

### 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 is effective as at 30 September 2017. It has been approved by the Board of Directors and outlines FarmaForce’s corporate governance policies and practices that it has adopted.

ASX Corporate Governance Council Principles and Recommendations	Recommendation Followed	Comment by FarmaForce
<p><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></p>		
<p><b>Recommendation 1.1</b>            A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>a) The respective roles and responsibilities of its board and management; and</li> <li>b) Those matters expressly reserved to the board and those delegated to management.</li> </ul>	<p>Yes</p>	<p>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.</p> <p>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 Charter was most recently reviewed and amended in July 2015 and may be reviewed by the Board as required. A copy of the Board Charter is available at <a href="http://www.farmaforce.com.au/corporate-governance/">http://www.farmaforce.com.au/corporate-governance/</a>.</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>



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		<p><u>Delegation to the Executive Team</u></p> <p>The Board has delegated to the Executive Team responsibility for implementing FarmaForce's strategic direction and for the general and overall management of the Company.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>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.</li> </ul>	<p>Yes</p>	<p>Prior to appointing a Director or putting forward a new candidate for election, appropriate screening checks are undertaken as to the person's criminal history and bankruptcy history.</p> <p>When presenting a Director for re-election, the Company provides shareholders with all material information in the Company's possession relevant to a decision whether or not to elect or re-elect a director.</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>Yes</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 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>Yes</p>	<p>The Company Secretary is responsible for the operation and management of the Company's secretariat function. The Company Secretary reports to the Chairman (on behalf of the Board) with respect to the proper functioning of the Board. Each member of the Board has access to the Company Secretary. The appointment and removal of the Company Secretary is determined by the Board.</p>
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>a) Have a diversity policy which includes requirements for the Board or a relevant</li> </ul>	<p>No – Refer Comments</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.</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 recognizes the value contributed to the</p>

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<p>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</p> <p>c) Disclose 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>(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</p> <p>(ii) 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>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. The company does not have measurable objectives in place and does not comply with Recommendation 1.5. However, the Board feels that through being an equal opportunity employer, which employs and promotes on the basis of merit, the Company is already achieving gender diversity within the organisation as reflected in the following table:</p> <table border="1" data-bbox="1330 555 1798 906"> <thead> <tr> <th></th> <th>Proportion of Women</th> </tr> </thead> <tbody> <tr> <td>Whole Organisation <i>(excl. Board)</i></td> <td>60%</td> </tr> <tr> <td>Sales Team</td> <td>62%</td> </tr> <tr> <td>Management</td> <td>86%</td> </tr> <tr> <td>Other</td> <td>0%</td> </tr> <tr> <td>Senior Executives</td> <td>0%</td> </tr> <tr> <td>Board</td> <td>0%</td> </tr> </tbody> </table> <p>The Company's Diversity Policy is published on the Company's website at: <a href="http://www.farmaforce.com.au/corporate-governance/">http://www.farmaforce.com.au/corporate-governance/</a></p>		Proportion of Women	Whole Organisation <i>(excl. Board)</i>	60%	Sales Team	62%	Management	86%	Other	0%	Senior Executives	0%	Board	0%
	Proportion of Women															
Whole Organisation <i>(excl. Board)</i>	60%															
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Senior Executives	0%															
Board	0%															
<p><b>Recommendation 1.6</b></p> <p>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>Yes</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>As at the end of the reporting period, the Company has not conducted a performance evaluation in relation to the reporting period. The Board intends to conduct a performance evaluation periodically.</p>														

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<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>a) Have and disclose a process for periodically evaluating the performance of its senior executives; and</li> <li>b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	<p>Yes</p>	<p>The performance of senior executives is reviewed against specific measurable and qualitative indicators set out in the relevant executive's Service Agreement, which may 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>During the reporting period performance evaluations of the senior executives were undertaken by the Company in accordance with these processes.</p>
<p><b>Principle 2: Structure the Board to add value</b></p> <p><i>A listed entity should have a Board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively</i></p>		
<p><b>Recommendation 2.1</b></p> <p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>a) Have a Nomination Committee which:                             <ul style="list-style-type: none"> <li>(i) Has at least three members, a majority of whom are independent directors; and</li> <li>(ii) Is chaired by an independent director, and disclose:                                     <ul style="list-style-type: none"> <li>(iii) The charter of the Committee</li> <li>(iv) The members of the Committee</li> </ul> </li> <li>(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</li> </ul> </li> <li>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</li> </ul>	<p>No – Refer Comments</p>	<p>The Board has established a Remuneration and Nominations Committee. The Committee is currently comprised of Mr George Elias, Mr Con Tsigounis (non-executive Directors) and Mr Harry Simeonidis (executive Director). Ms Stamatia Tolia was an independent member of the Committee for the majority of the reporting period, resigning on the 14<sup>th</sup> August 2017. Mr Simeonidis was appointed to the Committee on that date. Mr Elias is the Chairman of the Committee and is considered by the Board to be an independent Director.</p> <p>For the majority of the reporting period the Committee comprised three members, of which two were independent. Accordingly, from the 14<sup>th</sup> August 2017, the Committee does not currently have a majority of independent Directors and does not comply with Recommendation 2.1.</p> <p>Given the size of the Company, the Board is confident that the Committee has the breadth of experience necessary to effectively meet all the requirements under the Charter.</p> <p>The Committee has adopted a formal Charter that is available on FarmaForce's website</p>

