

# Board Charter

Approved by the Board on 30 September 2021

# Board Charter

## Purpose of Charter

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This Charter sets out the roles and responsibilities of the Nufarm Limited Board (**Board**), to facilitate a high performing, effective Board that ensures proper governance of Nufarm Limited and its related bodies corporate (**Nufarm**).

## Role of the Board

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1. The purpose of Nufarm is to create long term shareholder value by helping farmers get more from their land through the provision of crop protection and seed technologies.
2. The role of the Board is to represent shareholders and to demonstrate leadership and approve the strategic direction of Nufarm (**Role**).
3. In fulfilling its Role, the Board should act at all times in a manner that is intended to create and build long term value for shareholders by:
  - a. having regard to the interests of shareholders as a whole and where appropriate, the interests of other relevant stakeholders;
  - b. governing Nufarm with due care and diligence, by ensuring robust oversight and management and regularly reviewing its performance; and
  - c. promoting a culture of acting lawfully, ethically and responsibly within Nufarm.
4. This Charter includes an overview of:
  - a. the role and responsibilities of the Board;
  - b. the authority delegated by the Board to committees, the CEO and management;
  - c. Board membership and process; and
  - d. the Board's access to independent advice and information to enable it to fulfil its responsibilities.

## Matters reserved for the Board

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5. Under Nufarm's Constitution, the business and affairs of Nufarm are to be managed by or under the direction of the Board. Ultimate responsibility for governance and strategy rests with the Board.
6. In addition to matters required by law the Board has reserved the following matters for its approval. The Board retains the right to alter any of these matters.
  - Appointment and termination of the Managing Director and Chief Executive Officer (CEO) and the Company Secretary and ratification of the appointment of the Chief Financial Officer and Key Management Personnel (KMP) and the terms of their employment contracts including termination payments.
  - Approving the remuneration policies and practices of the Board, the CEO and Key Management Personnel (KMP).
  - Approve commitments, capital and non-capital items, acquisitions and divestments above authority levels delegated to the CEO.
  - Approve the overall capital structure of Nufarm including any equity related transactions and major financing arrangements.

- Approve the annual and half year financial and director reports including the full year operating and financial review, remuneration report and corporate governance statement.
- Approve the dividend policy and determining the dividends to be paid.
- Approve management's development of corporate strategy.
- Review and approve the annual budget, strategic business plans, balance sheet and funding strategy.
- Approve the succession plans and processes for the Chairman, Directors, CEO and the CEO's direct reports.
- Approve the Diversity and Inclusion Policy and measurable objectives for achieving diversity across Nufarm and monitoring progress in achieving those objectives.
- Approve Board governance practices and policies including Continuous Disclosure Policy, Code of Conduct, Anti-Bribery Policy, Whistleblower Policy and other policies required by law.
- Approve ASX releases as set out in the Continuous Disclosure Policy
- Appoint the Chairman of the Board.
- Appoint Directors to casual vacancies and recommending their election to shareholders at the next Annual General Meeting.

## Responsibilities of the Board

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The responsibilities of the Board include:

7. Provide leadership and setting the strategic direction and objectives of Nufarm including overseeing management's implementation of Nufarm's strategic objectives and setting performance objectives for management.
8. Monitor and evaluate the performance of the CEO and the KMP in achieving the performance objectives set by the Board.
9. Monitor the external audit processes, including recommending the appointment to shareholders of any changes to Auditors as required at general meetings.
10. Monitor the effectiveness of the internal audit function and the systems of internal control.
11. Developing and monitoring the implementation of Nufarm's corporate governance principles and policies.
12. Promote a culture of ethical and responsible decision making, compliance with legal responsibilities including receiving information on any material breaches of the Code of Conduct and Anti-Bribery Policy and material incidents under the Whistleblower Policy.
13. Overseeing Nufarm's risk management framework including both financial and non-financial risk and setting the risk appetite within which the Board expects management to operate.
14. Monitoring Nufarm's process for making timely and balanced disclosure of all information required to be disclosed in accordance with Nufarm's Constitution, ASX and any other relevant listing rules, the *Corporations Act 2001* (Cth) and other applicable laws and regulations.

