shall have a Risk Committee. The primary objective of the Risk Committee is to assist the Board to fulfil its corporate governance and oversight responsibilities relating to the Company's risk management framework, including the identification and management of material business, financial and regulatory risks.

Membership

The committee shall consist of:

- At least three directors;
- A majority of independent directors;
- An independent director as chairman, who are nominated by the Board.

The Board may add to or replace committee members.

All committee members shall have a working familiarity with the industry in which FAR operates and the key risk issues facing FAR.

Members of the committee shall be considered independent so long as they are non-executive and meet the definition of what constitutes an 'independent director' in accordance with the ASX Corporate Governance Council Corporate Governance Principles and Recommendations.

At the invitation of the committee chairman, the executive management team are to attend meetings of the committee as required. The Company Secretary will usually attend the meetings of the committee.

Other FAR personnel may attend the meeting at the invitation of the committee chairman on an as needs basis.

Administrative Matters

The committee should meet as often as required but not less than two times annually.

The committee may meet otherwise as determined by the committee chairman who will take into account any request from the Managing Director, Chief Financial Officer, Chief Operating Officer or the internal or external auditors.

Two non-executive directors shall constitute a quorum.

The committee has a right to access management and to seek additional information and explanations where it considers it appropriate, and access to internal and external auditors, without management present.

The committee may, on obtaining approval of the chairman of the Board, instruct the Managing Director to engage independent professional advisers as the committee requires to enable or assist it to discharge its purpose and responsibilities.

The Company Secretary will attend all committee meetings as minute secretary. All minutes will be entered into a minute book maintained for that purpose and be available at all times for inspection by any director.

Role and Responsibilities

The main role and responsibilities of the committee includes to:

- Affirm the importance of and promote awareness of a risk based culture and the achievement of a balance between risk and reward for risks accepted;
- Review and make recommendations to the Board in relation to:
 - The overall current and future risk appetite of FAR Limited;
 - The adequacy and effectiveness of FAR Limited's processes for identifying and managing risk with the exception of the matters in respect of which the Board and the committee relies on the Audit Committee to provide oversight in relation to certain financial risks;
 - Management's plans for the mitigation of the material business risks faced by FAR; and,
 - The structure and strategy relevant to FAR's insurance program, having regard to FAR's business and the insurable risks associated with its business
- Oversight of the insurance program;
- Review the risk management framework at least annually to satisfy itself that it continues to be effective; and;
- Consider at each meeting whether any significant matters should be brought to the attention of the Board identifying if any action is needed, and making recommendations as to the action to be taken.

Reporting

The committee chairman shall report significant issues arising from the committee meetings at the next Board meeting. The draft minutes of any meetings will be provided to the Board with the Board papers for the next Board meeting for information. However, if the committee has met before a Board meeting but has not approved the minutes of that meeting or meetings, the draft minutes of the meeting or meetings will be approved by the chairman of the committee for provision to the Board.

Review

The Board will, at least once a year review the membership and charter of the committee to determine its adequacy and effectiveness for current circumstances.

The committee shall appraise its performance on an annual basis and measure its performance against this charter. The committee may make recommendations to the Board in relation to the committee's membership, purpose and responsibilities.

For more information please contact

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