Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity:

FINBAR GROUP LILITED

ABN / ARBN:

97 009 113 473

Financial year ended:

30 June 2020

Our corporate governance statement[2] for the above period above can be found at:[3]

☐ These pages of our annual report:

☒ This URL on our website: http://www.finbar.com.au/investors/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 21 September 2020 and has been approved by the board.

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

Date:	21 September 2020
Name of Director or Secretary authorising lodgement:	Darren Pateman

[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 OR ☐ 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 http://www.finbar.com.au/investors/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*] ... and a copy of our diversity policy or a summary of it: ☐ at [*insert location*] ... 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 OR ☐ at [*insert location*] ... and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [*insert location*] ... and a copy of the charter of the committee: ☐ at [*insert location*] ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at [*insert location*] [If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☒ http://www.finbar.com.au/investors/financial-reports ... and, where applicable, the information referred to in paragraph (b): ☐ in our Corporate Governance Statement OR ☐ at [*insert location*] ... and the length of service of each director: ☐ in our Corporate Governance Statement OR ☒ at http://www.finbar.com.au/investors/financial-reports	☐ an explanation why that is so in our Corporate Governance Statement
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 OR ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] ... and a copy of the charter of the committee: ☒ at http://www.finbar.com.au/investors/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at http://www.finbar.com.au/investors/financial-reports [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
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: ☒ at http://www.finbar.com.au/investors/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement
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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

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.	[If the entity complies with paragraph (a):] … the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [*insert location*] … and a copy of the charter of the committee: ☐ at [*insert location*] … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
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 OR ☐ at [*insert location*] … and that such a review has taken place in the reporting period covered by this Appendix 4G: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement

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.	[If the entity complies with paragraph (a):] … how our internal audit function is structured and what role it performs: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [*insert location*] ... and a copy of the charter of the committee: ☒ at http://www.finbar.com.au/investors/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at http://www.finbar.com.au/investors/financial-reports [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore 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]
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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☒ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	*Alternative to Recommendation 1.1 for externally managed listed entities:* The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
-	*Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:* An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Finbar Group Limited

Corporate Governance Statement

Corporate Governance Statement

Introduction

The Board (**Board**) of Finbar Group Limited (**Finbar** or **the Company**), its subsidiaries and Equity Accounted Investees (**EAI**) (collectively the **Group**) is committed to maintaining a high standard of corporate governance in the conduct of the organisation's business in order to create and deliver value to shareholders. In this regard, Finbar has established a corporate governance framework, including corporate governance policies and charters to assist in this commitment. A copy of these policies and charters are available from the governance page of Finbar's website, www.finbar.com.au and are referenced throughout this document where relevant.

The framework is reviewed and revised in response to changes to law, developments in corporate governance best practice and changes to the Finbar business environment.

As a listed entity, Finbar is required to comply with Australian laws including the Corporations Act 2001 (Cth) (**Corporations Act**) and the Australian Securities Exchange Listing Rules (**Listing Rules**), and to report against the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**).

In March 2014, the ASX Corporate Governance Council released its third edition of the ASX Principles, which included the requirement for listed entities to provide an Appendix 4G – Key to Disclosures Corporate Governance Council Principles and Recommendation (**4G**). The Board considers that it has complied with its obligations under the ASX Principles during the period and this Corporate Governance Statement (**Statement**) reports on the organisations approach to Corporate Governance.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Board Charter sets out the Board's role, powers and duties, and establishes the functions reserved for the Board and those which are delegated to the management. The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group including:

- formulating its strategic direction;
- approving and monitoring site acquisition and project concepts;
- appointing, removing and creating succession policies for Directors and Senior Executives;
- establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems; and
- approving and monitoring financial and other reporting to the investment community.

The Board has delegated responsibility for the operation and administration of the Group to the Executive Chairman, the Managing Director and Senior Executives.