## Delegation to committees

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15. Under Nufarm's Constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.
16. The Board has established the following standing committees to assist it in discharging its responsibilities effectively and efficiently:
  - a. Audit Committee

- b. Risk and Compliance Committee
  - c. Human Resources Committee
  - d. Innovation Committee; and
  - e. Nomination Committee.
17. The Board may establish other committees from time to time to consider other matters of special importance.
  18. Each committee will be composed of the individuals the Board considers best suited to fulfil the role of each committee.
  19. Committees will operate within a Committee Charter set by the Board.
  20. The principles and procedures set out in each Committee's Charter are intended to be flexible and non-exhaustive so that each committee can respond to changing business circumstances, the needs of shareholders and external regulatory developments.
  21. The Board will appoint the members and the Chair of each committee taking into account the recommendations of the Nomination Committee
  22. Each standing committee will regularly evaluate its performance having regard to the principles and requirements of its Committee Charter and the overall objective of each committee's work and report to the Board as appropriate.
  23. Each committee Chair, or a delegate, will report to the Board following each meeting of the committee to:
    - a. provide the Board with insight into the key issues discussed by, and the decisions of, the committee (this may be in the form of minutes of the committee's meetings, supporting papers and written or oral reports at Board meetings)
    - b. assist in the periodic review of the committees' performance; and
    - c. recommend any specific decisions or actions the Board should consider, including changes to the committee's terms of reference.

## Delegation to management

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### CEO and management

24. The Board delegates to the CEO the authority to manage the day to day affairs of Nufarm. The Board will monitor the decisions and actions of the CEO and management.
25. The CEO is responsible for developing and implementing the strategic objectives, the annual plan and budgets, as approved by the Board, and may delegate management functions within the authority limits set by the Board.
26. The CEO is accountable to the Board for all authority delegated to management and Nufarm's performance.
27. The Board retains ultimate authority to change, enhance or revoke its delegations to the CEO at any time.
28. The CEO will:
  - a. with the Chairman, the chairmen of Committees and the Company Secretary work collaboratively to ensure there is an effective system in place to keep the Board and its committees informed of matters as reasonably considered necessary or appropriate to enable them to make assessments and judgements, to conduct enquiries and to gain assurance that the decisions and actions of the CEO and management and the performance of Nufarm, are directed towards Nufarm's strategic objectives
  - b. address the impact of capital and operating expenditure, or financing decisions, on the financial condition of Nufarm and on the achievement of Nufarm's strategic objectives

- c. assess the health, safety, environmental and reputational consequences of decisions and actions and the impact on the achievement of Nufarm's strategic objectives
  - d. implement a system of internal controls and audits designed to identify and manage risks that are material to the achievement of Nufarm's strategic objectives
  - e. implement plans and processes designed to provide for the development and succession of senior management and equal opportunities for the development of all staff
  - f. maintain policies, standards and procedures which are designed to provide shareholders with timely and accurate information through the appropriate channels and in compliance with all regulatory requirements; and
  - g. maintain a comprehensive set of management delegations to allow management to carry on Nufarm's business.
29. The CEO will not:
- a. engage in, cause or permit any activity or behaviour that is in violation of commonly accepted standards of business practice and ethics; or
  - b. allow a Group culture that condones dishonest conduct, or lack of integrity, respect or dignity in relationships amongst those involved in or affected by Nufarm's activities.
30. The CEO will report, in a spirit of openness and trust, on the progress being made by Nufarm towards its strategic objectives, including material developments in:
- a. the development and implementation of the strategy
  - b. the business and financial performance of Nufarm and material events in markets that are critical to the achievement of Nufarm's strategic objectives; and
  - c. the activities covered in paragraph 28 above.

## Board membership and process

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### Shareholders

- 31. The Board is appointed by the shareholders and is accountable to shareholders for the performance of Nufarm.
- 32. The Board will ensure that it regularly receives and understands information regarding the issues and concerns of shareholders.
- 33. The Chair (or other non-executive Director nominated by the Chair) will represent the Board to the shareholders and will communicate the Board's position. The Chair of a Committee may also represent the Board to the shareholders on matters relating to that Committees remit.

### Membership

- 34. The Board will be constituted in accordance with Nufarm's Constitution and the Directors will rotate in accordance with the rules for appointment and retirement under Nufarm's Constitution.
- 35. It is intended that at any one time the Board will comprise a substantial majority of independent Non-executive Directors and seek Directors with an appropriate range of skills, expertise and experience from a diverse range of backgrounds necessary to carry out the Board's role and responsibilities.
- 36. The Board will regularly review the independence of each Non-executive Director in light of the information disclosed to the Board.
- 37. The Board considers directors to be independent where they are independent of management and free from any interest, position, association or relationship that might influence or might reasonably be perceived to interfere with the exercise of their unfettered and independent judgement.
- 38. The Board will review the duration of each Director's tenure in succession planning and it is the policy of the Board, that Directors will retire after nine years (or twelve years in the case of a Chairman who has

served in the role of Chair for less than six years) from the first date of election by shareholders. The Board, on an exceptional basis, may exercise discretion to extend the maximum term where it considers such an extension to be in the best interest of Nufarm. The Board has determined that the tenure policy should not apply to restrict a Director who had served for nine years as at the date of the tenure policy was adopted (22 July 2020) from seeking election for one additional term.

