

Corporate Governance Statement

for 2 months ended
30 September 2020



Grow a better tomorrow

Corporate Governance Statement

1 Introduction

Nufarm is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board considers that Nufarm's governance framework and adherence to that framework are fundamental in demonstrating that the Directors are accountable to shareholders, are appropriately overseeing the management of risk and promoting a culture of ethical, lawful and responsible behaviour within Nufarm.

This section of the Annual Report outlines the governance framework of Nufarm Limited and its controlled entities (Nufarm or Company) for the two months ended 30 September 2020 (reporting period). This reporting period is a result of Nufarm changing its financial year end from 31 July to 30 September.

During the reporting period, there were no major changes to any of the Board governance practices or policies as this had been undertaken during FY20. Nufarm, as a listed entity, is required to comply with the Corporations Act (Cth), the ASX Listing Rules and other Australian and international laws and is required to report on the extent to which it has complied with the ASX Principles. During the reporting period, Nufarm complied with the fourth edition of the ASX Corporate Governance Principles and Recommendations (ASX Principles) released in February 2019.

Nufarm's key governance documents, including the Constitution, Board and Board Committee Charters and key policies are available on the Company's website at nufarm.com/investor-centre/corporate-governance/.

This Corporate Governance Statement has been approved by the Board.

2 Board of directors

2.1 Board role and responsibilities

The Constitution provides that 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. The role of the Board is to represent shareholders and to demonstrate leadership and approve the strategic direction of Nufarm. The Board is accountable to the shareholders for the Company's performance and governance.

The Board has adopted a formal Board Charter which sets out the Board's role, key responsibilities, matters the Board has reserved for its own consideration and decision making and the authority it has delegated to the Managing Director and Chief Executive Officer (CEO). The Board's responsibilities, as set out in the Board Charter, include:

- Appointment and termination of the CEO and the Company Secretary and ratification of the appointment of the Chief Financial Officer (CFO) 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 the CEO's direct reports;
- Approving commitments, capital and non-capital items, acquisitions and divestments above authority levels delegated to the CEO;
- Approving the overall capital structure of Nufarm including any equity related transactions and major financing arrangements;
- Approving the annual and half year financial and director reports including the full year operating and financial review, remuneration report and corporate governance statement;
- Approving the dividend policy and determining the dividends to be paid;
- Approving management's development of corporate strategy;
- Reviewing and approving the annual budget, strategic business plans, balance sheet and funding strategy;
- Approving the succession plans and processes for the Chairman, Directors, CEO and the CEO's direct reports;
- Approving the Diversity and Inclusion Policy and measurable objectives for achieving diversity across Nufarm and monitoring progress in achieving those objectives;
- Approving Board governance policies including the Continuous Disclosure Policy, Code of Conduct, Anti-Bribery Policy and Whistleblower Policy;
- Approving ASX releases as set out in the Continuous Disclosure Policy;
- Appointing the Chairman of the Board; and
- Appointing Directors to casual vacancies and recommending their election to shareholders at the next Annual General Meeting.

A copy of the Board Charter which sets out the role and responsibilities of the Board in more detail can be found in the Corporate Governance section of Nufarm's website.

Delegation to management

The Board has delegated to the CEO responsibility for the day-to-day management of the Company's affairs and implementation of the strategic objectives, the annual budgets and policy initiatives. The CEO is accountable to the Board for all authority delegated to management and for the Company's performance. The CEO is required to operate in accordance with Board approved policies and delegations of authority and management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. The CEO is required to report to the Board in a spirit of openness and trust and is required to ensure that all decisions are made lawfully, ethically and responsibly.

2.2 Board meetings and attendance

The Board meets as often as required. During the reporting period, the Board met 3 times. Regularly scheduled meetings are generally held face to face on one day. Due to COVID-19 related restrictions, these meetings were held electronically.

In addition to the Company Secretary, the CFO regularly attends all Board meetings by invitation. Other members of management attend meetings by invitation. During regularly scheduled meetings, the Board holds a closed session (attended by Non-executive Directors only), which provides Non-Executive Directors with an opportunity to raise issues in the absence of management.

