

Australian Securities Exchange Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the best practice recommendations of the ASX Corporate Governance Council (“CGC”).

This statement summarises the corporate governance practices adopted by the Board of Directors and their compliance with the ASX Corporate Governance Principles and Recommendations, 4th Edition, for the 2020 financial year. Where a best practice recommendation has not been followed, the non-compliance has been noted and a full-disclosure justification provided.

FAR Ltd’s (“FAR”) objective is to achieve best practice in corporate governance commensurate with FAR’s size, its operations and the industry within which it participates.

The Company and its controlled entities together are referred to as FAR in this statement.

FAR’s policies and charters can be found on our website or included in the Annual Report and are listed below:

Charters	Policies
Board	Anti-Bribery & Corruption
Audit Committee	Code of Conduct
Nomination Committee	Diversity
Remuneration Committee	Environment & Sustainability
Risk Committee	Human Rights & Child Protection
	Market Disclosure & Communications
	Risk Oversight & Management
	Security Trading & Policy Statement
	Climate Change
	Privacy
	Whistleblower

### Principle 1: Lay solid foundations for management and oversight

#### Recommendation 1.1: A listed entity should have and disclose a board charter setting out:

- (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 Constitution provides that the business of the Company is to be managed by or under the direction of the Directors. The Board has approved a formal Board Charter which defines the roles, responsibilities and authorities of the Board of Directors and management.

The Board operates in accordance with the broad principles set out herein. The Board is responsible for corporate strategy, implementation of business plans, allocation of resources, approval of budgets and major capital expenditure, and the adherence to Company policies.

The Board is also responsible for compliance with the Code of Conduct, overseeing risk management and internal controls, and the assessment, appointment and removal of senior executives and the company secretary.

The Company has established the functions reserved to the Board and has delegated day to day management of the business affairs to senior executives, subject to compliance with strategic and capital plans approved from time to time by the Board.

Directors receive comprehensive reports at each of the Board meetings from the Executive and have access to Company records, information and Company personnel.

**Recommendation 1.2: A listed entity should:**

- (a) *undertake appropriate checks before appointing a director or senior executive or putting someone forward 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 Company undertakes the appropriate checks before it appoints a person including checks as to the person's character, experience, education, criminal record and bankruptcy history. This is done through enquiry, publicly available information and statutory declarations. Additionally the individual is interviewed by the Chairman and Managing Director.

To assist the Company's shareholders in making an informed decision on whether to vote in favour of a director standing for election or re-election the Company provides director biographical details, including their relevant qualifications and experience, skills and other directorships and commitments in the Annual Report, on the Company's website and/or in an ASX announcement.

**Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.**

The Company has entered into written agreements with each director and senior executive. The non-executive director agreements include amongst other things the time commitment envisaged, the requirement to disclose directors' interests, the requirement to comply with key corporate policies, the circumstances in which a director is entitled to receive independent advice and indemnity and insurance arrangements. The senior executive agreements set out the terms of their employment including a description of their position, duties, responsibilities, the person to whom they report, the circumstances in which their service may be terminated and any entitlements on termination.

**Recommendation 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 Company Secretary is accountable to the Chairman of the Board with respect to the functioning of the Board and all directors have reasonable access to the Company Secretary.

**Recommendation 1.5: A listed entity should:**

- (a) *have and disclose a diversity policy;*
- (b) *through its board or a relevant committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and*
- (c) *disclose in relation to each reporting period:*
  - 1) *the measurable objectives set for that period to achieve gender diversity;*
  - 2) *the entity's progress towards achieving those objectives; and;*
  - 3) *either:*
    - A. *the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or*
    - B. *if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the and published under that Act.*

The Company has a Diversity Policy which is available on the Company's website

The Company recognises that a talented and diverse workforce is a key competitive advantage and our success is a reflection of the quality and skills of our people. The Company benefits by bringing together high quality people of different gender, age, ethnicity, religious and cultural backgrounds who possess a diverse range of experiences and perspectives. FAR values diversity in all aspects of its business and is committed to creating an environment where the contribution of all its personnel is received fairly and equitably. Every employee within FAR is responsible for supporting and maintaining FAR's corporate culture and integrity, including its commitment to diversity in the workplace.

The Diversity Policy formalises the Company's view and approach to diversity in the work place.

