

Provision of Non-Audit Services by the External Auditor

Nufarm Limited (Company or Nufarm)
ACN 091 323 312

Approved by the Board on 31 March 2021

Provision of Non-Audit Services by the External Auditor

1. Principles

Nufarm has established a policy in relation to the performance of non-audit related services by the external auditor. This policy provides guidance to the Audit Committee (“the Committee”) to assist them in deciding which non-audit related services may be provided to Nufarm Limited, its related bodies and its subsidiaries by the external auditor.

2. Non-Audit related services policy

This policy sets out Nufarm’s approach to engaging the external auditor for the performance of non-audit related services, ensuring that those services:

- are approved by appropriate levels of the company’s management;
- do not impair the independence of the external auditor; and
- are regularly reported to the Committee.

To maintain the highest standard of corporate governance in relation to auditor independence, this policy sets out whether non-audit related services may be provided by the external auditor without impacting their independence in relation to the statutory audit(s).

Nufarm has defined the services that may be provided by the external auditor into three categories, as follows:

- **Pre-Approved non-audit related services** (refer to section 3.1) – services that have been pre-approved by the Committee and may be performed by the external auditor. The Committee has determined that these services do not impact the actual or perceived independence of the external auditors.
- **Non-audit related services requiring approval** (refer to section 3.2) – services that the external auditor may be engaged to undertake, from time to time, due to their detailed knowledge of Nufarm provided the Committee is satisfied that the prescribed independence requirements are met.
- **Prohibited non-audit related services** (refer to section 3.3) – These are services which the external auditor shall not provide as the Committee has determined that they create a conflict of interest or may be perceived to potentially compromise their role as external auditors.

3. Categories of non-audit related services

Pre-Approved non-audit related services

The following non-audit related services are approved:

- Tax compliance services
- Audits or verification of regulatory returns including attestation of management reports on internal controls;
- Work that is reasonably related to the performance of the audit such as services associated with registration statements, periodic reports and prospectuses, advice on internal controls;
- Advise on appropriate accounting standards;
- IT risk and security providing that this is not involved with the design and implementation of technology based risk management/control frameworks;

Please note, although these services have been designated as ‘pre-approved by the Committee’, the Nufarm delegated approval limits set out in section 4.1 still apply.

Non-audit related services requiring approval

Except for those items stated in section 3.1 and those prohibited in section 3.3 all other non-audit related services that require Committee approval. Examples of those services include:

- Due diligence on potential investments
- Project quality assurance reviews
- Investigating accounting assignments
- Strategic tax advice
- Corporate financial advice

Prohibited non-audit related services

The external auditor should not provide services that have the potential to impair or appear to impair the independence of their audit role. Generally, these include services where the auditor:

- Participates in activities that are normally undertaken by management;
- Is remunerated by way of success fees, contingent fees or commissions;
- Acts in an advocacy role for Nufarm; and
- Where the auditor may be required to audit their own work.

The following activities are examples of services that should not be provided by the external auditor:

- Actuarial services
- Preparation of accounting records and financial statements that will later be audited by the external auditor
- Valuations services in relation to amounts which are included in Nufarm's financial reports
- Internal audit services or their outsourcing
- Legal services
- Recruitment and human resources services
- Broker, dealer or investment advisor services
- Executive or management roles and functions including secondments;
- Personal tax services for any Key Management Personnel;
- Design, development or implementation of financial information or internal control systems
- Any service involving contingent or success fees

4. Approval Process

Approval must be obtained prior to the commencement of any engagement of the external auditor for any non-audit related services provided.

Pre-approved non-audit related services

For those items that are pre-approved Nufarm's delegated approval limits must be complied with for any non-audit related services provided by the external auditor.

In summary, the following approval limits must be observed:

Limits	Approval
<\$50,000	Approve – Group Financial Controller
\$50,000 to \$100,000	Approve – Chief Financial Officer
>\$100,000	Approve – Chair of the Audit Committee

Non audit related services requiring approval

All engagements requiring approval by the Committee are to be based on recommendations from management and will be considered for approval by the Committee at the next Committee meeting.

In considering a recommendation, amongst other matters, the Committee will consider whether the level of fees paid for the provision of the non-audit services as proportion of total fees paid to the external auditor.

If a more immediate decision is required, then the Chairman of the Committee may approve the commencement of the service which will be ratified at the next Committee meeting.

5. Reporting

A list of all non-audit related services provided by the external auditor will be presented to the Committee when reviewing the half-year and year-end financial reports.

Details of fees paid to the external auditor will be disclosed in Nufarm's financial reports as specified by applicable financial reporting standards, listing rules and laws.

The details of the pre-approval framework will be disclosed in Nufarm's Annual Report as part of the Corporate Governance Statement.

The auditor will provide an independence letter detailing their compliance with their own internal policies on auditor independence in relation to all their dealings with Nufarm.

A copy of this policy has been provided to the External Auditor who has confirmed that the policy will be communicated internally.

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