

## FarmaForce Limited (ACN 167 748 843)

### Corporate Governance Statement

The Board of Directors of FarmaForce Limited (“FarmaForce” or “the Company”) is responsible for the corporate governance of the Company. The Board guides and monitors the business of FarmaForce on behalf of its shareholders.

FarmaForce and its Board continue to be fully committed to achieving and demonstrating the highest standards of accountability and transparency in their reporting and see the continued development of the Company’s corporate governance policies and practices as fundamental to FarmaForce’s successful growth.

The Board has included in its corporate governance policies those matters contained in the Australian Securities Exchange Corporate Governance Council’s Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition (“ASX Recommendations”) where applicable. However, the Board also recognises that full adoption of the ASX Recommendations may not be practical or provide the optimal result given the particular circumstances of the Company.

This corporate governance statement outlines FarmaForce’s corporate governance policies and practices that it has adopted.

ASX Corporate Governance Council Principles and Recommendations	Compliance by FarmaForce
<b>Principle 1: Lay solid foundations for management and oversight</b>	
<i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i>	
<b>Recommendation 1.1</b> 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.	<u>Role of the FarmaForce Board (“the Board”)</u>  The Board has adopted a Board Charter which clearly sets out the way FarmaForce is governed and articulates the division of responsibilities between the Board and the executive team.  The Board is responsible for the overall operation and stewardship of the Company and, in particular, is responsible for the long-term growth and profitability of the Company. The Board will ensure the activities of the company comply with its constitution and with all legal and regulatory requirements. As part of its role, the Board will approve the strategic direction of the Company and oversee good governance practice. The Board's responsibilities are set out in a formal Charter that the Board reviews from time to time. The Charter

was most recently reviewed and amended in July 2015.

The major powers the Board has reserved to itself are:

- Approving the Company's strategic direction, business plans and policies as developed by the company's management.
- Oversight and monitoring management's performance in delivering the company's strategic plans.
- Approving, reviewing and monitoring the progress of capital management, & capital raising initiatives, major capital expenditure, acquisitions and divestments.
- Oversight of the Company, including its control and accountability systems.
- Approving the Company's system of corporate governance, (including the formation of Board committees in accordance with the provisions of the relevant governing charters) and monitoring the system's effectiveness.
- Monitoring financial outcomes and the integrity of reporting.
- Approving decisions affecting FarmaForce's capital, including determining FarmaForce's dividend policy and declaring dividends.
- Appointment and removal of the Chief Executive Officer and Delegating authority to the Chief Executive Officer in accordance with the Board Charter, setting out the Chief Executive Officer's agreed delegated powers and authorities.
- Identifying the principal risks of the Company's business and ensuring that the Company has in place an appropriate risk management framework.
- Establishing, monitoring, ratifying and regularly reviewing the Company's systems of internal compliance and control, risk management and legal compliance that govern the operations of the Company, to determine the integrity and effectiveness of those systems.
- Monitoring the effectiveness of FarmaForce's audit, risk management and compliance systems that are in place to

	<p>protect FarmaForce's assets and to minimise the possibility of FarmaForce operating beyond acceptable risk parameters.</p> <p>The Board has established two Committees. They are:</p> <ul style="list-style-type: none"> <li>• Audit and Risk Committee; and</li> <li>• Remuneration and Nomination Committee.</li> </ul> <p><u>Delegation to the CEO and the Executive Team</u></p> <p>The Board has delegated to the CEO (if appointed) and the Executive Team responsibility for implementing FarmaForce's strategic direction and for the general and overall management of the Company.</p> <p><u>Executive Team</u></p> <p>The Executive Team comprises those Executive Directors and senior management (appointed from time to time) who report directly to the Board.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	<p>The Board has established a Remuneration and Nominations Committee (refer 2.1) with responsibility for assisting the Board in overseeing arrangements for the effective appointment of new Directors. When considering the appointment of a new Director, the Committee may engage the services of an executive recruitment firm to assist it to identify suitably qualified candidates to be shortlisted for consideration for appointment to the Board and to carry out appropriate reference checks before the Board makes an offer to a preferred candidate.</p> <p>Under the Company's constitution, newly appointed directors are required to stand for reappointment at the next subsequent AGM following their appointment. The Notice of Meeting for the AGM will provide shareholders with information about each Director standing for election or re-election including details of relevant skills and experience.</p>
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>New Directors consent to act as a director and receive a formal letter of appointment which sets out their duties and responsibilities, rights, remuneration entitlements and other terms of their</p>