ASX Corporate Governance Council Principles and Recommendations	Recommendation Followed	Comment by FarmaForce
skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
<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	No – Refer Comments	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. Whilst the Board does not have a formal board skills matrix, and therefore does not comply with Recommendation 2.2, the Board does have regard to the existing skill sets of directors when considering new appointments.
<b>Recommendation 2.3</b> A listed entity should disclose: <ol style="list-style-type: none"> <li>a) The names of the Directors considered by the Board to be independent Directors;</li> <li>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</li> <li>c) The length of service of each Director</li> </ol>	Yes	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. Mr George Elias is considered by the Board to be an independent member of the Board. The length of service of each Director is as follows: <ul style="list-style-type: none"> <li>➤ Mr George Elias, 2 years and 5 months;</li> <li>➤ Dr George Syrmalis, 1 year and 10 months;</li> <li>➤ Mr Con Tsigounis, 2 years and 2 months;</li> <li>➤ Mr Harry Simeonidis, less than 1 month</li> </ul>
<b>Recommendation 2.4</b> A majority of the Board of a listed entity should be independent Directors	No – Refer Comments	The Board is comprised of four members (Mr George Elias, Mr Con Tsigounis, Dr George Syrmalis, and Mr Harry Simeonidis) and has a majority of non-executive Directors. Mr Elias is considered by the Board to be independent. Mr Tsigounis and Dr Syrmalis are nominee Directors of the Company’s majority shareholder, iQnovate Ltd, and are not considered independent. The fourth member, Mr Simeonidis, is the Company’s only executive Director. Accordingly, the Company does not have a majority of independent Directors and does not comply with Recommendation 2.4. The Board considers this to be an appropriate alternative to the requirements for a majority of independent Directors considering the size and complexity of the business.

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<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>	Yes	The Chairman of the Board is Mr George Elias, an independent, non-executive Director.
<p><b>Recommendation 2.6</b></p> <p>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>	Yes	<p>A new Director is offered an induction and training program about the Company, its policies and charters and the Director's roles and responsibilities. New Directors also have the opportunity to meet with key management staff.</p> <p>As part of its ongoing review of its own performance and skill set, the Board provided professional development opportunities by updating Directors on skillsets required specific to the organisation.</p>
<p><b>Principle 3: Act Ethically and responsibly</b></p> <p><i>A listed entity should act ethically and responsibly</i></p>		
<p><b>Recommendation 3.1</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>a) Have a code of conduct for its Directors, senior executives and employees; and</li> <li>b) Disclose that code or a summary of it</li> </ul>	Yes	<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 must be observed by all Directors, senior executives and employees of FarmaForce.</p> <p>A copy of the Code of Conduct is available on the FarmaForce website.</p>
<p><b>Principle 4: Safeguard integrity in corporate reporting</b></p> <p><i>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting</i></p>		
<p><b>Recommendation 4.1</b></p> <p>The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>a) Have an Audit Committee which: <ul style="list-style-type: none"> <li>(i) Has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</li> <li>(ii) Is chaired by an independent Director, who is not the chair of the Board,</li> </ul> </li> </ul>	No – Refer Comments	<p>The Board has established an Audit and Risk Committee to provide assistance to the Board and has adopted a formal Charter for the Committee. A copy of the Committee's Charter is available on the FarmaForce website.</p> <p>For the majority of the reporting period, The Committee comprised three members, of which two were independent Directors, Mr George Elias and Ms Stamatia Tolia. Ms Tolia resigned as a Director on 14 August 2017. There was also an additional member by invitation, Mr Spiro Sakiris. The Committee met on 28 August 2017, following this meeting, Mr Sakiris ceased to be an additional member by invitation. Consequently, from 28 August 2017, the Committee comprised only 2 members, Mr Elias, (an independent member) and Mr Harry Simeonidis (a non-independent executive</p>