Details of attendance at Board and standing Board committee meetings during the reporting period are set out in the following table:

Board and Board Committee attendance in the reporting period

	Board		Audit		Risk and Compliance		Nomination and Governance		Human Resources Committee	
	A	B	A	B	A	B	A	B	A	B
Anne Brennan	3	3	2	2					1	1
Gordon Davis	3	3	2	2	1	1			1	1
Frank Ford	3	3	2	2			2	2		
John Gillam	3	3		2		1	2	2		1
Greg Hunt	3	3		2		1				1
Peter Margin	3	3		2	1	1	2	2	1	1
Marie McDonald	3	3	2	2	1	1	2	2		1
Donald McGauchie ¹	3	3		2		1	2	1	1	1
Toshikazu Takasaki	3	3		1	1	1				

Column A: indicates the number of meetings held during the period of each Director's tenure. Where a Director is not a member but attending meetings during the period, then only the number of meetings attended rather than held is shown.

Column B: indicates the number of meetings attended by each Director.

1. Donald McGauchie retired as a Non-executive Director and Chairman on 24 September 2020.

Key activities undertaken by the Board during the reporting period

The Board considered a range of matters during the reporting period, including overseeing the financial performance and key metrics of the Company; agreeing to an impairment charge of \$215 million to be recorded for the European Cash Generating Unit, approving the FY20 financial results for release to the ASX; undertaking a review of the CEO performance for FY20 and considering the outcome of the FY20 Short Term Incentive Plan.

- the majority of the Board must be independent Non-executive Directors; and
- the Board should represent a broad range of qualifications, experience, expertise and diversity.

Changes during the reporting period

During the reporting period, Donald McGauchie retired as a Non-executive Director and Chairman of the Board on 24 September 2020. John Gillam was appointed Chairman on 24 September 2020.

2.3 Board composition

As at 30 September 2020, the Board had seven Non-executive Directors and the CEO. Donald McGauchie retired from the Board on 24 September 2020. The Constitution provides that the Company is not to have more than 11 or less than three directors.

Details of the Directors, including their qualifications, experience, date of appointment and independent status can be found in the Director's Report at pages 145 to 146.

Sumitomo Chemical Company, as a major shareholder in the Company, is entitled to have one nominee Director on the Board. Toshikazu Takasaki is Sumitomo's current nominee and is therefore not considered independent.

In assessing the composition of the Board, regard is given to the following principles:

- the roles of the Chairman and the CEO should not be filled by the same person;
- the Chairman must be an independent Non-executive Director;
- the CEO must be a full-time employee of the Company;

2.4 Director skills, experience and attributes

The key attributes that Directors must possess are set out in the Board Charter and include:

- honesty, integrity and a proven track record of creating value for shareholders;
- an ability to apply strategic thought;
- a preparedness to debate issues openly and constructively and to question, challenge and critique;
- a willingness to understand and commit to the governance framework of the Company; and
- an ability to devote sufficient time to properly carry out the role and responsibilities of the Board.

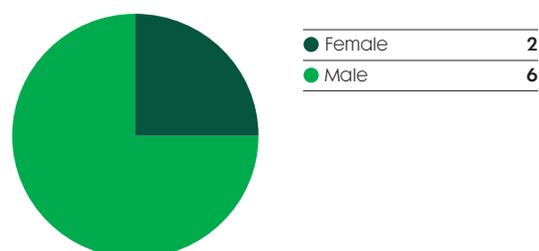
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Skills matrix

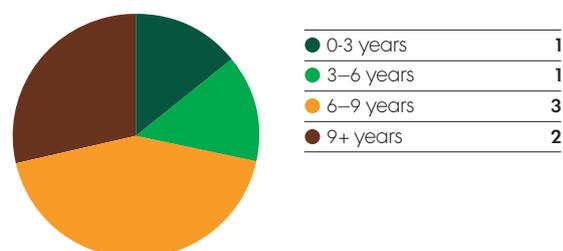
The Board has a skills matrix which takes into consideration the skills and experience the Board currently requires but also the skills and experience that will be required for the Company during its next phase of development. The Board skills matrix and the assessment of the current Directors is included below.