	<p>appointment.</p> <p>Each Executive is employed under a service agreement which sets out the terms upon which they are employed including details such as duties and responsibilities, rights, term of employment and remuneration. The Service Agreement also sets out the circumstances in which the employment of the Executive may be terminated by either FarmaForce or the Executive, including details of the notice periods required to be given by either party, and the amounts payable to the Executive in lieu of notice where applicable.</p>
<p><b>Recommendation 1.4</b></p> <p>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.</p>	<p>Mr Kelvin Boateng is the Company Secretary and Head of Legal and Commercial Affairs. Mr Boateng has a broad range of legal and operational responsibilities in addition to his company secretarial duties. As a result, the formal reporting line of the current Company Secretary is to the Chief Operating Officer. For any matter relevant to the company secretarial duties or conduct of the Board, the Company Secretary has an indirect reporting line, and is accountable, to the Chair of the Board.</p>
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(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</p> <p>(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.</p>	<p>FarmaForce’s Diversity Policy describes FarmaForce’s approach to diversity and inclusion and how these attributes are to be embedded in FarmaForce’s culture. The policy provides for gender diversity and the positive correlation between increased representation of women on company boards and in senior management positions and the achievement of better financial performance and to better reflect the community, our clients and our shareholders.</p> <p>FarmaForce is an equal opportunity employer, which employs and promotes on the basis of merit. The Company’s Diversity Policy extends beyond gender and recognises the value contributed to the organisation by employing people with varying skills, cultural backgrounds, gender, ethnicity and experience. FarmaForce believes its diverse workforce is the key to its continued growth, improved productivity and performance.</p> <p>The Policy will require disclosure in the Company’s annual report of its progress in achieving its objectives and respective proportions of men and</p>

	<p>women on the Board and in senior positions across the organisation.</p> <p>The Policy is published on the Company's website.</p>
<p><b>Recommendation 1.6:</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p><u>Evaluation of Board and individual Directors</u></p> <p>As stated in the Board Charter and the Remuneration and Nomination Committee Charter, the Committee has developed a process for periodically evaluating the performance of the Board and its committees. The Company's policies provide for the Board to regularly review its own performance and the performance of individual Directors.</p> <p>An independent review of the performance of the Board may be conducted from time to time.</p> <p><u>Evaluation of Board Committees</u></p> <p>The Charters for each of the Board Committees require that each Committee review its own performance from time to time, or whenever there are major changes to the management structure of the Company.</p>
<p><b>Recommendation 1.7</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Under the FarmaForce Board Charter, the Board has responsibility for oversight and monitoring management's performance in delivering the company's strategic plans.</p> <p>To assist in this process, the Board has delegated to the CEO (where one is appointed) the following responsibilities which include:</p> <ul style="list-style-type: none"> <li>• managing the day to day affairs of the Company;</li> <li>• developing the corporate strategy and key strategic initiatives;</li> <li>• ensuring that the Board is appraised of the material matters affecting strategic operations of the Company;</li> <li>• approving policies for regularly assessing the performance of senior executives and monitoring and evaluating performance; and</li> <li>• to report annually to the Board on succession planning and management development.</li> </ul> <p>As the Company is yet to appoint a CEO, the Board has delegated these responsibilities to the Executive</p>

	<p>Team until the appointment of a CEO.</p> <p>The performance of senior executives is reviewed against specific measurable and qualitative indicators, which will include:</p> <ul style="list-style-type: none"> <li>• financial measure of the company's performance;</li> <li>• achievement of strategic objectives; and</li> <li>• achievement of key operational targets.</li> </ul> <p>The CEO of FarmaForce will ordinarily be responsible for the review of the performance of senior executives, in line with their respective key performance indicators. Until such time as a CEO is appointed, the Executive Team, including all Executive Directors, will retain responsibility for evaluating the performance of senior executives.</p>
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**Principle 2: Structure the Board to add value**

