

# Audit Committee Charter

Approved by the Board on 24 March 2020

# Audit Committee Charter

## Role

---

1. The role of the Board Audit Committee (**Committee**) is to assist the Board of Nufarm Limited (**Board**) in relation to the matters set out in this Committee Charter. The Committee is accountable to the Board for its performance.
2. The Committee's responsibilities are set out in this Committee Charter and include:
  - the integrity of the financial statements and financial reporting systems and processes of Nufarm Limited and its related bodies corporate (**Nufarm**);
  - the effectiveness of external audit including the external auditor's qualifications, performance, independence and fees;
  - the effectiveness of the internal audit function and systems of internal control;
  - compliance with tax obligations;
  - Nufarm's systems for compliance with applicable legal and regulatory requirements within the Committee's area of responsibility; and
  - other matters referred by the Board from time to time.
3. The Committee acts primarily as an advisory body to the Board. In making recommendations to the Board, the Committee does not have the power or authority of the Board unless specifically set out in this Committee Charter or if the Board otherwise delegates the power to the Committee.

Without limiting its overall role, the Committee will undertake the following:

## Financial Reporting and Internal Controls

---

4. Review the half year and full year financial statements and reports presented by management, together with reports and opinions from external auditors and make recommendations to the Board for the adoption and/or release of the half year and full year financial statements and reports.
5. Review with management and the external auditor any significant financial reporting issues or judgements made by management in connection with the preparation of the Nufarm financial statements, including any significant changes in the application of accounting principles.
6. Review the external auditor's report regarding significant findings in the conduct of their audit and the adequacy of management's response, including the timely rectification by management of any issues raised.
7. Review and discuss with management, the General Manager Risk and Assurance and the external auditor any major issues as to the adequacy and effectiveness of Nufarm's internal controls over financial information (including any incidences of fraud), reporting and disclosures as well as the steps to rectify material control deficiencies.
8. Review and discuss the processes by which management provides assurance over the integrity of the information disclosed in any earnings released publicly and the type of information that is included in those presentations including the use of any "pro forma" or "adjusted" information to ensure that there is clarity and ease of understanding in the financial statements.
9. Review the certifications provided by the Managing Director & CEO and the Chief Financial Officer in relation to the half year and annual financial statements (as required by the Corporations Act and other applicable laws and regulations) and reviewing the overall process used to support the opinions provided in those certificates.

## External Audit

---

10. Recommend to the Board the appointment and removal of the external auditor subject to shareholder ratification considering the independence, qualifications, performance and effectiveness of the external auditor.
11. Annually review and approve the terms of the engagement and fees of the external auditor ensuring the fee is appropriate for an effective, comprehensive and complete audit.
12. Monitor the rotation of the external auditor lead partner to ensure the lead partner rotates after a maximum period of five years; and that three years will elapse before the former lead audit partner can be involved again in the external audit.
13. Manage the relationship with the external auditor and receive reports directly from the external auditor, including confirmation in writing that they have complied with all professional and regulatory requirements relating to auditor independence prior to the completion of each year's accounts.
14. Review the scope of the audit plan and in consultation with the Board Risk and Compliance Committee, ensure that material risk areas are incorporated in the audit plan.
15. Review and monitor, at least annually, the effectiveness of the external auditor and assess their performance.
16. Monitor and review the independence of the external auditor, ensuring discussions are had with the external auditor regarding any relationship that may impact on its objectivity or independence, and recommend to the Board any appropriate action to satisfy itself of the auditor's independence.
17. Annually review and approve the policy for the provision of non-audit related services by the external auditor and monitor its application by receiving regular reports on the provision of non-audit related services as approved under the policy.
18. Review with the external auditor matters relating to the conduct of the audit including any major issues, problems and reservations arising from or during the audit, any accounting and audit judgements, levels of error identified and the overall effectiveness of the audit.
19. Periodically meet with the external auditor without management present. The external auditor has unfettered access to the Committee chair, management, employees, records and company facilities to conduct its audit.
20. Review and monitor the scope and adequacy of the external audit, including identified risk areas and any additional procedures with the external auditor on a periodic basis.

## Internal Audit

---

21. Approve the appointment or replacement of the General Manager Global Risk Management and Assurance. The General Manager Risk and Assurance has unfettered access to the Committee chair.
22. Annually evaluate and approve the scope and adequacy of the internal audit plan and work program.
23. Review internal audit reports including Risk and Assurances independent opinion and recommendations, management responses, timing and implementation of remedial action and commentary on the effectiveness of Nufarm's internal controls.
24. Annually review the structure, performance, adequacy and organisational independence of the internal audit function, including access to management.
25. Meet with the General Manager Risk and Assurance as often as deemed suitable by the Committee, but no less than twice per year without management present.
26. Annually review the effectiveness of each completed internal audit plan and work program, as relevant.

## Other Matters

---

27. Reviewing and recommending to the Board, the tax risk management and governance framework.
28. Overseeing and monitoring the significant tax issues and reviewing the quarterly tax report.
29. Considering the implications on Nufarm of any new or proposed accounting or tax practices, principles or developments, disclosure, legislative or regulatory requirements.

## Advice

---

30. The Committee has the authority to appoint and instruct independent expert advisors who will report back directly to the Committee. The Company Secretary will assist the Committee in securing the service required.

## Membership

---

31. The Committee will consist of at least three independent non-executive Directors. At least one member of the Committee must have recent and relevant financial experience and the Committee as a whole is to have a sufficient understanding of the industry in which Nufarm operates.
32. Members will be proposed by the Nomination and Governance Committee to the Board for approval. The Board will appoint the Committee Chair who will be a member of the Committee. The Chairman of the Board may not be the Chairman of the Committee.

## Meeting Procedures

---

33. The Secretary of the Committee will be the Nufarm Company Secretary or delegated representative.
34. The Committee will meet as necessary but not less than four times per year. Any member can request the Secretary to call a meeting.
35. A quorum for any meeting will be two members. In the absence of the Committee Chairman, the members shall elect one of their members as Committee Chair for that meeting.
36. The Committee Chair will not have a second or casting vote.
37. The agenda for Committee meetings will be prepared by the Secretary and approved by the Committee Chair and include items required by this Charter and any other items requested by Committee members or management and approved by the Committee Chair.
38. Committee papers will be distributed to Committee members prior to each meeting in sufficient time to enable Committee members to read the papers and properly prepare for the meeting. The Secretary will endeavour to ensure, that to the extent practicable, meeting papers are distributed seven days prior to each meeting. Minutes will be kept of each meeting and will be provided to the Committee and the Board.
39. The Committee will have unfettered access to management, records, external auditors and the General Manager, Risk and Assurance.
40. The Committee Chairman will provide a report on Committee matters at the next Board meeting.
41. The Committee may invite any person to attend meetings of the Committee, but not necessarily for the full duration of the meeting. A standing invitation will be issued to:
  - the Managing Director and CEO;
  - Chief Financial Officer;
  - General Manager, Risk and Assurance;

- Engagement partners of the External Audit;
  - Engagement partner of any external internal audit firm.
42. A standing invitation will be issued to all independent non-executive Directors to attend with the consent of the Committee Chairman.
  43. The Committee will evaluate its performance each year having regard to the requirements in the Committee Charter.
  44. The Committee will regularly review the Charter to ensure that it complies with the ASX Corporate Governance Principles and Recommendations and meets the needs of Nufarm.