Skills/Experience	No of Directors with skill
Manufacturing & Integrated Supply Chain Management in High Risk Environment Relevant experience in international manufacturing and/or integrated supply chain management including demonstrated ability to improve production systems.	6
Customer Relations Relevant international experience in customer service delivery and/or marketing of products, including brand marketing, e-commerce and use of digital technology.	5
R&D, Innovation, Seed Technologies and Commercialisation Experience in R&D, seed technologies or emerging technologies including commercialisation.	4
Agricultural experience Experience in crop protection or the agricultural industry obtained through a large international company.	5
Finance Board audit experience or senior executive or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls/audit.	8
Risk Relevant experience and understanding of risk management frameworks and controls, including HSEC and sustainability, and the ability to oversee mitigation strategies and identify emerging risks.	8
Mergers, Acquisitions, JVs, Partnerships, Alliances, Divestments & Integrations Relevant experience in merger and acquisition transactions (including JVs etc) raising complex financial, regulatory and operational issues.	7
Strategy and Transformation Experience in developing and implementing successful strategies and/or transformation in a complex environment to deliver a sustained and resilient business.	6
Corporate Governance and Compliance Experience serving on boards in different industries, including publicly listed companies. Awareness of leading practice in corporate governance and compliance, with a demonstrated commitment to achieving those standards.	7
Regulatory, Government & Public Policy Relevant experience identifying and managing legal, regulatory, public policy and corporate affairs issues.	6
People, culture and remuneration Relevant experience overseeing or implementing a company's culture and people management framework, including succession planning and setting and applying remuneration policy and frameworks linked to strategy.	7

Diversity
(as at 30 September 2020)



Tenure of non-executive directors
(as at 30 September 2020)



2.5 Chairman

The Chairman of the Board is John Gillam, an independent Non-executive director who succeeded Donald McGauchie on his retirement on 24 September 2020.

The Chairman is responsible for the leadership of the Board and for encouraging a culture of openness and debate amongst the directors to foster a high performing and collegiate Board. The Chairman also serves as the primary link between the Board and management.

2.6 Board succession planning

The Board manages succession planning for non-executive directors with the assistance of the Nomination and Governance Committee and for the CEO with the assistance of the Human Resources Committee.

The Board has a non-executive tenure policy that provides for non-executive directors to 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, may in exceptional circumstances, exercise discretion to extend the maximum term where it considers such an extension is in the best interests of the Company. When introducing the tenure policy in FY2020, the Board determined the tenure policy should not apply to restrict a director who will have served for nine years from seeking election for one additional term.

All non-executive directors are required to stand for re-election every three years. The Nomination and Governance Committee will undertake a review of the directors retiring by rotation and make a recommendation to the Board on whether their re-election is to be supported. The Company provides all material information in its possession concerning the director standing for re-election in the notice of meeting and accompanying explanatory notes.

Anne Brennan has advised her intention to retire as a director at the 2020 Annual General Meeting. Both Gordon Davis and Peter Margin have been on the Board for a period of nine years and have advised that they will stand for re-election at the 2020 Annual General Meeting but do not intend to serve the full term to allow for a period of Board renewal.

In undertaking the Board renewal and identifying suitable candidates for appointment to the Board, the Nomination and Governance Committee considers the gaps identified in the Board skills matrix as well as the requirement to replace appropriate skills of directors who are retiring from the Board.

2.7 Director independence

The Board is committed to ensuring the majority of non-executive directors are independent. 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.

During the reporting period, all non-executive directors except Toshikazu Takasaki, who is a nominee of Sumitomo, a substantial shareholder in the Company, were considered to be independent.

2.8 Conflict of interest

The Board has in place a procedure to ensure Directors disclose any conflicts of interest and if appropriate, the conflict can be authorised. In the event a Director does have an actual or potential conflict, the Director does not receive the relevant Board or Committee papers and must absent themselves from the room when the Board or Committee discusses and votes on matters subject to the conflict. This protocol continues unless the other directors resolve otherwise. The Director cannot access the minutes of the Board or Committee meeting in relation to the conflict.

The Board has in place an information exchange protocol with Sumitomo Chemical Company to ensure that the Sumitomo nominee Director can discharge their duties as a Director while also ensuring that they do not receive any competitive information or participate in discussions regarding competitive information.

2.9 Director appointment, induction training and continuing education

When considering new appointments to the Board, the Nomination and Governance Committee oversees the preparation of a role description which includes the key attributes identified in the Board Charter and the relevant skills considering the principles set out in section 2.3 and any gaps identified in the Board skills matrix. This role description is provided to an external search firm that assists in undertaking the search.

When suitable candidates are identified, the Nomination and Governance Committee will interview a short list of candidates before making a recommendation to the Board. All directors will interview the candidate prior to the Board considering the formal appointment.