*A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.*

<p><b>Recommendation 2.1</b> The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(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</li> </ol> <p>(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.</p>	<p>The Board has established a Remuneration and Nominations Committee. The Committee is comprised of Mr George Elias, Mr Con Tsigounis and Ms Stamatia Tolia (all non-executive Directors). Mr Elias and Ms Tolia are considered by the Board to be independent Directors.</p> <p>The Committee has adopted a formal Charter that is available on FarmaForce's website.</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> <li>• reviewing the skills, knowledge and experience a Director should have, having regard to FarmaForce's operational, financial and strategic objectives;</li> <li>• reviewing the structure, size and composition of the Board and Board Committees;</li> <li>• developing and implementing a process for evaluating Board, Committee and individual Director performance;</li> <li>• developing selection criteria for the appointment of new Directors and overseeing arrangements for the effective appointment and induction of new Directors; and</li> </ul>
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	<ul style="list-style-type: none"> <li>developing succession plans for non-executive Directors to maintain an appropriate mix of skills, experience, expertise and diversity on the Board.</li> </ul>
<p><b>Recommendation 2.2</b> 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.</p>	<p>FarmaForce seeks to maintain a Board of Directors with a broad range of commercial and other skills, experiences and knowledge relevant to overseeing the business of a contract sales organisation.</p> <p>With assistance from the Remuneration and Nomination Committee, the Board will identify suitable candidates for appointment to the Board, taking into account the appropriate mix of skills, experiences, expertise and diversity required or Board membership. As well as general skills expected for Board membership the matrix includes items such as relevant experience within the Life Science industry with direct relevance to FarmaForce's strategy.</p>
<p><b>Recommendation 2.3</b> A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p>FarmaForce considers a Director to be independent if the Director is independent of management and free of any business or other relationship that could materially interfere, or be perceived as interfering, with the exercise of an unfettered and independent judgement in relation to matters concerning FarmaForce's business.</p> <p>In determining whether a Director is independent, the Board has considered whether the Director (or any of the Director's associates):</p> <ul style="list-style-type: none"> <li>within the last three years, has been employed in an executive capacity by FarmaForce or any of its related bodies corporate;</li> <li>within the last three years, has been a principal of a material professional adviser or a material consultant to FarmaForce or any of FarmaForce's related bodies corporate;</li> <li>is a material supplier to, or customer of, FarmaForce or any of FarmaForce's related bodies corporate, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;</li> <li>is a substantial shareholder of FarmaForce or an officer of, or otherwise associated</li> </ul>

	<p>directly with, a substantial shareholder of FarmaForce;</p> <ul style="list-style-type: none"> <li>• has a material contractual relationship with FarmaForce;</li> <li>• has close family ties with any person that falls into the categories outlined above;</li> <li>• has been a director of the entity for such a period that his or her independence may have been compromised; or</li> <li>• has any interest or any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director’s ability to act in FarmaForce’s best interests.</li> </ul> <p>Mr George Elias and Ms Stamatia Tolia are considered by the Board to be independent members of the Board.</p>
<p><b>Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.</p>	<p>The Board is comprised of four members (Mr George Elias, Ms Stamatia Tolia, Mr Con Tsigounis and Mr Daniel Morato) and has a majority of non-Executive Directors (Mr Elias, Ms Tolia and Mr Tsigounis). Mr Elias and Ms Tolia are considered by the Board to be independent. Mr Tsigounis is a nominee director of the Company’s majority shareholder, iQnovate Ltd. Accordingly, the Company does not have a majority of independent Directors. This represents a departure from the ASX Recommendations.</p> <p>The Company’s constitution provides the Chairperson Mr Elias, with a casting vote in the event of a deadlock. Accordingly, the independent Directors of the Board will ordinarily have the majority vote on matters before the Board.</p> <p>The Board considers this to be an appropriate alternate to the requirement for a majority of independent directors considering the size and complexity of the business.</p> <p>No Director has received or become entitled to receive a benefit because of a contract between any company, FarmaForce and the Director, other than:</p> <ul style="list-style-type: none"> <li>(i) in the case of non-executive Directors, remuneration as disclosed in the Prospectus which includes a right to participate in the</li> </ul>