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<p>and disclose:</p> <ul style="list-style-type: none"> <li>(iii) The Charter of the Committee;</li> <li>(iv) The relevant qualifications and experience of the members of the Committee; and</li> <li>(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</li> </ul> <p>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.</p>		<p>Director).</p> <p>The Company does not comply with Recommendation 4.1. The Board considers that the size of the Committee is generally appropriate with regards to the size and complexity of the business.</p> <p>During the subsequent reporting period, the Board will consider whether it is necessary or appropriate to make a further appointment to the Committee.</p> <p>The qualifications and experience of the members of the Committee, the number of times the Committee has met and the respective member attendees during the reporting period are disclosed in the Annual Report.</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>Yes</p>	<p>In addition to the role of the Audit and Risk Committee in reviewing and reporting on the financial statements, prior to the financial statements for a financial year being presented to the Board for their approval, the CEO and CFO provide the Board with a declaration that, in their opinion, the financial records of the Company have been properly maintained in accordance with the Corporations Act 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 Company and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</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>Yes</p>	<p>The Auditor is invited to attend each Annual General Meeting of the Company, and to be available to answer shareholder questions about the conduct of the audit and preparation and content of the Auditor's Report.</p>

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<b>Principle 5: Make timely and balanced disclosure</b> <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>		
<b>Recommendation 5.1</b> A listed entity should: <ul style="list-style-type: none"> <li>a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>b) Disclose that policy or a summary of it.</li> </ul>	Yes	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.  The FarmaForce Continuous Disclosure Policy is available on the Company's website.
<b>Principle 6: Respect the rights of security holders</b> <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>		
<b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.	Yes	The FarmaForce website contains information about the Company which may assist an investor in making an informed decision about the Company.  The Company's website includes information regarding its governance and relevant policies: <a href="http://www.farmaforce.com.au/corporate-governance/">http://www.farmaforce.com.au/corporate-governance/</a>
<b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	FarmaForce has established a formal Shareholder Communications Strategy and takes appropriate measures to keep shareholders informed about its activities.  The Company communicates with its shareholders through its annual report, disclosures to the ASX, at the Annual General Meeting (AGM) and via the Company's website. In addition, shareholders have the opportunity to elect to receive relevant documentation electronically from the Company, via the Company's Registry and can communicate with the Company via email.  Through various means of communication, the Company aims to provide shareholders with a clear and balanced understanding of the aims and objectives of the Company. Copies of all relevant corporate governance documents relating to the Company can be found in the corporate governance section of the Company's website.  All shareholders have the opportunity to attend the Annual General Meeting and submit questions.

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<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.	Yes	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.  At the Annual General Meeting, the Chairman followed the process of addressing any relevant questions from shareholders. In addition, the Company ensured that the Company's auditor attended the AGM or other meetings of the Company and shareholders were afforded the opportunity of asking the Company's Auditor questions regarding the conduct and content of the audit.
<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.	Yes	FarmaForce encourages its shareholders to receive communications from it and its share registry electronically.
<b>Principle 7: Recognise and manage risk</b> <i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i>		
<b>Recommendation 7.1</b> The Board of a listed entity should: <ul style="list-style-type: none"> <li>a) Have a Committee or Committees to oversee risk, each of which:               <ul style="list-style-type: none"> <li>(i) Has at least three members, a majority of whom are independent directors; and</li> <li>(ii) Is chaired by an independent director,</li> </ul> </li> <li>and disclose               <ul style="list-style-type: none"> <li>(iii) The Charter of the Committee</li> <li>(iv) The members of the Committee; and</li> <li>(v) As at the end of each reporting period, the number of times the Committee met throughout the period and the individual</li> </ul> </li> </ul>	No – Refer Comments	The Board has overall responsibility to ensure that there is a sound system of risk management and internal controls across the business. Due to the size of the Company and scale of operations of its business, the Company does not have a separate Risk Committee, but rather a combined Audit and Risk Committee.  The Board has delegated responsibility for the identification, assessment and management of risks relating to both FarmaForce's internal and external controls to FarmaForce's Audit and Risk Committee.  See item 4.1 for details of the composition of the Audit and Risk Committee.  The number of times the Committee has met and attendance by members during the reporting period is disclosed in the Company Annual Report.  The Board considers this to be an appropriate alternative to the requirements for a majority of independent Directors on the Audit and Risk Committee considering the size and complexity of the business.