The Board has set the following measurable objectives for achieving gender diversity:

2020 Measurable Objectives	Progress
At least one female candidate to be considered when the board is next appointing a director	No directors were appointed during 2020
At least one female candidate to be considered when the board is next appointing an executive	One female executive was appointed during 2020, no other executives were appointed.
Aim to have a minimum of 20% of the Company's workforce female	Female representation was 32% in 2020
Aim to have not less than 30% of the directors of each gender	Female board representation was 25% in 2020

The respective proportions of men and women on the board, in senior executive positions and across the whole organisation at 31 December 2020 were as follows:

	Female %	Male %
<b>Board</b>		
Board of Directors	25%	75%
<b>Whole Organisation</b>		
Senior Executives (including executive directors)	43%	57%
Other (staff and consultants)	33%	67%
Total workforce	32%	68%

The senior executive positions include the Managing Director and the heads of the various business units within the organisation reporting directly to the Managing Director.

**Recommendation 1.6: A listed entity should:**

- (a) *have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- (b) *disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The Board Charter requires the board to measure its own performance and that of its committees and individuals which it does on an annual basis. During the course of the reporting period all Board members completed a self-assessment of their performance and assessments of the Board and committees, Board structure and Board performance. The assessments were reviewed by the Nomination Committee and reported to the Board.

**Recommendation 1.7: A listed entity should:**

- (a) *have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and*
- (b) *disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

A formal review of senior executive performance is conducted by the Managing Director on an annual basis. FAR also undertakes continuous evaluation throughout the year in a less formal manner to ensure the various business units are achieving strategic objectives in a timely manner as set by the Board and senior management. These evaluations assess both individual and group performance of the Company's executives.

The Managing Director provides a report on senior executive performance as part of the annual salary review process to the Remuneration Committee. The Managing Director's performance is reviewed by both the Chair of the Remuneration Committee and Chairman of the Board. The Remuneration Committee comprised of Mr R G Nelson (non-executive director and chair of the committee) and Mr N J Limb (non-executive director) for the full year and Dr J D Fowles from 1 January 2020 until 31 October 2020. The Remuneration Committee reports to the Board.

**Principle 2: Structure the board to be effective and add value**
**Recommendation 2.1: The board of a listed entity should:**

- (a) *have a nomination committee which:*
  - 1) *has at least three members, a majority of whom are independent directors; and*
  - 2) *is chaired by an independent director,*
    - i. *and disclose:*
  - 3) *the charter of the committee;*
  - 4) *the members of the committee; and*
  - 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*
- (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.*

The Company has a Nomination Committee which consisted of three independent directors; Mr N J Limb, Mr R G Nelson and Mr J D Fowles until 31 October 2020 when Dr Fowles resigned and two independent directors for the remainder of the period. The Board intends to appoint a new independent director at the appropriate time who will join the Nomination Committee. Mr N J Limb is the Chairperson of the Nomination Committee. The Company considers that the Chairperson and members of the Nomination Committee are the most appropriate given their experience and qualifications. The Nomination Committee Charter includes the objectives, membership, attendance, authority, responsibilities and procedures of the Committee. The Nomination Committee Charter is disclosed on the Company's website.

The responsibilities of the Nomination Committee are to review and make recommendations to the Board on: the necessary and desirable competencies of directors; the size and composition of the Board; succession plans; the process for evaluating the performance of the Board, its committees and directors; and the appointment and re-election of directors.

The Nomination Committee met twice during the reporting period.

**Recommendation 2.2: A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.**

The Board together with its Committees reviews and seeks to achieve a mix of skills, knowledge, diversity and expertise as well as operational and international experience amongst its directors. Below is a table of the areas of competence and skills of the Board of directors.