All non-executive directors on appointment are required to sign a letter of appointment which sets out the terms and conditions of their appointment including;

- duties and responsibilities of a director;
- participation in induction training and continuing education;
- remuneration;
- expectation around time commitments for the Board and relevant Committee meetings;
- the requirement to disclose directors' interests on an ongoing basis;
- access to professional advice; and
- indemnity, access and insurance arrangements.

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Prior to appointment all Directors, including any new executive Directors, are subject to extensive background and screening checks. All new senior executive appointments are also subject to extensive background and screening checks.

With the exception of the CEO, all directors appointed by the Board to a casual vacancy are required to stand for shareholder election at the next AGM. The Company provides all material information in its possession concerning the director standing for re-election in the notice of meeting and accompanying explanatory notes.

Induction training is provided to all new directors. This includes discussions with the CEO, CFO, Company Secretary and other senior executives and the option to visit the Company's sites in Australia on appointment or with the Board during an overseas Board meeting. Induction materials include information on the Company's strategy and financial performance, full information on the Board including all Board and Committee Charters, recent Board and Committee minutes, information on the risk management framework and the risk appetite statement approved by the Board and, all Board policies including the Code of Conduct and the obligations of directors.

All Directors are expected to undertake ongoing professional development to develop and maintain the skills and knowledge required to discharge their responsibilities. Directors are provided with information papers and presentations on developments in the law including continuous disclosure, industry related matters and any new emerging developments that may affect the Company.

2.10 Remuneration

Details of the Company's remuneration policy and practices and the remuneration paid to directors and key management personnel are set out in the Remuneration Report on pages 149 to 161 of this Annual Report.

2.11 Board performance evaluation

The Board undertook a review conducted by an external provider during FY2020. This review focused on Chairman succession, Board succession planning and Board capabilities, Board calendar and papers, executive succession planning and the structure of the Board Committees. The review included interviews and feedback with all directors including the CEO, CFO and the Company Secretary. All actions from this review have been implemented. Due to the short two month period, a Board performance evaluation did not occur during the reporting period.

An assessment of director performance was undertaken by the Nomination and Governance Committee with feedback sought from all Directors prior to the Board considering recommending a director for re-election to shareholders at the Annual General Meeting.

2.12 Independent professional advice

The Board and its Committees may access independent experts and professional counsel for advice where appropriate and may invite any person from time to time to attend meetings.

2.13 Company Secretary

The details of the Company Secretary, including their qualifications, are set out in the Annual Report on page 19. The appointment and removal of the Company Secretary is a matter for the Board. The Company Secretary is accountable to the Board for the effectiveness of the implementation of the corporate governance processes, adherence to the Board's principles and procedures and co-ordinates all Board and Board Committee business, including agendas, papers, minutes, communications and filings. All Directors have direct access to the Company Secretary.

3 Committees

To assist the Board to carry out its responsibilities, the Board has established an Audit Committee, a Nomination and Governance Committee, a Human Resources Committee and a Risk and Compliance Committee.

Each of the permanent Committees has a Charter which sets out the membership structure, roles and responsibilities and meeting procedures.

Generally, these Committees review matters on behalf of the Board and, as determined by the relevant Charter:

- refer matters to the Board for decision, with a recommendation from the Committee; or
- determine matters (where the Committee acts with delegated authority), which the Committee then reports to the Board.

The Company Secretary provides secretarial support for each Committee.

3.1 Audit Committee

The key responsibilities and functions of the Audit Committee are:

- the integrity of the financial statements and financial reporting systems and processes of the Company and its related bodies corporate;
- 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;
- the Company'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.

A copy of the Audit Committee Charter which sets out role and responsibility of the Committee in more detail can be found in the Corporate Governance section of Nufarm's website.

Membership and meetings

The Audit Committee consists of:

- a minimum of 3 members of the Board, all of whom are non executive directors;
- a majority of independent directors (as defined in the Board Charter); and
- an independent chair, who is not Chair of the Board.

The members of the Audit Committee during the reporting period are:

Name	Membership status
Frank Ford (Chair)	Member for the entire period
Anne Brennan	Member for the entire period
Gordon Davis	Member for the entire period
Marie McDonald	Member for the entire period

At least one member of the Committee must have formal accounting qualifications with recent and relevant experience.

The Committee as a whole is to have sufficient understanding of the industry in which Nufarm operates. The Board is satisfied that the current composition of the Committee satisfies this requirement.

