

# Risk and Compliance Committee Charter

Approved by the Board on 24 March 2020

# Risk and Compliance Committee Charter

## Role

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1. The role of the Risk and Compliance 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 risk profile and risk appetite for Nufarm Limited and its related bodies corporate (**Nufarm**)
  - in respect of both financial and non-financial risk, considering and recommending to the Board the Risk Management Framework (including the Health Safety and Environment Framework)
  - recommending for approval by the Board Nufarm's Risk Policy and Health, Safety and Environment Policy; and
  - overseeing compliance management within Nufarm;
3. The Committee acts primarily as an advisory body to the Board. In making recommendations to the Board, the Committee does not, of itself, have the power or authority of the Board in dealing with the matters on which it advises, except where certain powers are specifically set out in this Committee Charter or are otherwise delegated by the Board.

## Responsibilities and duties

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Without limiting its overall role, the Committee will:

4. Oversee and monitor the identification, assessment, management, prioritisation and reporting of financial and non-financial risks that are material to the operations and achievement of Nufarm's strategy, including Health Safety and Environmental risks (HSE).
5. Assess the effectiveness of performance against the Risk Management Framework and supporting processes which includes HSE processes, including whether management:
  - is operating within the risk appetite set by the Board; and
  - taking corrective actions for risks that are outside the agreed risk appetite level.
6. Assess that the Risk Management Framework addresses contemporary and emerging risks.
7. Oversee that sufficient resources are dedicated to risk management, HSE and compliance within Nufarm.

### Risk appetite

8. Establish a view of Nufarm's current and future risk position relative to its business and advise the Board on Nufarm's overall current and future risk appetite and risk management strategy.
9. Review and recommend the Risk Appetite Statement to the Board for approval and regularly review and monitor the risk profile and controls of Nufarm for consistency with the Risk Appetite Statement including any remediation plans to bring the risk within appetite.
10. Make recommendations to the Board of any changes that should be made to the Risk Appetite Statement.

### Risk governance

11. At least annually, review Nufarm's Risk Management Framework (including the HSE Framework), for recommendation to the Board and satisfy itself that the framework continues to be sound.

12. Make recommendations to the Board of any changes that should be made to the Risk Management Framework including the HSE Framework.
13. Oversee the identification of, and steps taken to address, any desirable changes to risk culture and periodically report this to the Board.
14. Oversee management's implementation of the Risk Management Framework by monitoring management's measurement, monitoring and reporting of aggregate risk exposures.
15. Receive periodic reports on material operational risks, which includes significant HSE incidents, ensuring that remediation plans and lessons learnt are addressed from these significant incidents in a full and timely manner.
16. Review any relevant issues referred by the Audit Committee as part of the Group's audit relating to the Risk Management Framework and the effectiveness of that framework.

#### Insurance

17. Oversee Nufarm's insurance program, having regard to the extent and adequacy of Nufarm's annual insurance program. Recommend insured and un-insured risk parameters.

#### Compliance management

18. Review and assess the effectiveness of Nufarm's procedures, policies, systems and processes that are in place to ensure compliance with relevant regulatory and legal requirements.
19. Review compliance reports prepared by management in relation to Nufarm's compliance with statutory, legal and other regulatory requirements including identifying any material matters that may have a material impact on Nufarm's activities and reporting those matters to the Board.
20. Obtain regular updates from the Group General Counsel and other management, as appropriate, regarding any material litigation, regulatory investigations or material risk relating to Nufarm's compliance with statutory requirements.
21. Oversee the process for receipt, retention and treatment of information received under the Whistleblower Policy and any breaches of the Anti-Bribery and Corruption Policy and the Code of Conduct.

### **Training**

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22. In conjunction with the Nomination and Governance Committee, the Committee will adopt a program of induction training and development (including site visits) for its members with the objective of enabling the Committee to acquire knowledge on new and emerging risks as well as knowledge of applicable HSE legal and regulatory requirements.

### **Reporting**

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23. The Committee will review and make recommendations to the Board in relation to approval of the Sustainability Report and risk disclosures issues in the Annual Report.

### **Advice**

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24. The Committee has free and unfettered access to senior management, risk and financial control personnel and any other internal or external parties, and may make any enquiries, to fulfil its responsibilities
25. The Committee has the authority to appoint and instruct independent expert advisors who will report back directly to the Committee. The Secretary will assist the Committee in securing the service required.

## Membership

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26. The Committee will consist of at least three independent non-executive Directors.
27. 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

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28. The Secretary of the Committee will be the Nufarm Company Secretary or delegated representative.
29. The Committee will meet as necessary but not less than three times per year. Any member can request the Secretary to call a meeting.
30. 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.
31. The Committee Chair will not have a second or casting vote.
32. 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.
33. 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.
34. The Committee Chairman will provide a report on Committee matters at the next Board meeting.
35. 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;
  - Group Executive Supply Chain Operations
  - General Manager, Risk and Assurance;
  - Group Manager, Sustainability;
  - Engagement partners of external and where relevant internal audit firms.
36. A standing invitation will be issued to all independent non-executive Directors to attend with the consent of the Committee Chairman.
37. The Committee will evaluate its performance each year having regard to the requirements in the Committee Charter.
38. 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.