	<p>shareholder approved FarmaForce Employee Share Option Plan; and</p> <p>(ii) in the case of Mr Morato, a contract of employment and entitlements under FarmaForce’s Employee Share Option Plan.</p>
<p><b>Recommendation 2.5</b></p> <p>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.</p>	<p>Under FarmaForce’s Constitution and the Board Charter, the Board elects a Chairman from one of their number and will aim for, so far as is practicable given the size of the Company, the appointment of a Chairperson who is an independent director and who is not the CEO. This means that the roles of Chairman and Chief Executive Officer are not exercised by the same individual.</p> <p>The Board is satisfied that FarmaForce’s Chairman, Mr George Elias is, and has been throughout the tenure of his appointment, and as at that date of this statement, an independent Director.</p> <p>The Chairman presides over FarmaForce’s Board meetings and Shareholder meetings. Under FarmaForce’s Board Charter, the Chairman is also responsible for:</p> <ul style="list-style-type: none"> <li>• leading the Board in reviewing and discussing Board matters;</li> <li>• chairing Board meetings and shareholder meetings;</li> <li>• ensuring the efficient organisation and conduct of the Board’s function;</li> <li>• briefing all directors in relation to issues arising at Board meetings;</li> <li>• facilitating effective contribution by all directors and monitoring Board performance;</li> <li>• promoting constructive relations between Board members and between the Board and management;</li> <li>• reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board;</li> <li>• establishing and overseeing the implementation of policies and systems for Board performance review and renewal; and</li> <li>• ensuring that the Board is provided with information relevant to the Company’s operations and strategies to assist the Board to discharge its duties.</li> </ul>

<p><b>Recommendation 2.6</b> 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.</p>	<p>The formal letter of appointment and an induction pack provided to Directors contain sufficient information to allow the new Director to gain an understanding of:</p> <ul style="list-style-type: none"> <li>• The rights, duties and responsibilities of Directors;</li> <li>• The role of Board Committees;</li> <li>• The roles and responsibilities of the Executive Team; and</li> </ul> <p>FarmaForce’s financial, strategic, and operational risk management position.</p> <p>New Directors undertake an induction program which comprises:</p> <ul style="list-style-type: none"> <li>• An information pack which includes a copy of FarmaForce’s Constitution; Board and Committee Charters; most recent Annual Report; most recent Appendix 4D or 4E; most recent monthly Group Performance Report; FarmaForce strategic plan; organisational chart; Deed of Access, Insurance and Indemnity and details of FarmaForce’s Directors and Officers insurance policy; and a copy of the register of FarmaForce’s most significant risks (if any);</li> <li>• A program of meetings with members of FarmaForce’s Executive Team and FarmaForce’s employees responsible for areas such as training and development and business development.</li> </ul>
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**Principle 3: Act ethically and responsibly**  
*A listed entity should act ethically and responsibly.*

<p><b>Recommendation 3.1</b> A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>The Board insists on the highest ethical standards from all officers and employees of FarmaForce and is conscious to ensure appropriate corporate professional conduct at all times. As such, the Board has adopted a Code of Conduct to provide a set of guiding principles which are observed by all directors, senior executives and employees of FarmaForce geographically located in Australia.</p> <p>The Code of Conduct sets out a number of overarching principles of ethical behaviour which</p>
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	<p>articulate the Company’s commitment to honesty and integrity in all its dealings, including its dealing with key stakeholders and the broader community. Importantly, the Code of Conduct demonstrates the Company’s commitment to ensuring that the highest quality of service is provided to its clients at all times. The purpose of this Code is to assist all persons involved in the Company’s business in fulfilling these objectives and ensures that our professional standing and integrity is maintained at all times.</p>
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**Principle 4: Safeguard integrity in corporate reporting**

*A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.*

**Recommendation 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 Board has established an Audit and Risk Committee. Its primary function is to assist the Board to fulfill its responsibilities to provide shareholders with timely and reliable financial reports and to protect the interests of shareholders, customers, employees and the broader community through the effective identification, assessment, monitoring and management of risks.