Recommendation 1.2

In accordance with Recommendation 2.1, the Board ensures that the appropriate checks are undertaken before appointing a person, or putting forward to security holders a candidate for election or re-election as a Director, and to ensure that via the Company Secretary, security holders are provided with all relevant material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

Recommendation 1.3

Finbar has a written agreement, either in the form of an employment contract or letter of employment, with each Executive Director and Senior Executive which sets out the terms of their appointment.

Recommendation 1.4

The Company Secretary is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board. The Board Charter confirms that all Directors have access to the Company Secretary. The Company Secretary is responsible for:

- managing the company secretarial function of the Group;
- advising the Board on matters of Corporate Governance;
- liaising with, and reporting to, regulatory authorities including but not limited to the Australian Securities Exchange (**ASX**) and Australian Securities and Investment Commission (**ASIC**); and
- attending to the proper functioning of the Board.

Recommendation 1.5

The Board has considered the recommendation to formulate strict measureable targets for the purposes of the assessment of gender diversity within the organisation. Given the small size and relatively stable nature of its workforce, the Board has formed the view that at this time it would not be appropriate or practical to establish a written policy regarding gender diversity. The Board will review this position at least annually. However, generally, when selecting new employees or advancing existing employees, no consideration is given to gender, age or ethnicity, but instead selections are based upon individual achievements, skill and expertise.

Recommendation 1.6

The Remuneration Committee Charter sets out the process for the periodical evaluation of the performance of the Executive Chairman and Managing Director. These evaluations have been conducted during the period.

Recommendation 1.7

The Remuneration Committee Charter sets out the process for the periodical evaluation of the performance of the Senior Executives. The Remuneration Committee in consultation with the Executive Chairman and Managing Director are responsible for the periodical evaluation of the performance of the Senior Executives. These evaluations have been conducted during the period.

Principle 2: Structure of the Board to add value

Recommendation 2.1

The Board has elected not to form a separate Nomination Committee and instead the function of a nomination committee is carried out by the Board of Directors, the majority of which are non-executive Directors. Where a vacancy is considered to exist, the Board selects an appropriate candidate and where required and appropriate, consults with external parties having given consideration to the needs of shareholders and the Company. Such appointments are referred to shareholders at the next opportunity for re-election in general meeting.

The procedures for the election and retirement of Directors are governed by the Company's constitution and the listing Rules of the Australian Securities Exchange Limited (**ASX**).In determining the composition of the Board, the Directors consider the optimal size and blend of skills required, and ensure that the appropriate expertise and experience are represented on the Board to promote that effective discussion and efficient decision making occurs and with a range of expertise encompassing the current and proposed activities of the Company.

The Board is satisfied that the current Board is comprised of Directors representing a broad range of these attributes applicable to the operations of the Group.
Details of the expertise, experience and education of each Director are set out in the Directors Report contained in the Annual Report (**Annual Report**).

Recommendation 2.2

The following table summarises the skills, attributes and experience of the Directors serving on the Board during the period.

Board Experience, Skills and Attributes Matrix

Experience, skills and attributes	Board	Audit	Remuneration
Total Executive Directors	3	-	1
Total Non-Executive Directors	3	3	3
Experience			
Corporate Leadership	6	3	4
International Experience	4	2	3
Other Board Experience	4	3	4
Capital Projects	6	3	4
Knowledge and Skills			
Strategy	6	3	4
Governance and Risk	6	3	4
Property and Development	6	3	4
Domestic Property Markets	6	3	3
International Property Markets	4	2	3
Law	1	1	1
Tertiary Qualifications			
Science, Law, Economics or Business	5	3	4
Postgraduate (MBA and/or Graduate Diploma)	2	-	1
Certified Public Accountant	1	1	1

Recommendation 2.3

The Board recognises the importance of ensuring that Directors are free from interests and relationships that could, or could reasonably be perceived to materially interfere with the Directors' ability to exercise independent judgement and act in the Group's best interests.

Accordingly, the Board has adopted guidelines, set out in the Board Charter, which are used to determine the independence of the Directors.