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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		
<b>Recommendation 7.2</b> 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.	Yes	<p>The Board of FarmaForce retains overall responsibility of the Company's Risk Management framework with the assistance of the Audit &amp; Risk Committee. It understands that the management of risk is a continuous process and an integral part of good business management and corporate governance. The Company operates within the services sector, and is therefore exposed to a range of risks, which include (but are not limited to) market, operational, regulatory and reputational risks.</p> <p>The Audit &amp; Risk Committee is responsible for the co-ordination and continued improvement of the Risk Management Framework. The Risk Management Framework has been designed to allow the Board to oversee the risk management process with assistance from the Audit &amp; Risk Committee and management. The Board is responsible for setting the Company's risk appetite and ensures that it regularly reviews the risk profile for the business.</p> <p>During the reporting period the Audit &amp; Risk Committee has considered and reported to the Board on a review of the Company's Risk Management Framework. Both the Audit &amp; Risk Committee and the Board is satisfied that the Risk Management Framework in place in respect of the Company is sound.</p>
<b>Recommendation 7.3</b> 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.	Yes	<p>FarmaForce does not at this time have an internal audit function. 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. See Recommendation 7.2 above for further details.</p> <p>The Board has overall responsibility for the Risk Management Framework including receiving regular reports from the Audit &amp; Risk Committee on the risk profile of the Company. The Audit &amp; Risk Committee provides assistance to the Board to fulfil its oversight responsibility for risk management.</p> <p>The Risk Management Framework has been designed to allow the Board to oversee the risk management process with assistance from the Audit &amp; Risk Committee and management. The Board is responsible for setting the Company's risk appetite and ensures that it reviews the risk profile for the business.</p> <p>During the reporting period, the Audit &amp; Risk Committee has considered and reported to the Board on</p>

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		<p>a review of the Company's Risk Management Framework. Both the Audit &amp; Risk Committee and the Board are satisfied that the Risk Management Framework in place in respect of the Company is sound. The Board receives an annual assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</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>Yes</p>	<p>The Board does not believe that the Company has any material exposure to economic, environmental and social sustainability risk that it has not mitigated to the extent reasonably practicable. The Board is responsible for managing the risks the Company is subject to. See Recommendations 7.2 and 7.3 for further details on general risk management. The Company is exposed to ordinary business and economic risks in the ordinary course of business.</p>
<p><b>Principle 8: Remunerate fairly and responsibly</b> <i>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.</i></p>		
<p><b>Recommendation 8.1</b> The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>a) Have a remuneration committee which:           <ul style="list-style-type: none"> <li>(i) Has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) Is chaired by an independent Director,</li> <li>(iii) And disclose</li> <li>(iv) The Charter of the Committee</li> <li>(v) The members of the Committee; and</li> <li>(vi) 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> </ul> </li> </ul>	<p>No – Refer Comments</p>	<p>The Board has established a combined Remuneration and Nomination Committee to assist and advise it on remuneration and recruitment policies and practices (refer to Recommendation 2.1). The Committee is comprised of Mr George Elias, Mr Con Tsigounis (non-executive Directors) and Mr Harry Simeonidis (executive Director). Ms Stamatia Tolia was an independent member of the Committee for the majority of the reporting period resigning on the 14<sup>th</sup> August 2017. Mr Simeonidis was appointed to the Committee on that date. Mr Elias is the Chair of the Committee and is considered by the Board to be an independent Director. For the majority of the reporting period, the Committee comprised three members of which two were independent. Accordingly, the Committee does not currently have a majority of independent Directors and therefore does not comply with Recommendation 8.1. The Committee has adopted a formal Charter that is available on FarmaForce's website. The number of times the Committee has met and respective attendances by members during the reporting period is disclosed in the company's annual report. The Board considers this to be an appropriate alternative to the requirements for a majority of independent Directors on the Audit and Risk Committee considering the size and complexity of the</p>

ASX Corporate Governance Council Principles and Recommendations	Recommendation Followed	Comment by FarmaForce
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.		business.
<b>Recommendation 8.2</b> 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	Yes	Details of the remuneration practices and the level of remuneration paid to Directors and Key Management Personnel is set out in the Remuneration Report found in the Company's Annual Report.
<b>Recommendation 8.3</b> A listed entity which has an equity-based remuneration scheme should: <ul style="list-style-type: none"> <li>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</li> <li>b) Disclose that policy or a summary of it</li> </ul>	Yes	The Company has in place an equity based Employee Share Plan, a copy of which was lodged with the ASX on 23 October 2015. In addition, a summary of the terms of the Plan were detailed in the Company's prospectus dated 10 August 2015. Pursuant to the Company's Security Trading Policy (a copy of which was lodged with the ASX on 23 October 2015), Directors and key management personnel holding shares under the Employee Share Plan may not deal (including sell, create a security interest in or otherwise dispose of) with those securities without the prior written consent of the Company. Otherwise the Company has no 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.