## Composition

39. The Directors of Nufarm must possess the following qualities:
  - a. honesty, integrity and a proven track record of creating value for shareholders
  - b. an ability to apply strategic thought to matters in issue
  - c. a preparedness to debate issues openly and constructively and to question, challenge and critique
  - d. a willingness to understand and commit to the governance framework of Nufarm; and
  - e. an ability to devote sufficient time to properly carry out the role and responsibilities of the Board.
40. All Directors are expected to utilise their range of relevant skills, knowledge and experience and to apply their independent judgement to all matters discussed at Board meetings.
41. Non-executive Directors will be engaged through a letter of appointment and will participate in an induction program, including management briefings and site visits.
42. The level of remuneration to be paid to non-executive Directors and the Chairman will be recommended by the Human Resources Committee, within any limits approved by shareholders.

## Chair

43. The Board will appoint one of the independent Non-executive Directors as Chair. The Board may determine the period for which the Chair is to hold office and may terminate that appointment.
44. The Board will develop a plan for the succession of the Chair and will periodically evaluate the plan.
45. The principal role of the Chair is to provide leadership to the Board, assist the Board to work effectively and discharge its responsibilities and encourage a culture of openness and debate to foster a high-performing and collegiate team.
46. The Chair will serve as the primary link between the Board and management.
47. The Chair will set the agenda for each Board meeting in consultation with the CEO and Company Secretary.

## Board Evaluation

48. The Board will conduct performance evaluations of the Board as a whole, its Committees, the Chairman, individual Directors, the Company Secretary and the Board's governance procedures.
49. Evaluation of the Board and the Chair will be led by the Chair of the Nomination Committee and where the Chair is also the Chair of the Nomination Committee, the evaluation of the Chair will be led by a designate appointed by the other Directors. Reviews will be conducted periodically as the Board considers appropriate.

## Conduct

50. Each Director will ensure that they do not make any decision or take any action that has the effect of prioritising his or her interests over Nufarm's interests.
51. Directors commit to the collective decision-making processes of the Board and to always respect the contributions of other Directors. Directors will debate issues openly and constructively and be prepared to question or challenge management and the opinions presented at meetings.
52. Directors will comply with Nufarm's Code of Conduct, act with integrity, lead by example and visibly promote the desired culture of Nufarm.

53. All Directors will participate in an induction program and an ongoing program of training and development (including site visits if considered necessary).

## Meetings

54. Nufarm's Constitution governs the regulation of Board meetings and proceedings.
55. The Board will meet regularly, and Directors will use all reasonable endeavours to attend Board meetings in person.
56. Papers for Board and committee meetings will be circulated to Directors in reasonable advance of each meeting for Directors to review the papers.
57. Non-executive Directors will periodically meet without the CEO or management present.

## Company Secretary

58. The Board must appoint at least one secretary in accordance with the Constitution.
59. The Company Secretary, through the Chair, is accountable to the Board for the effectiveness of the implementation of corporate governance processes, adherence to the Board's principles and procedures and will coordinate all Board business, including agendas, board papers, minutes, communication and filings.
60. The Company Secretary will also organise and facilitate the induction and ongoing professional development of Directors.
61. The appointment and removal of the Company Secretary is a matter for the Board.
62. All Directors and each standing committee will have direct access to the Company Secretary.

## Access to advice and information

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### Access to independent advice

63. Each Director, the Board and the committees may, with the consent of the Chair (or where applicable, the committee Chair), seek independent professional advice at the expense of Nufarm on any matter connected with the discharge of their relevant responsibilities.
64. The Board or relevant committee will determine the compensation payable to independent advisers and the Company Secretary (or their designate) will assist the Board and committees in securing the service determined necessary.

### Access to information and records

65. The Board and committees may make direct requests for information and records from the CEO, any employee of Nufarm, the external auditor or any third party.
66. The Chair, the Chairs of committees, the CEO and the Company Secretary will work collaboratively to ensure the production and transmission of information and reports to the Board and committees.
67. Relationships and dialogue between individual members of the Board and the CEO and management that focus on gaining a better understanding of Nufarm's business will be encouraged but will not alter the roles, accountabilities and divisions of authority in this Charter.

### Review of Charter

68. The Board will from time to time review the Charter to ensure that it meets best practice standards, complies with the ASX Corporate Governance Principles and Recommendations and meets the needs of Nufarm and the Board.