

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

FAR Ltd

ABN / ARBN:

41 009 117 293

Financial year ended:

31 December 2018

Our corporate governance statement² for the above period above can be found at:³

- ☐ These pages of our annual report:
- ☒ This URL on our website: <http://www.far.com.au/investor-centre/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 14 March 2019 and has been approved by the board.

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

Date: 14 March 2019

Name of Director or Secretary authorising lodgement: Peter Thiessen
Company Secretary

¹ 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.

² "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.

³ 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 ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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 <u>OR</u> ☐ at [insert location] ... 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 this location Recommendation 1.1 of the Corporate Governance Statement.	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 <u>OR</u> ☐ at [insert location]	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 <u>OR</u> ☐ at [insert location]	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 <u>OR</u> ☐ at [insert location]	Not Applicable

⁴ 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 ... ⁴
1.5	A listed entity should: (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; (b) disclose that policy or a summary of it; and (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: (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 (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.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and a copy of our diversity policy or a summary of it: ☐ at [insert location] http://www.far.com.au/investor-centre/corporate-governance/ ... 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement	Not Applicable
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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	Not Applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	Not Applicable

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 ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
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, 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 fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at [insert location] http://www.far.com.au/investor-centre/corporate-governance/ ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	Not Applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	Not Applicable

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 ... ⁴
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 <u>OR</u> ☐ at [insert location] ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and the length of service of each director: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	Not Applicable
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 <u>OR</u> ☐ at [insert location]	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 <u>OR</u> ☐ at [insert location]	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 <u>OR</u> ☐ at [insert location]	Not Applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
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 <u>OR</u> ☐ at [insert location]	Not Applicable

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 ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: http://www.far.com.au/investor-centre/corporate-governance/ ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	Not Applicable
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	Not Applicable

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 ... ⁴
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>	Not Applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
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> ☐ at <i>[insert location]</i> http://www.far.com.au/investor-centre/corporate-governance/	Not Applicable
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
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: http://www.far.com.au/investor-centre/corporate-governance/	Not Applicable
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>	Not Applicable
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 <i>[insert location]</i>	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>	Not Applicable

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 ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, 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 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 fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> http://www.far.com.au/investor-centre/corporate-governance/ ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	Not Applicable
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 (b) disclose, in relation to each reporting period, whether such a review has taken place.	... 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	Not Applicable

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 ... ⁴
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.	Not Applicable	☒ an explanation why that is so in our Corporate Governance Statement
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.	... 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: ☒ in our Corporate Governance Statement <u>AND</u> ☒ in the Directors' Report in the Annual Report	Not Applicable

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 ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, 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 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 fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ in our Corporate Governance Statement <u>AND</u> ☒ at <i>[insert location]</i> http://www.far.com.au/investor-centre/corporate-governance/ ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	Not Applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	Not Applicable
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.	... our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	Not Applicable

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 Corporate Governance Principles and Recommendations, 3rd Edition. 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

Principle 1: Lay solid foundations for management and oversight

Recommendation 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 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 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 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 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 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;*
- (b) *disclose that policy or a summary of it; and*
- (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;*
 - (i) *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*
 - (ii) *if the entity is a "relevant employer" under the Workplace Gender Equality Indicators", as defined in 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:

2018 Measurable Objectives	Progress
At least one female candidate to be considered when the board is next appointing a director	No director was appointed in 2018
At least one female candidate to be considered when the board is next appointing an executive	One male executive was appointed in 2018. A female candidate was not considered.
Aim to have a minimum of 20% of the Company's workforce female	Female representation was 38% in 2018

The respective proportions of men and women on the board, in senior executive positions and across the whole organisation are as follows:

	Female %	Male %
Board		
Board of Directors	22%	78%
Whole Organisation		
Senior Executives (including executive directors)	22%	78%
Other (staff and consultants)	42%	58%
Total whole organisation	38%	62%

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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

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 periodically evaluating the performance of its senior executives; and*
- (b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

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 is comprised of Mr R G Nelson (non-executive director and chair of the committee), Mr N J Limb (non-executive director) and Mr T R Woodall (non-executive director). The Remuneration Committee reports to the Board.