In accordance with these guidelines, the Board generally considers a director to be independent if the Director is not a member of management (a Non-executive Director) and who:

a. Holds less than five percent of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than five per cent of the voting shares of the Company;
b. Has not within the last three years been employed in an executive capacity by the Company or another Group member, or been a Director after ceasing to hold any such employment;
c. Within the last three years has not been a principal or employee of a material* professional adviser or a material* consultant to any Group member;
d. Is not a material* supplier or customer of any Group member, or an officer of or otherwise associated directly or indirectly with a material* supplier or customer;
e. Has no material* contractual relationship with any Group member other than as a Director of the Company; and
f. Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially* interfere with the Director's ability to act in the best interests of the Group.

* The Board considers 'material' in this context, to be where any Director-related business relationship has represented, or is likely in the future to represent, less than five per cent of the relevant Director-related business' revenue. The Board considers the nature of the relevant industries' competition and the size and nature of each Director-related business relationship, in arriving at this threshold.

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned will be restricted from receiving materials, discussing or voting on the matter.

Details of each of the non-executive Directors (Independent) are set out in the Directors Report contained in the Annual Report.

Recommendation 2.4

In accordance with the detail contained within Recommendation 2.3, the Board assesses the independence of the Directors. More generally, given the specialised and highly competitive nature of the Groups operations coupled with the fact that a person generally speaking would not be a Director of more than one ASX Listed Entity within a narrow field, the Board believes that the optimal size and blend of skills, expertise and experience are represented on the Board to ensure that effective and efficient decision making occurs. The Board continues to keep this matter under review.

Each Director has the right of access to all relevant Group information and to the Group's executives and, subject to prior consultation with the Executive Chairman, may seek independent professional advice from a suitably qualified adviser at the Group's expense. The Director must consult with an advisor suitably qualified in the relevant field, and obtain the Executive Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other members of the Board.

Recommendation 2.5

In considering this recommendation, the Board has considered its primary role in the protection and enhancement of long-term shareholder value, the Board believes that the current Board composition is appropriate for the Group and provides for sound, efficient, and effective corporate governance.

With regards to the chair of the Board of a listed entity being an independent director, Finbar has elected not to follow this component of the recommendation. Although local market standards generally do not support an Executive Chairman, Mr John Chan is integral to the Group as the current serving Executive Chairman.

Mr Chan, through his 25 years of contribution to the Group, brings to the role an unparalleled wealth of knowledge and experience, including domestic and international property development and markets, corporate stewardship and governance, and management.

Given these factors, the Board believes that it would be counterproductive and detrimental to the Group and shareholders to seek an independent chairman. However the Board continues to keep this matter under review.

With regards to the chair of the board of a listed entity and the chief executive officer (**CEO**) not being the same person, the Group does not have CEO but an analogous role is undertaken in the form of the Managing Director (**MD**). Mr Darren Pateman currently serves the Group as MD.

Recommendation 2.6

Directors have unrestricted access to the Group facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Principle 3: Act ethically and responsibly

Recommendation 3.1

All Directors, Senior Executives and Employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

All Directors, Senior Executives, Managers and Employees are expected to maintain high ethical standards including the following:

- aligning the behaviour of the Board and Management with the code of conduct by maintaining appropriate core Group values and objectives;
- fulfilling responsibilities to shareholders by delivering shareholder value;
- usefulness of financial information by maintaining appropriate accounting policies, practices and disclosure;
- fulfilling responsibilities to clients, customers and consumers by maintaining high standards of product quality, service standards, commitments to fair value, and safety of goods produced;
- employment practices such as occupational health and safety, employment opportunity, training and education support, community activities, sponsorships and donations;
- responsibilities to the individual, such as privacy, use of privileged or confidential information, and conflict resolution;
- managing actual or potential conflicts of interest;
- corporate opportunities such as preventing Directors and key executives from taking advantage of Company assets, information or position for personal gain;
- confidentiality of corporate information;
- fair dealing;
- protection and proper use of the Group's assets;
- compliance with laws; and
- reporting unlawful or of unethical behaviour including protection of those who report violations in good faith.