Area	Competence
Leadership	Business Leadership, Public Listed Company Experience
Business and Finance	Accounting, Audit, Business Strategy, Mergers and Acquisitions, Corporate Finance, Investment Banking, Capital Markets
Sustainability and Stakeholder management	Corporate Governance, Government Affairs, Remuneration, Health, Safety, Environment, Community Relations and best practice behaviour for operating in Africa, especially related to Anti-Bribery and Corruption
Technical	Oil & Gas Technology, Petroleum Exploration, Petroleum Development, Petroleum Production Operations
International	International Exploration and Production

**Recommendation 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, or relationship of the type described in Box 2.3 (ref ASX Corporate Governance Principles and Recommendations 4<sup>th</sup> Edition) but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and*
- (c) *the length of service of each director.*

Name of Director	Term in office	Qualifications	Status (Independent or Executive)
N J Limb (Chairman)	Director since November 2011  Chairman since April 2012	BSc (Hons) MAusIMM	Independent
C M Norman (Managing Director)	Director since November 2011	BSc (Geophysics)	Executive
R G Nelson	Director since April 2015  Appointed Lead Independent Director December 2015	BSc, Hon Life Member Society of Exploration Geophysicists, FAusIMM, FAICD	Independent
T R Woodall	Director since 1 August 2017	BEC, FCPA, GAICD	Executive
J D Fowles	Director from 15 October 2019 until 31 October 2020	BSc (Hons), PhD, GDipAFI, GAICD	Independent

The Directors considered by the Board to constitute independent directors include: Mr N J Limb and Mr R G Nelson for the full period, and Dr J D Fowles until 31 October 2020.

As stated above, and in accordance with the Board Charter, directors are entitled to take independent advice at the expense of the Company.

**Recommendation 2.4: A majority of the board of a listed entity should be independent directors.**

The Board maintained a majority of independent directors until 31 October 2020 when Dr J D Fowles resigned. Since 31 October 2020 until the date of this report the mix of directors has been two non-executive independent directors and two executive directors. The Board intends to appoint a new independent director at the appropriate time.

**Recommendation 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.**

Mr N J Limb held the position of Chairperson and Ms C M Norman held the position of Managing Director and Chief Executive Officer throughout the year.

**Recommendation 2.6: A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.**

New directors are briefed and provided with information on FAR's strategy, financial performance, projects, Code of Conduct and other corporate policies. With Chair approval, the Company covers all costs incurred to undertake director training to enable the discharge of their role as a director.

**Principle 3: Instil a culture of acting lawfully, ethically and responsibly**

**Recommendation 3.1: A listed entity should articulate and disclose its values.**

The Company articulates its values on its website and in the Code of Conduct which can be found on the FAR website at <http://www.far.com.au/investor-centre/corporate-governance/>. In particular, as part of its role as a responsible corporation, FAR is dedicated to enacting policies and practices that are ethically, socially and environmentally sound. FAR is also committed to the health and safety of the Company's employees and partners, where appropriate. All operational activities are carried out within international industry standards of safety and environmental consideration.

**Recommendation 3.2: A listed entity should:**

- (a) *have and disclose a code of conduct for its directors, senior executives and employees; and*
- (b) *ensure that the board or a committee of the board is informed of any material breaches of that code.*

The Company has a Code of Conduct. The Code of Conduct applies to all directors and employees. The Code of Conduct is reviewed by the Board each year and updated as necessary to ensure it reflects an appropriate standard of behaviour and professionalism to maintain confidence in FAR's integrity.

In summary, the Code of Conduct requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies.

A copy of the Code of Conduct can be found on the FAR website at <http://www.far.com.au/investor-centre/corporate-governance/>.

**Recommendation 3.3: A listed entity should:**

- (a) *have and disclose a whistleblower policy; and*

- (b) *ensure that the board or a committee of the board is informed of any material incidents reported under that policy.*

The Company has a Whistleblower Policy, which is available on the FAR website at <http://www.far.com.au/investor-centre/corporate-governance/>. The policy provides for reporting of incidents to the Board.

#### **Recommendation 3.4: A listed entity should:**

- (a) *have and disclose an anti-bribery and corruption policy; and*
- (b) *ensure that the board or a committee of the board is informed of any material breaches of that policy.*

The Company has an Anti-Bribery and Corruption Policy, which is available on the FAR website in both English and French at <http://www.far.com.au/investor-centre/corporate-governance/>, The policy provides for reporting of incidents to the Board.