*Structure of the Audit and Risk Management Committee*

Under the Audit and Risk Committee Charter, the Committee is required to have at least three members, all of whom must be independent non-executive Directors where possible. The Charter also requires that all members have a working familiarity with basic accounting and finance practices and that at least one member have financial expertise. The Committee must also include some members with an understanding of the industry in which the Company operates.

The Board also has discretion to appoint additional members to the Committee who are independent to the Board to compliment the composition of the Committee.

The Committee currently comprises three members, of which two are independent Directors and one is an additional member by invitation. Mr George Elias (chair of the Board) is the Chairman of the Committee and has extensive financial expertise as a qualified Certified Practising Accountant.

The composition of the Committee represents a departure from the ASX recommendation that an organisation's audit committee consist of at least three members, all of whom are to be non-executive directors and is chaired by an independent director, who is not the chair of the board. This is not practical due to the size of the Board. The Board is satisfied that considering the size and complexity of the business, the appointment of three independent members will achieve an equally compliant outcome.

The Committee is required to meet as often as required in order for it to undertake its role effectively. In addition, the Chairperson is required to call a meeting of the Committee if requested by any member of the Committee, the Company's external auditor, an Internal Audit and Risk Manager (should one be appointed) or the Chairperson of the Board.

The Committee will regularly report to the Board on all matters relevant to the Committee's role and responsibilities, including ensuring that the key risks facing the Company are reported to the Board.

*Charter of the Audit and Risk Management Committee*

The Committee operates under a formal Charter published on FarmaForce's website. The Charter is available on the Company's website.

The Charter sets out the roles and responsibilities, composition, structure and membership requirements of the Committee.

The Committee's primary responsibilities include:

- (a) Monitoring the integrity of financial reporting;
- (b) Monitoring and reviewing the external auditor's qualifications, performance and independence;
- (c) Monitoring the effectiveness of risk management processes, including reviewing the adequacy of FarmaForce's property, business interruption, and liability insurances;
- (d) Monitoring the effectiveness of the audit function;

	<p>(e) Monitoring legislative and regulatory compliance; and</p> <p>(f) Monitoring the adequacy and completeness of internal controls.</p>
<p><b>Recommendation 4.2</b></p> <p>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.</p>	<p>The Board of FarmaForce intends to comply with this recommendation.</p>
<p><b>Recommendation 4.3</b></p> <p>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.</p>	<p>The Board of FarmaForce intends to comply with this recommendation.</p>
<p><b>Principle 5: Make timely and balanced disclosure</b></p> <p><i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i></p>	
<p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>FarmaForce has adopted a Continuous Disclosure Policy to ensure that the Company effectively discharges its disclosure obligations in compliance with the Listing Rules in order to keep the market informed of events and developments relating to the Company and its affairs. Particularly, timely disclosures of material information as required by the Listing Rules which a reasonable person would expect to have a material affect on the price or value of the Shares.</p> <p>The Company's Continuous Disclosure Policy includes provision for urgent disclosure, the implementation of trading halts when necessary and an internal protocol for communicating with external parties.</p> <p>The FarmaForce Continuous Disclosure Policy is available on the Company's website.</p>
<p><b>Principle 6: Respect the rights of security holders</b></p> <p><i>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</i></p>	
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>FarmaForce website contains information about the Company which assists an investor in making an informed decision about the Company.</p>