The external auditors, the Chairman, the CEO, the CFO, the Group Financial Controller, the General Manager, Group Risk and Assurance, the external internal audit partner and the Global Head of Taxation attend meetings of the Committee at the invitation of the Committee Chair. All Board members are invited to attend the Audit Committee meetings at which the half year and annual financial statements and reports are considered.

The details of the relevant Committee meetings are included on page 133.

Activities during the reporting period

The key activities undertaken by the Audit Committee during the reporting period were reviewing and recommending to the Board the approval of the FY2020 financial statements, including recommending to the Board an impairment charge of \$215 million be recorded for the Europe Cash Generating Unit and approving the internal audit plan for FY2021.

External Audit

The Audit Committee reviews the External Auditor's scope of work, including the external audit plan, to ensure it is appropriate having regard to the Company's key risks. The External Auditor reports to the Committee at each meeting and is given an opportunity to raise issues with the Committee in the absence of management. The Committee also reviews the performance and independence of the External Auditor on an annual basis. KPMG is the External Auditor.

The Committee has also adopted a policy on the provision of non-audit related services by the External Auditor which sets out the Company's approach to engaging the External Auditor for the performance of non-audit related services with a view to ensuring their independence is maintained.

A copy of the policy on the provision of non-audit related services by the External Auditor can be found in the Corporate Governance Section of Nufarm's website.

The External Auditor attends the Company's Annual General Meeting and is available to answer questions from shareholders relevant to the audit.

3.2 Nomination and Governance Committee

The role of the Nomination and Governance Committee is to assist the Board to oversee the composition, performance and succession planning of the Board as well as the induction and ongoing training for directors. The Committee also advises and makes recommendation to the Board in relation to the Company's corporate governance practices.

A copy of the Nomination and Governance Committee Charter can be found in the Corporate Governance section of Nufarm's website.

Membership and meetings

The Nomination and Governance Committee consists of:

- at least three independent non-executive directors; and
- where the Board Chairman is the Committee Chair, he or she will not chair the Committee when it is dealing with the appointment of a successor to the Chair.

Marie McDonald is the Chair of the Committee.

The members of the Nomination and Governance Committee during the reporting period are:

Name	Membership status
Marie McDonald (Chair)	Member for the entire period
Donald McGauchie	Member up to 24 September 2020
Frank Ford	Member for the entire period
John Gillam	Member from 24 September 2020
Peter Margin	Member for the entire period

Activities during the reporting period

The key activities undertaken by the Nomination and Governance Committee during the reporting period included:

- overseeing the process of succession planning for the Board including the identification of suitable non-executive director candidates;

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- undertaking a performance review of directors seeking re-election at the 2020 Annual General Meeting and making recommendations to the Board regarding their endorsement to shareholders; and
- making a recommendation to the Board to adopt a new Constitution to be considered by shareholders at the 2020 Annual General Meeting.

3.3 Human Resources Committee

The role of the Human Resources Committee is to assist the Board to perform its functions in relation to remuneration policies and practices, development, retention and termination arrangements for the CEO and KMP.

The Committee's key responsibilities and functions are to:

- oversee the Company's remuneration, recruitment, retention and termination policy and procedures and its application to the CEO and the KMPs;
- assess the performance of the CEO and assist the Chair with reviews of the CEO's performance;
- review and make recommendations to the Board on the CEO succession plans;
- review and make recommendations to the Board regarding the remuneration and benefits of non-executive directors;
- review the annual remuneration report;
- review and make recommendations to the Board on the Inclusion and Diversity Policy and the measurable objectives for achieving the inclusion and diversity outcomes; and
- make recommendations to the Board on the adoption of the Company's Code of Conduct including receiving reports on any material breaches of the Code of Conduct.

The process to engage remuneration consultants is included in the Human Resources Charter. Consultants provide independent remuneration advice, as appropriate, on director fees and KMP remuneration, structure, practice and disclosure. Remuneration consultants are engaged directly by the Chair of the Human Resources Committee and report directly to the Committee.

A copy of the Human Resources Committee Charter which sets out further details on the roles and responsibilities of the Committee is available in the Corporate Governance Section of Nufarm's website.

Membership and meetings

The Committee must consist of:

- a minimum of 3 members of the Board, all of whom are Non-executive Directors;
- a majority of independent Directors; and
- an independent Director as Chair.