Quality and Integrity of Personnel

Training and development and appropriate remuneration and incentives with regular performance reviews create an environment of cooperation and constructive dialogue with employees, senior executives and Directors.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

The Audit Committee Charter sets out the Audit Committee's role, powers and duties, and establishes the functions delegated to the Audit Committee by the Board. The Audit Committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Group.

The responsibilities of the Audit Committee include:

- reviewing the annual and half-year financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards (AASBs), and assessing whether the financial information is consistent with committee members' information and adequate for shareholder needs;
- assessing management processes supporting external reporting;
- assessing corporate risk assessment processes;
- establishing procedures for selecting, appointing, and if necessary, removing the external auditor;
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review;
- providing advice to the Board in respect of whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001;
- assessing the adequacy of the internal control framework and the Group's ethical standards;
- organising, reviewing and reporting on any special reviews or investigations deemed necessary by the Board;
- monitoring fraud control and monitoring prompt and appropriate rectification of any deficiencies or breakdowns identified;
- monitoring the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements;
- addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, ASX and financial institutions.

The Audit Committee reviews the performance of the external auditors on an annual basis and meets with them during the year to:

- discuss the external audit, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
- review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, and to recommend Board approval of these documents, prior to announcement of results;

- review the draft annual and half-year financial report, and to recommend Board approval of the financial report;
- review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.

A copy of the Audit Committee Charter is available on Finbar's website www.finbar.com.au .

The following directors serve on the Audit Committee:

- Mr Lee Verios – Non-executive Independent Director – Chairman
- Mr Kee Kong Loh – Non-executive Director
- Mr Terence Siong Woon Peh – Non-executive Director

The external auditors, the Executive Chairman the Managing Director and the Chief Financial Officer are invited to Audit Committee meetings at the discretion of the committee.
Details of the expertise, experience and education of each Director are set out in the Directors Report contained in the Annual Report**.**
Details of the number of times the Audit Committee met throughout the period and the individual attendances of the members at those meetings are set out in the Directors Report contained in the Annual Report**.**

Recommendation 4.2

At the conclusion of a financial period and prior to the approval of the financial statements by the Audit Committee and the Board, the Audit Committee and the Board receives from the Managing Director and Chief Financial Officer (**CFO**) a declaration stating that:

- the financial records of the company for the period have been properly maintained in accordance with the relevant legislation;
- the financial statements and notes for the period comply with the accounting standards;
- the financial statements and notes for the period give a true and fair view; and
- any other matters that are prescribed by the regulations for the purpose of the declaration in relation to the period are satisfied.

Recommendation 4.3

Finbar ensures that it's external auditor attends it's Annual General Meeting (AGM) and is available to answer questions from shareholders relevant to the audit and financial report.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Board is committed to ensuring that the Company complies with its continuous disclosure obligations and to facilitate this, has approved a Continuous Disclosure Policy that applies to all Group personnel, including the Directors and Senior Executives. The Board seeks to promote investor confidence by seeking to ensure that trading in the Company's shares take place in an informed market.

The Continuous Disclosure Policy seeks to ensure that:

- all Group personnel are aware of the Company's obligations;
- accountability at Senior Executive level for the timely disclosure of material information; and
- shareholders and the market in general are kept properly informed of material or price sensitive information affecting the Company.

The Company discharges it's obligations by releasing price sensitive information in announcements made to the ASX and in other documents distributed to shareholders, such as the Annual Report, Annual Results Summaries and Development Updates, which are made simultaneously available on the Company's website.

Principle 6: Respect the rights of security holders

Recommendation 6.1

Finbar provides information about itself, its activities and operations, and its governance via its website www.finbar.com.au

Recommendation 6.2 and 6.3

Traditionally, the key forum for two-way communication between the Company and its shareholders is its Annual General Meeting and the Board encourages shareholders to attend and participate at the meeting. At the meeting the Chairman invites and encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample time and opportunity to participate.

The Board provides shareholders with information using a comprehensive Continuous Disclosure policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website, and issuing media releases.