### **Principle 4: Safeguard the integrity of corporate reports**

#### **Recommendation 4.1: The board of a listed entity should:**

- (a) *have an audit committee which:*
- (i) *has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
- (ii) *is chaired by an independent director, who is not the chair of the board,*  
*and disclose:*
- (iii) *the charter of the committee;*
- (iv) *the relevant qualifications and experience of the members of the committee; and*
- (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*
- (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.*

FAR has an Audit Committee which had three non-executive independent director members during the period until 31 October 2020 when Dr J D Fowles resigned. No meetings were held during this period. Mr N J Limb and Mr R G Nelson were members for the full year. Mr R G Nelson was appointed Chair of the Audit Committee on 19 October 2019 and is not the Chair of the Board. The Board intends to appoint a new independent director at the appropriate time who will also join the Audit Committee.

The Audit Committee has a formal charter. The charter addresses the committee's objectives, membership, authority, responsibilities and procedures. The charter covers five broad areas of responsibilities including: general; independent external audit; financial reporting; risk management; and compliance. The objectives of the Audit Committee are to: ensure the integrity of the Company's financial reporting; oversee the independence of the external auditor; ensure that controls are established and maintained in order to safeguard the Company's financial and physical resources; and ensure that systems and procedures are in place so that the Company complies with relevant statutory, regulatory and reporting requirements.

The Company's Audit Committee Charter is available on the Company's website. The number of audit committee meetings held and the qualifications of those appointed and their attendance at meetings of the committee are disclosed separately in the Directors' Report within the Annual Report.

**Recommendation 4.2: The board of a listed entity should, before it approves the entity's financial statement 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.**

Prior to the directors making the Directors' Declaration in the financial report, the Managing Director and Chief Financial Officer provide to the Board in writing that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks. This declaration is given in accordance with section 295A of the Corporations Act 2001.

**Recommendation 4.3: A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.**

The FAR Market Disclosure & Communications Policy describes the review process for ASX releases. The Board approves all periodic corporate reports released to the market.

## Principle 5: Make timely and balanced disclosure

**Recommendation 5.1: A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.**

The Board has a Market Disclosure & Communications Policy. This policy emphasises FAR's commitment to ensuring that all investors have equal and timely access to material information concerning FAR, including: its financial position, performance, ownership and governance; ensuring that all announcements are clear, concise and factual; complying with the disclosure principles contained in the ASX Listing Rules and the Corporations Act 2001 (Cth); and preventing the selective or inadvertent disclosure of material price sensitive information.

The Chairman, Managing Director, and the Company Secretary are responsible for: managing FAR's compliance with its continuous disclosure obligations; identifying and reviewing information to determine if disclosure is required; implementing reporting processes and controls and determining guidelines for the release of information; and ensuring that the Board is kept fully informed of its determinations and is promptly advised of all information disclosed to the market.

The Managing Director and Company Secretary have been nominated as persons responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating disclosures to the ASX, analysts, brokers, shareholders, the media and the public.

ASX releases are posted on the Company's website as soon as practical after receiving ASX acknowledgement of release to the market.

FAR's Market Disclosure & Communications Policy is available on the Company's website.

The Board of FAR takes responsibility for adopting and monitoring this policy and the executive management team has responsibility for its effective implementation. This policy applies to all personnel engaged by FAR and under FAR's operational control. Every employee within FAR is responsible for supporting and maintaining FAR's corporate culture and integrity.

**Recommendation 5.2: A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.**

Board members receive automated email alerts of all ASX announcements.



**Recommendation 5.3: A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.**

FAR's Market Disclosure and Communications Policy emphasises FAR's commitment to ensuring that all investors have equal and timely access to material information concerning FAR. FAR's practice is to release all investor presentations on the ASX Market Announcements Platform.

**Principle 6: Respect the rights of security holders**

**Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.**

The Company's website has a corporate governance landing page where all relevant corporate governance information can be accessed including the code of conduct, policies, charters and the constitution. The website also includes: the names, photographs and brief biographical information for each of its directors and senior executives; copies of annual reports and financial statements; copies of ASX announcements; notices of meetings; historical information about market prices of the entity's securities; an overview of the Company's current business; a summary of the Company's history; and contact details for enquiries from security holders, analysts or the media.

**Recommendation 6.2: A listed entity should have an investor relations program that facilitates effective two-way communication with investors.**

The Company has a Market Disclosure & Communications Policy that details the activities undertaken by FAR to effect two-way communication with investors.