The members of the Human Resources Committee during the reporting period are:

Name	Membership status
Peter Margin (Chair)	Member for the entire period
Donald McGauchie	Member until 24 September 2020
Anne Brennan	Member for the entire period
Gordon Davis	Member for the entire period

Non-Committee members, including members of management, may attend meetings of the Committee at the invitation of the Committee Chair.

Activities during the reporting period

The key activities undertaken by the Committee during the reporting period in relation to the Company's remuneration framework, the policies and practices regarding the remuneration of directors, as well as the contractual arrangements, remuneration and performance evaluation of other members of Key Management Personnel, are reflected in the Remuneration Report on pages 149 to 161.

The progress against the Company's Inclusion and Diversity objectives are detailed in the Inclusion and Diversity section of this statement on pages 142 to 144.

3.4 Risk and Compliance Committee

The key responsibilities and functions of the Risk and Compliance Committee are:

- overseeing the risk profile and approving the risk appetite for the Company;
- considering and recommending to the Board the Risk Management Framework in respect of both financial and non-financial risk, (including the Health, Safety and Environment Framework);
- recommending for approval by the Board the Company's Risk Management Policy and Health, Safety and Environment Policy;
- overseeing the Company's insurance program;
- overseeing compliance management; and
- receiving reports of any material breaches of the Anti-Bribery and Whistleblower Policies.

Membership and meetings

The Committee consists of:

- a minimum of 3 members of the Board, all of whom are non-executive directors;
- a majority of independent directors; and
- an independent director as Chair.

The members of the Risk and Compliance Committee during the reporting period were:

Name	Membership status
Gordon Davis (Chair)	Member for the entire period
Peter Margin	Member for the entire period
Marie McDonald	Member for the entire period
Toshikazu Takasaki	Member for the entire period

Non-Committee members, including members of management, attended meetings of the Committee at the invitation of the Committee Chair.

Activities during the reporting period

The key activities undertaken by the Committee during the reporting period included receiving a report on compliance with health, safety and environment policies and procedures, a status risk report confirming that management was operating within the risk appetite statement set by the Board and a report on the FY2021 insurance renewal.

4 Risk management and internal control

4.1 Approach to risk management and internal control

The Board recognises that the effective identification and management of risk reduces the uncertainty associated in executing the Company's business strategies.

The Company has introduced a risk management framework and policies and procedures which are based on concepts and principles identified in the Australia/New Zealand standard on Risk Management (AS/NZ ISO 31000:2009). The risk framework, policies and procedures set out the roles, responsibilities and guidelines for managing financial and non-financial risks associated with the Company's business and have been designed to provide effective management of material risks at a level appropriate to the Company's global business and have continued to be enhanced as the Group's operations develop and its range of activities expand. These risks include contemporary and emerging risks such as COVID-19, cyber-security, privacy and data breaches, increased geo-political risk and climate change.

The Risk Management Policy is available in the Corporate Governance Section of Nufarm's website.

Nufarm is committed to continuing to improve its enterprise risk management practices to protect and enhance shareholder value. During FY2020 an Executive Risk, Health, Safety and Environment Committee was established to assist with overseeing, directing and supporting the implementation and operation of the risk management framework and internal compliance and control system across the Company. The members of the Committee are the CEO (Chair), Chief Financial Officer, Group Executive Supply Chain Operations, Group Executive People and Performance, Group Company Secretary and General Counsel, General Manager Global Risk Management and Assurance, General Manager, Global Sustainability and Quality and a Regional General Manager (on a rotational basis).

More information on Nufarm's financial and non-financial risks, including environmental, the approach to climate change and social related risks, is set out in the Annual Report 2020 on pages 14 to 17 and the Sustainability Report on page 7.

4.2 Risk management responsibilities

The Board is responsible for overseeing Nufarm's risk management framework, including both financial and non-financial risks, and setting the risk appetite within which the Board expects management to operate. The Board is also responsible for satisfying itself that management has developed and implemented a sound system of internal controls.

The Board has delegated oversight of the ongoing risk management program, procedures, auditing and adequacy and effectiveness of the enterprise risk management to the Risk and Compliance Committee, and oversight of evaluating the adequacy and effectiveness of the internal control systems associated with financial risk to the Audit Committee.