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

- (a) *have a nomination 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 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 consists of three independent directors; Mr N J Limb, Mr R G Nelson and Mr T R Woodall. 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 and diversity 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 name of the directors considered by the board to be independent directors;*
- (b) *if a director has an interest, position, association or relationship that may compromise independence 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.*

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
B J M Clube (Chief Operating Officer)	Director from April 2013 until he ceased employment on 27 August 2018	BSc (Hons) Geology, ACA	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	Independent ¹

1. Mr T R Woodall was engaged by FAR on 1 February 2018 under a Special Director Service Arrangement to secure and manage the Senegal Project Development financing. He worked approximately one half of a full-time role for 9 months during the 2018 year. Mr Woodall was considered to be independent by the board despite the above arrangement as he did not form part of the management team or attend management meetings and therefore did not have any relationship with management that could reasonably interfere with his independent judgement.

The directors considered by the Board to constitute independent directors include: Mr N J Limb, Mr T R Woodall and Mr R G Nelson.

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 has maintained a majority of independent directors during the reporting period. From the previous report up to 27 August 2018 when Mr B J M Clube retired, the mix of directors comprised three non-executive independent directors and two executive directors. Since the 27 August 2018 until the date of this report the mix of directors has been three non-executive independent directors and one executive director.

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 provide appropriate professional development opportunities for directors to develop and 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: Act ethically and responsibly

Recommendation 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.*

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/>.

Principle 4: Safeguard integrity in financial reporting

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 has three members Mr T R Woodall, Mr N J Limb and Mr R G Nelson, all of whom are independent non-executive directors. Mr T R Woodall is the Chair of the Audit Committee and is not the Chair of the Board.

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 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 external auditor is Deloitte Touché Tohmatsu an internationally recognised external audit firm with expertise in the resource sector. The external auditor attends the Company's Annual General Meeting and shareholders are invited to submit questions to the auditor on the Company's financial statements and audit process.

Principle 5: Make timely and balanced disclosure

Recommendation 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.*

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.

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 design and implement an investor relations program to facilitate 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. 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 the policies and processes it has in place to facilitate and encourage 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 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. The Risk Committee had five members during the reporting period which reduced to four from 27 August 2018 upon Mr B J M Clube's retirement and has maintained a majority of independent directors throughout. The Risk Committee currently includes three independent non-executive directors, Mr N J Limb, Mr R G Nelson and Mr T R Woodall and one executive director, Ms C M Norman. The Risk Committee is chaired by Mr N J Limb, an independent non-executive director.

The Risk Committee met twice during the year, 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*
- (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.

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 report 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 economic, environmental and social sustainability 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 consists of three independent non-executive directors, Mr R G Nelson, Mr N J Limb and Mr T R Woodall. Mr R G Nelson is Chairman of the 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. 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 14 March 2019.

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
Principle 1:	Lay solid foundations for management and oversight	
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	Board reviews	✓
1.7	Management reviews	✓
Principle 2:	Structure the board to add value	
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	✓
2.5	Chair independent and not CEO	✓
2.6	Induction and professional development	✓
Principle 3:	Act ethically and responsibly	
3.1	Code of Conduct	✓
Principle 4:	Safeguard integrity in corporate reporting	
4.1	Audit Committee	✓
4.2	CEO and CFO certification of financial statements	✓
4.3	External auditor available at AGM	✓
Principle 5:	Make timely and balanced disclosure	
5.1	Disclosure policy	✓
Principle 6:	Respect the rights of security holders	
6.1	Information on website	✓
6.2	Investor relations program	✓
6.3	Facilitate participation at meetings of security holders	✓
6.4	Facilitate electronic communications	✓

Principle 7:	Recognise and manage risk	
7.1	Risk Committee	✓
7.2	Annual risk review	✓
7.3	Internal audit	X
7.4	Sustainability risks	✓
Principle 8:	Remunerate fairly and responsibly	
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.

For more information please contact
FAR Limited**Peter Thiessen** Company Secretary

T: +61 3 9618 2550

F: +61 3 9620 5200

E: info@far.com.au

Level 17, 530 Collins Street

Melbourne VIC 3000

Australia

www.far.com.au