The Company's primary communication platform is its website at [www.far.com.au](http://www.far.com.au). The website automatically uploads ASX announcements to the FAR website upon their release and in turn automatically emails this information to shareholders registered to receive email alerts. Shareholder registration is via the website homepage. All non-ASX market releases are also uploaded to the website and automatically emailed to registered shareholders. All announcements include the name of the Managing Director and the Investor Relations Manager, the company telephone number and email address for the FAR office should shareholders wish to make an enquiry of the Company. The Company also has a general email address where shareholders can lodge their queries. These queries are answered as soon as practicable.

The Company also uses other media outlets for shareholder communications such as Twitter.

All shareholder communications are copied to the Managing Director.

**Recommendation 6.3: A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.**

FAR's Market Disclosure & Communications Policy available on the Company's website encourages and supports shareholder participation in general meetings. At each meeting a corporate presentation is given on the Company's status and current projects with questions invited from those present.

**Recommendation 6.4: A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.**

All resolutions at meetings of FAR security holders are decided on by a poll overseen by the Company's share registry.

**Recommendation 6.5: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.**

Electronic communication is readily accessible to shareholders, and other interested parties, who elect to register their email address via a mechanism on the Company's website. Security holders can separately register their email address with Computershare, the Company's share registry, to receive electronic communications.

**Principle 7: Recognise and manage risk**

**Recommendation 7.1: The board of a listed entity should:**

- (a) *have a committee or committees to oversee risk, each of which:*
  - (i) *has at least three members, a majority of whom are independent directors; and*
  - (ii) *is chaired by an independent director,*

*and disclose:*

  - (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*
- (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.*

The Company has a Risk Committee Charter which can be found on the Company's website. All Board members are members of the Risk Committee, which had five members until 31 October 2020 decreasing to four members at that date with the resignation of Dr J D Fowles. The Company maintained a majority of independent directors during the year until Dr Fowles' resignation. The independent non-executive directors were Mr N J Limb and Mr R G Nelson for the full year, and Dr J D Fowles until 31 October 2020. The executive directors were Ms C M Norman and Mr T R Woodall for the full year. The Risk Committee is chaired by Mr N J Limb, an independent non-executive director.

The Risk Committee met once during the year, in addition to the regular risk reviews presented at Board meetings, details of each Committee members' attendance at meetings can be viewed in the Directors' Report contained within the Annual Report.

The Board has a Risk Oversight & Management Policy. Under the policy the Board is responsible for approving the Company's policies on risk assessment and management and satisfying itself that management has developed a sound system of risk management and internal control. Day-to-day responsibility is delegated to the Managing Director who is responsible for: identification of risk; monitoring risk; communication of risk events to the board; and responding to risk events, with board authority.

Management prepares and reviews a company risk register and associated risk mitigation plan in accordance with the Company's Risk Oversight & Management Policy. As part of this, the Company risk register and risk mitigation plans are updated by the Managing Director and management team and then presented to the Risk Committee and the Board for review at every board meeting.

The Board recognises that the Company is a junior exploration company and exploration for oil and gas is a high-risk investment profile and has managed risk accordingly.

**Recommendation 7.2: The board or a committee of the board should:**

- (a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and*
- (b) *disclose, in relation to each reporting period, whether such a review has taken place.*

The Board reviewed the Company's risk management framework during the reporting period and was satisfied that it continues to be effective and sound and that FAR is operating with due regard to the risk appetite set by the Board.

**Recommendation 7.3: A listed entity should disclose:**

- (a) *if it has an internal audit function, how the function is structured and what role it performs; or*
- (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.*

The directors believe the Company is not of a size that requires an internal audit function. The audit committee reviews the internal controls of the company annually and reports to the Board. Internal audits will be conducted as required by the Company's auditors, Deloitte Touché Tomatsu.

**Recommendation 7.4: A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.**

The material business risks which can impact the economic sustainability of the Company are included in the Directors' Report contained within the Annual Report. These risks include technical and operation risks, joint venture risks, government and regulator risks, sovereign and environmental and going concern risks. To mitigate these risks the Company has put in place a number of policies and procedures, which can be viewed on the Company's website. The executive management team meet regularly to discuss the operations of each of the Company's projects and continually review and monitor the financial position and performance of the Company. At each board meeting an operations and financial update is provided together with a governance update including a risk register identifying the major risks, the current controls in place and where further action is required. The Environment & Sustainability Policy and Human Rights & Child Protection Policy can be viewed on the Company's website.