In summary, the Continuous Disclosure policy operates as follows:

- the Managing Director and the Company Secretary are responsible for interpreting the Group's policy and where necessary informing the Board of any matters they believe require disclosure or further disclosure. The Company Secretary is responsible for all communications with the ASX. Such matters are advised to the ASX in accordance with the ASX Listing Rules and the Corporations Act;
- the full Annual Report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document), including relevant information about the operations of the Group during the year, changes in the state of affairs and details of future developments;

- the half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The half-year reviewed financial report is lodged with the ASX (and the Australian Securities and Investments Commission by virtue of the operation of Class Order 98/0098 Duel Lodgement Relief), and sent to any shareholder who requests it;
- proposed major changes in the Company and the Group which may impact on share ownership rights are submitted to a vote of shareholders;
- all announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX; and
- the full texts of notices of meetings and associated explanatory material are placed on the Company's website under the ASX Announcements section.

Further, in accordance with Recommendation 4.3, the Company's external auditors attend the annual general meeting and the Chairman invites and encourages shareholders to raise questions with the auditors concerning the conduct of the audit, the auditor's report, accounting policies adopted by the Group and the independence of the auditor in relation to the conduct of the audit.

The Managing Director and the Company Secretary respond to queries from shareholders, provided that the information requested is not material or price sensitive and is already publically available.

In addition, from time to time the Managing Director and occasionally the Company Secretary meet with shareholders and analysts or make public presentations regarding the Company and its operations. Presentations or materials to be made available at these meetings are released to the market via the ASX prior to the meeting if they contain any information considered price sensitive by the Board or material that is not already publically available and can be located on the Company's website under the ASX Announcements category.

In general, the Company encourages two-way communications with its shareholders by way of face-to-face meetings, telephone conversations and in writing either by mail or email.

Recommendation 6.4

The Company communicates with its shareholders via its share registry, Computershare. Computershare provides shareholders the option of receiving communications from, and sending communications to it electronically, except in certain limited circumstances where there is an overriding requirement for the provision of a hard copy, for example where an original signature or document must be provided.

Principle 7: Recognise and manage risk

Recommendation 7.1

The Board has elected not to establish a separate Risk Committee to oversee risk management and instead the overall responsibility of risk management resides with the Board in its entirety. In this regard, risk management considerations form part of the Board's discussions at scheduled meetings.

The Board oversees the establishment, implementation, and annual review of the Group's risk management procedures. Management has established and implemented informal risk management procedures for assessing, monitoring and managing risks including operational, financial reporting, and compliance risks for the Group. The Managing Director and the Chief Financial Officer provide assurance, in writing to the Board, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating effectively. The operational and other risk management compliance and controls are also assessed. All risk assessments covered the whole financial year and the period up to the signing of the Annual Financial Report for all material operations in the Group.

The Board has implemented comprehensive practices to ensure:

- capital expenditure with respect to land acquisitions and development agreements obtain prior Board approval;
- financial exposures are controlled, including use of derivatives. Further details of the Group's policies relating to interest rates management and credit risk are included in the Notes to the Financial Statements;
- management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- business transactions are properly authorised and executed;
- the quality and integrity of personnel (*Refer Principle 3*);
- financial reporting accuracy and compliance with the financial reporting regulatory framework (*Refer Principle 4*);
- environmental regulation compliance (*Refer Recommendation 7.4*).

Further, the Board has additional resources within the organisation to assist with the risk management process, including access to the Company Secretary who has extensive experience in Risk Management and Compliance.

Recommendation 7.2

Refer Recommendation 7.1

Recommendation 7.3

The Board has implemented a comprehensive accounting and internal audit system. Monthly actual results are reported against budgets approved by the Directors and revised forecasts for the year are prepared regularly. Procedures are in place to ensure price sensitive information is reported to the Australian Securities Exchange (ASX) in accordance with Continuous Disclosure Requirements.

