

Provision of Non-Audit Services by the External Auditor

Nufarm Limited (Company or Nufarm)
ACN 091 323 312

Adopted by the Board in August 2012

Provision of Non-Audit Services by the External Auditor

Nufarm has established a policy in relation to Audit Independence. Implicit in the policy are the principles that the roles of external auditor and other professional advisory roles should be mutually exclusive.

This policy defines the services that may or may not normally be conducted by Nufarm's external auditing firm. This can often be a subjective area and this policy has been designed to assist Nufarm in assessing any potential conflict of interest in work being undertaken by its auditors.

The auditing firm may provide audit and audit-related services that, while outside the scope of the statutory audit, are consistent with the role of auditor. Examples of these audit related services that fall outside the scope of the statutory audit include:

- financial audits;
- audits or reviews undertaken for regulatory purposes (eg. Workers Compensation);
- other audits or reviews;
- completion audits;
- tax compliance and advisory services;
- advice on accounting standards; and
- purchase and vendor due diligence in M&A including advice on tax and deal structures.

The auditing firm may be permitted to provide non-audit services that are not perceived to be materially in conflict with the role of auditor. Examples are:

- secondment of the audit firm's staff to temporary non-senior roles;
- compilation of records to assist with queries from revenue or other authorities; and
- review of the adequacy of controls and recommendations for improvements.

The auditing firm should not provide services that are perceived to be materially in conflict with the role of auditor. These include consulting advice, subcontracting operating activities normally undertaken by management, and circumstances in which the auditor may ultimately be required to express an opinion on its own work. Examples are:

- legal representation in court on tax and other legal issues;
- designing or implementing new IT systems or financial controls;
- book-keeping;
- valuations, which will then be the subject of the audit firm's opinions;
- recruitment and appointment of Key Management Personnel;
- secondments of Key Management Personnel;
- success fee based engagements; and
- strategic business direction and planning.

Audit related services that fall outside the scope of the statutory audit will be subject to approval of the Nufarm Audit Committee where such services cost Nufarm in excess of \$100,000. Approval will be required from the Audit Committee Chair prior to the commencement of the assignment and will be ratified by the Audit Committee at the next meeting. Where such services fall below this threshold, they are subject to approval by Nufarm's CFO.

Non-audit services that are not perceived to be materially in conflict with the role of auditor will be subject to approval of the Nufarm Audit Committee where such services cost Nufarm in excess of \$25,000. Approval will be required from the Audit Committee Chair prior to the commencement of the assignment and will be ratified by the Audit Committee at the next meeting. Where such services fall below this threshold, they are subject to approval by Nufarm's CFO.

An exception can be made to the above policy where the variation is in the interests of Nufarm and arrangements are put in place to preserve the integrity of the audit of Nufarm's accounts. Any such exception requires the specific approval of the Audit Committee.

Amendments to this policy will require approval of the Nufarm Board.