**Principle 8: Remunerate fairly and responsibly**
**Recommendation 8.1: The board of a listed entity should:**

- (a) *have a remuneration committee which:*
  - (i) *has at least three members, a majority of whom are independent directors; and*
  - (ii) *is chaired by an independent director,**and disclose:*
  - (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*
- (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.*

The Company has a Remuneration Committee which has consisted of three independent non-executive directors, Mr R G Nelson and Mr N J Limb for the full year, and Dr J D Fowles until 31 October 2020 and two independent non-executive directors for the remainder of the period. Mr R G Nelson is Chairman of the committee. The Board intends to appoint a new independent director at the appropriate time who will join the Remuneration Committee.

The Remuneration Committee charter can be viewed on the Company's website. The Charter details the

objectives, membership, authority and responsibility of the Committee. The committee is responsible for reviewing the remuneration packages of new and existing Board members and senior executives and to oversee the remuneration of employees of the Company. Two Remuneration Committee meetings were held during the year, the individual attendances of the committee members can be viewed in the Directors' Report contained within the Annual Report.

**Recommendation 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.**

The Company has separately disclosed its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in the Remuneration Report contained within the Annual Report.

**Recommendation 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.*

The Company has an Executive Incentive Plan and a Performance Rights Plan. The Plans were released on the ASX announcements platform on 10 April 2015 and 8 April 2016 respectively and are summarised in the Annual Report. Under the Plans, participants must not enter into transactions through the use of derivatives to limit the economic risk of participating in the Plan.

The Corporate Governance Statement was approved by the Board and is current as at 30 April 2021.

## ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS CHECKLIST

The following table sets out the Company's position with regard to adoption of the Principles and Recommendations as at the date of this statement:

Recommendations		Compliance as at the date of this report
<b>Principle 1:</b>	<b>Lay solid foundations for management and oversight</b>	
1.1	Role of board and management	✓
1.2	(a) background checks on directors; and (b) information to be given for election of directors	✓ ✓
1.3	Written contracts of appointment	✓
1.4	Company secretary	✓
1.5	Diversity	✓
1.6	Evaluating Board performance	✓
1.7	Evaluating Management performance	✓
<b>Principle 2:</b>	<b>Structure the board to add value</b>	
2.1	Nomination Committee	✓
2.2	Board skills matrix	✓
2.3	Disclose independence and length of service of directors	✓
2.4	Majority of directors independent	X
2.5	Chair independent and not CEO	✓
2.6	Induction and professional development	✓
<b>Principle 3:</b>	<b>Act ethically and responsibly</b>	
3.1	Disclose Values	✓
3.2	Code of Conduct	✓
3.3	Whistleblower Policy	✓
3.4	Anti-Bribery and Corruption Policy	✓
<b>Principle 4:</b>	<b>Safeguard integrity in corporate reporting</b>	
4.1	Audit Committee	✓
4.2	CEO and CFO certification of financial statements	✓
4.3	Process for verifying non-audited disclosures	✓
<b>Principle 5:</b>	<b>Make timely and balanced disclosure</b>	
5.1	Disclosure policy	✓
5.2	Board receives market announcements	✓
5.3	Release presentation materials on ASX platform ahead of presentations	✓
<b>Principle 6:</b>	<b>Respect the rights of security holders</b>	

6.1	Information on website	✓
6.2	Investor relations program	✓
6.3	Facilitate participation at meetings of security holders	✓
6.4	Resolutions decided by poll	✓
6.5	Facilitate electronic communications	✓
<b>Principle 7:</b>	<b>Recognise and manage risk</b>	
7.1	Risk Committee	✓
7.2	Annual risk review	✓
7.3	Internal audit	X
7.4	Manage environmental and social risks	✓
<b>Principle 8:</b>	<b>Remunerate fairly and responsibly</b>	
8.1	Remuneration Committee	✓
8.2	Disclosure of executive and non-executive director remuneration policy	✓
8.3	Policy on hedging equity incentive schemes	✓

In compliance with the “if not, why not” reporting regime, where, after due consideration, the Company’s corporate governance practices do not follow a recommendation, the Board has explained above its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted of those in the recommendation.

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