	<p>The Company's website also contains information regarding the Governance policies which the Company has adopted. They include:</p> <ul style="list-style-type: none"> <li>• Board Charter</li> <li>• Audit &amp; Risk Committee Charter</li> <li>• Nomination &amp; Remuneration Charter</li> <li>• Continuous Disclosure Policy</li> <li>• Communications Strategy Policy</li> <li>• Diversity Policy</li> <li>• Key Management Personnel Securities Trading Policy</li> <li>• Code of Conduct</li> </ul>
<p><b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>FarmaForce has established a formal shareholder communications strategy and takes appropriate measures to keep shareholders informed about its activities. Fundamental to FarmaForce's investor relations program is the management of its continuous disclosure obligations which facilitates all shareholders having access to important company information. In addition to lodging this information with the ASX, FarmaForce uses its website to make available to shareholders information about the company and its activities.</p> <p>The Company's Shareholder communication Strategy and Policy will be made available on the Company's website.</p>
<p><b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>FarmaForce endeavours to encourage and promote effective communication with its shareholders and all other external stakeholders. FarmaForce's Constitution sets out the procedures to be followed regarding:</p> <ul style="list-style-type: none"> <li>• the convening of meetings;</li> <li>• the form and requirements of the notice;</li> <li>• the chairperson and quorums; and</li> <li>• the voting procedures, proxies, representations and polls.</li> </ul> <p>FarmaForce's strategy is to ensure that shareholders, regulators and the wider investment community are informed of all major developments affecting FarmaForce in a timely and effective manner. Information is communicated in a number of ways including:</p> <ul style="list-style-type: none"> <li>• annual and half yearly reports;</li> </ul>

	<ul style="list-style-type: none"> <li>• market disclosures in accordance with the continuous disclosure protocol;</li> <li>• updates on operations and developments;</li> <li>• announcements on FarmaForce’s website; and</li> <li>• market briefings and presentations at general meetings.</li> </ul> <p>Shareholders are encouraged to attend and participate at general meetings. Accordingly, the Board will ensure that meetings are held during normal business hours and at a location considered to be most convenient for the greatest possible number of shareholders to attend. The full text of notices and accompanying materials will be included on FarmaForce’s website. Information will be presented in a clear and concise manner and designed to provide shareholders and the market with full and accurate information.</p>
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<p><b>Recommendation 6.4</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>FarmaForce encourages its shareholders to receive communications from it and its share registry electronically.</p>
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**Principle 7: Recognise and manage risk**

*A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.*

<p><b>Recommendation 7.1</b> The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>The Board has overall responsibility to ensure that there is a sound system of risk management and internal controls across the business. One of the primary responsibilities of the Board is to identify, assess, monitor and manage risk. Additionally, the Board is responsible for identifying material changes in FarmaForce’s risk profile to ensure that FarmaForce can take advantage of potential opportunities while managing potential adverse effects.</p> <p>The Board has delegated responsibility for the identification, assessment and management of risks relating of both FarmaForce’s internal and external controls to FarmaForce’s Audit and Risk Committee. The risk management functions of the Audit and Risk Committee include:</p> <ul style="list-style-type: none"> <li>• examining and evaluating the effectiveness of the internal control system with management and external auditors;</li> <li>• assessing existing controls that</li> </ul>
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	<p>management has in place for unusual transactions or transactions that may carry more than an accepted level of risk;</p> <ul style="list-style-type: none"> <li>• meeting periodically with key management, external auditors and compliance staff to understand FarmaForce’s control environment;</li> <li>• receiving reports concerning all suspected and actual frauds, thefts, breaches of the law and key risk areas; and</li> <li>• assessing and ensuring that there are internal processes for determining and managing key areas, such as important judgments and accounting estimates.</li> </ul> <p>The Audit and Risk Committee has the authority to:</p> <ul style="list-style-type: none"> <li>• request management or others to attend meetings and to provide any information or advice that the Committee requires;</li> <li>• access the Company’s documents and records;</li> <li>• obtain the advice of special or independent counsel, accountants or other experts, without seeking approval of the Board or management; and</li> <li>• approach management and external auditors for information.</li> </ul> <p>The Committee currently comprises three members, of which two are independent Directors and one is an additional member by invitation.</p> <p>The composition of the Committee represents a departure from the ASX recommendation that an organisation’s risk committee is chaired by an independent director, who is not the chair of the Board. Although the Chairman of the Committee, Mr George Elias, is also chair of the board and has extensive financial expertise as a qualified Certified Practising Accountant. The Board is satisfied that considering the size and complexity of the business, the appointment of Mr Elias as chair will achieve an equally compliant outcome.</p>
<p><b>Recommendation 7.2</b> The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound; and</p>	<p>The Board of FarmaForce understands that the management of risk is a continuous process and an integral part of good business management and corporate governance. The Board appreciates that the Company operates within the services sector,</p>