The Company's risk management framework, policies and procedures set out the roles, responsibilities and guidelines for managing financial and non-financial risks associated with the business. The framework, policies and procedures have been designed to provide effective management of material risks at a level appropriate to Nufarm's global business. The risk framework, policies and procedures will continue to be enhanced as the Group's operations develop and its range of activities expand.

Nufarm's Group risk management department, led by the General Manager Global Risk and Assurance, manages the implementation of this framework across the Company. The framework aims to deal adequately with contemporary and emerging risks, such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

Detailed risk profiles for key operational business units have been developed. These risk profiles identify the:

- nature and likelihood of specific material risks;
- key controls in place to mitigate and manage the risk;
- sources and level of assurance provided on the effective operation of key controls; and
- responsibilities for managing these risks.

The Risk and Compliance Committee Charter requires the Committee and the General Manager Global Risk and Assurance to review, at least annually, the Risk Management Framework. This was last undertaken during FY2020 and will be undertaken during FY2021.

4.3 Internal audit

Nufarm has an internal audit function which is part of the global risk and assurance function that reports to the Group General Counsel and Company Secretary.

Nufarm's internal audit model is a co-sourced model, with PWC engaged to provide internal audit services under this model. Nufarm's General Manager Risk and Assurance is accountable to both the Committee and the CEO for the performance of the internal audit function and manages the relationship with PWC.

The internal audit function supports management efforts to:

- manage and control risks;
- improve the efficiency and effectiveness of key business processes and internal control systems;
- monitor compliance with Company-wide requirements, policies and procedures; and
- provide the Committee with assurance on the operating effectiveness of controls.

The scope of internal audit work (including the annual internal audit plan) is prepared with a view to providing coverage of all major functional units and identified key risks. The Audit Committee reviewed the internal audit plan to ensure it was appropriate. During the reporting period the Audit Committee approved the FY2021 internal audit plan, which reflects the ongoing impact of COVID-19 restrictions with a focus on the use of data analytics.

The General Manager Risk and Assurance, together with PWC representatives, reported directly to the Committee on the progress against the internal audit plan, as well as detailed findings and corresponding management actions in relation to reviews undertaken in accordance with the internal audit plan. They also were given an opportunity to raise issues with the Committee in the absence of management, in a closed session held during each Committee meeting. The internal audit function had unfettered access to the Chair of the Audit Committee.

4.4 CEO and CFO assurance

Before adoption by the Board of the reporting period financial statements, the CEO and the CFO provided written declarations to the Board in respect of the Company's transition period financial statements that, in their opinion, the financial records of the Company have been properly maintained, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion has been formed on the basis of an adequate system of risk management and internal control which is operating effectively.

The declaration of the CEO and CFO is supported by written statements by all executives and key finance personnel relating to the financial position of the Company, market disclosure, the application of Company policies and compliance with internal controls and external obligations.

5 Promoting responsible and ethical behaviour

Code of Conduct

Nufarm has in place a Code of Conduct which applies to all Directors, employees, contractors, agents and representatives of the Company.

The key values underpinning the Code of Conduct are:

- actions must be governed by the highest standards of integrity and fairness;
- all decisions must be made in accordance with the spirit and letter of applicable law; and
- business must be conducted honestly and ethically, with skill and best judgement, and for the benefit of customers, employees, investors and the Company alike.

The Code of Conduct provides clear direction and advice on general workplace behaviour and how to conduct business both domestically and internationally, interacting with investors, business partners and the communities in which the Company operates.

Material breaches of the Code of Conduct are reported to the Human Resources Committee.

Anti-bribery Policy

Nufarm has in place an Anti-bribery policy that applies to all Directors, officers and employees of Nufarm. The policy strictly prohibits the making of unlawful or improper payments to any individual or entity. The Policy also outlines the process for ensuring that appropriate controls are implemented in relation to third parties who are engaged to act on behalf of Nufarm. Nufarm provides targeted training to managers and employees that are likely to be exposed to bribery and corruption regarding the policy and its application.

Breaches of the Anti-bribery Policy are reported to the Risk and Compliance Committee.

Whistleblower Policy

Nufarm has a Whistleblower Policy that provides a clear and transparent way for employees and contractors to report unethical, unlawful or irresponsible behaviour without fear of intimidation or recrimination.

