

AUDIT:

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.

RISK:

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.

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