<p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>and is therefore exposed to a range of risks, which include (but are not limited to) market, operational, regulatory and reputational risks.</p> <p>Ultimately, the Board, with assistance from the Audit and Risk Committee, is responsible for ensuring that effective systems are in place to identify, assess, monitor and manage risks the Company is exposed to. In addition, the Board has ultimate responsibility to ensure that internal controls and procedures are adequate for monitoring compliance with laws and regulations. In addition, the Committee oversees and appraises the quality of audits conducted by the internal and external auditors and emphasises areas where it believes that special attention is required. The Committee operates in accordance with an Audit and Risk Committee Charter, which outlines the structure and responsibilities of the Committee. The Charter is available on the Company's website.</p> <p>The Committee is responsible for the co-ordination and continued improvement of the Risk Management Framework. The framework is formally reviewed annually, with results reported to the Board.</p>
<p><b>Recommendation 7.3</b> A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	<p>FarmaForce does not at this time have an internal audit function, although it has made provision in its Audit and Risk Committee Charter to establish one in future. At present the Company has in place comprehensive processes for evaluating and continually improving the effectiveness of its risk management framework and its internal financial control process.</p> <p>These processes are implemented and overseen by the Executive Team (including the CFO) and the Audit and Risk Committee, with ultimate responsibility flowing up to the Board.</p>
<p><b>Recommendation 7.4</b> 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.</p>	<p>Section 8 of the FarmaForce Prospectus discusses the Company's exposure to risks that may have a material adverse impact on the Company's shareholders. The Prospectus identifies the potential economic, regulatory and social sustainability risks relating to the Company and its operations.</p> <p>Ultimately, the Board is responsible for managing the risks the Company is subject to.</p>
<p><b>Principle 8: Remunerate fairly and responsibly</b></p>	

*A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.*

<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>The Board has established a Remuneration and Nomination Committee to assist and advise it on remuneration and recruitment policies and practices (refer to 2.1).</p> <p>The Committee is comprised of Mr George Elias, Mr Con Tsigounis and Ms Stamatia Tolia (all non-executive Directors). Mr Elias and Ms Tolia are considered by the Board to be independent Directors.</p> <p>The Committee has adopted a formal Charter that is available on FarmaForce’s website.</p> <p>The Committee is responsible for reviewing and making recommendations to the Board on:</p> <ul style="list-style-type: none"> <li>• the remuneration framework for the non-executive directors;</li> <li>• the remuneration framework for the Chairperson of the Board and the Managing Director;</li> <li>• the remuneration framework for any other executive directors;</li> <li>• the Company’s policy on remuneration for other senior executives, any changes to the policy and the implementation of the policy (including any shareholder approvals required); and</li> <li>• incentive schemes, if appropriate, for the Chairperson, Managing Director and senior executives.</li> </ul> <p>The Committee will meet at least annually, or as often as required to meet their responsibilities. The Chairperson of the Committee will be required to report the findings and recommendations of the Committee to the Board following each meeting of the Committee.</p>
<p><b>Recommendation 8.2</b></p> <p>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.</p>	<p>The FarmaForce Prospectus at section 5.2.9 details the remuneration paid by the Company to each of its current Directors.</p>
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based</p>	<p>The Company has adopted a Key Management Personnel Securities and Trading Policy that applies</p>

<p>remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p>to all Directors and key management personnel of the Company. The policy ensures that all Directors and key management personnel are aware of the legal restrictions in dealing in Company securities while in possession of unpublished Company price-sensitive information. The Company's Key Management Personnel Securities Trading Policy also establishes procedures for Directors and key management personnel for dealing in the Company's securities.</p> <p>The Company's Key Management Personnel Securities Trading Policy is available on the Company website.</p>
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