Recommendation 7.4

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. Where relevant, compliance with the requirements of environmental regulations and with specific requirements of site environmental licences is undertaken to ensure that compliance is achieved across all operations with no instances of non-compliance in relation to licence requirements.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

The Remuneration Committee Charter sets out the Remuneration Committee's role, powers and duties, and establishes the functions delegated to the Committee by the Board. The Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the Executive Officers and Directors themselves of the Company and of other Group Executives. It is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies. The responsibilities of the Remuneration Committee include but are not limited to:

- Setting the remuneration policy and remuneration arrangements for Board members
- Advising the Board in relation to non-executive Director remuneration
- Recommending to the Board the remuneration and other terms and conditions for the Executive Chairman, the Managing Director and other executive Directors if any
- Reviewing and making recommendations to the Board regarding the design of executive incentive and equity based plans
- Reviewing and recommending to the Board executive remuneration policy
- Approving the performance management framework for the senior executives and discussing their performance with the Executive Chairman
- Monitoring the plans for the development and succession of the Executive Leadership Team and other business critical roles
- Reviewing and approving proposed termination payments for the Executive Chairman, the Managing Director and senior executives
- Advising management on remuneration matters for employee categories other than the senior executive group, if requested.

The following directors serve on the Remuneration Committee.

- Mr Kee Kong Loh – Non-executive Director – Chairman
- Mr John Chan – Executive Director
- Mr Lee Verios – Non-executive Independent Director
- Mr Terence Siong Woon Peh – Non-executive Director

Details of the number of times the Remuneration Committee met throughout the period and the individual attendances of the members at those meetings are set out in the Directors Report contained in the Annual Report.

Recommendation 8.2

Remuneration of Directors and Executives is referred to as remuneration as defined in AASB 124 and Section 300A of the Corporations Act 2001. Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, including Directors of the Company and other Executives. Key management personnel comprise the Directors of the Company and Executives for the Company and the Group including the S300A Executives.

Remuneration levels for key management personnel and the Secretary of the Company, and key management personnel and secretaries of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and Executives. The Remuneration Committee periodically obtains independent advice on the appropriateness of remuneration packages of both the Company and the Group given trends in comparative companies both locally and internationally and the objectives of the Company's remuneration strategy.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

The remuneration structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the Group's performance;
- the key management personnel's contribution to revenue and future earnings potential;
- project outcomes;
- the key management personnel's length of service; and
- the Group's performance including:
    - the Group's earnings;
    - the growth in share price and delivering constant returns on shareholder wealth; and
    - the amount of incentives within each key management person's remuneration.

Remuneration packages include a mix of fixed and variable remuneration, short-term performance-based incentives and can include long-term performance-based incentives.

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually through a process that considers individual, segment and overall performance of the Group. In addition, where appropriate, external consultants provide analysis and advice to ensure the Directors' and Senior Executives' remuneration is competitive in the market place. A Senior Executive's remuneration is also reviewed on promotion.

Performance Linked Remuneration

Performance linked remuneration includes short-term incentives and can include long-term incentives and are designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash, whilst the long-term incentive (LTI) is provided as shares or options over ordinary shares of the Company under the rules of the Employee Incentive Plan 2013 or Director Share Plan 2014.

Short-term Incentives

The Remuneration Committee has elected to set the primary financial performance objective of 'profit before tax' as the key measure for the calculation of the short term incentives for key management personnel. The non-financial objectives vary with position and responsibility and include measures such as outlined in Recommendation 8.2.

The STI for the current period was based wholly on a percentage of 'profit before tax'.

At the end of the financial year the Remuneration Committee assess the actual performance of the Group, the relevant segment and the individual key management personnel contribution to the Group. The performance evaluation in respect of the current period has taken place in accordance with this process.

Long-term Incentives

Incentive shares or options issued under the Employee Incentive Plan 2013 or Director Share Plan 2014 are made in accordance with thresholds set in the plans approved by shareholders at the relevant Annual General Meeting, subject to the Boards' discretion.

Short-term and Long-term Incentive Structure

The Remuneration Committee considers that the above performance-linked remuneration structure is generating the desired outcome. The evidence of this is in respect to the long term historical profit and dividend growth of the Company, coupled with the long term retention of key management personnel resulting in the retention of Company intellectual property.

Recommendation 8.3

The Group does not operate an equity-based remuneration scheme; accordingly this recommendation is not applicable.