The purpose of the Whistleblower Policy is to help detect and address any conduct that is:

- corrupt, illegal, unlawful or fraudulent including bribery or any other act in breach of the Company's Antibribery Policy;
- contrary to or in breach of any Company policy or the Company's Code of Conduct, including harassment, bullying, discrimination or victimisation;
- seriously harmful or potentially seriously harmful activity that poses a threat to the Company's employees, shareholders, clients or third parties, such as deliberate unsafe work practices with wilful disregard for the safety of others;
- activity that could cause significant financial loss to the Company or damage its reputation or be otherwise detrimental to the Company's interests;
- a substantial mismanagement of Company resources; and
- any act which endangers the public or the financial system.

The Whistleblower Policy sets out protections that will be afforded to whistleblowers as well as the option to make an anonymous report.

Material incidents of the Whistleblower Policy are reported to the Risk and Compliance Committee.

Securities Trading Policy and Insider Trading

The Board has adopted a Securities Trading Policy that covers dealings by directors, KMP and relevant employees and complies with the ASX Listing Rules requirements for a trading policy. The Securities Trading Policy aims to ensure that public confidence is maintained in the reputation of Nufarm, the reputation of its Directors and employees and in the trading of Nufarm securities.

The Securities Trading Policy restricts dealings by directors, KMPs and relevant employees in Nufarm securities except for a period of four weeks from the first trading day after half and full year results are announced and following the AGM. No dealing is allowed at any time that they are in possession of unpublished price sensitive information. Directors, KMP and relevant employees are required to get pre-approval to trade during these applicable windows.

The Nufarm Code of Conduct, Anti-Bribery Policy, Whistleblower Policy and the Securities Trading Policy are available in the Corporate Governance Section of Nufarm's website.

6 Continuous disclosure and communications with shareholders

6.1 Continuous disclosure and market communications

Nufarm is committed to timely, open and effective communication with its shareholders and the general investment community.

The Board has adopted a Continuous Disclosure Policy which establishes procedures aimed at ensuring that Nufarm complies with the legal and regulatory requirements under the Corporations Act and the ASX Listing Rules. These procedures include the establishment of a Market Disclosure Committee, which monitors the continuous disclosure framework and is responsible for ensuring that Nufarm complies with its obligations.

The Market Disclosure Committee is constituted by the CEO, CFO, Group General Counsel and Company Secretary and the General Manager, Investor Relations and External Communications and is responsible for implementing and monitoring reporting processes and controls to ensure there is an adequate system in place for the disclosure of all material information to the ASX.

The Group General Counsel and Company Secretary reports to the Board on the matters considered by the Market Disclosure Committee at each meeting. The Board approves any announcement which is within the matters reserved for decision by the Board including annual and half year financial reports, any profit update or earnings guidance, matters which could have significant financial or reputational risks, Company transforming transactions or events, significant corporate transactions including any equity related transactions and any other matters that the Market Disclosure Committee considers is of fundamental significance to the Company.

In addition to approving any announcements reserved for decision by the Board, Directors are provided with copies of all announcements that are made to the ASX immediately after they have been released on the Market Announcements Platform.

The Continuous Disclosure Policy is available in the Corporate Governance Section of Nufarm's website.

6.2 Shareholder communication

The Company places a high priority on communication with shareholders and other stakeholders and aims to ensure they are kept informed of all major developments affecting Nufarm. The Company has an investor relations program to facilitate a direct two way dialogue with shareholders and the Company believes it is important not only to provide relevant information as quickly and efficiently as possible, but also to listen and understand shareholders' perspectives and respond to their feedback.

Nufarm holds briefings on the annual and half year financial results and on other new and significant information. Presentation material or speeches that provide any new and substantive information are first disclosed to the ASX through the Market Announcements Platform and then posted to the Nufarm website prior to any discussion.

One of the key communication tools is the Company's website.

The website contains the key governance documents, market announcements, the Annual Report and half-yearly and full year financial statements and a calendar of events relating to shareholders and other communications to key stakeholders. The website also contains a facility for shareholders to direct inquiries to the Company.

Shareholders are provided with an update on the Company's performance at the Annual General Meeting, as well as an opportunity to vote on important matters affecting Nufarm and ask questions of the Board and key members of management. All substantive resolutions at the AGM are decided by a poll rather than a show of hands. Copies of the Chairman's speech and the meeting presentation are released to the ASX and posted on the Company's website as the meeting commences. A summary of proceedings and outcome of voting on the items of business are also released to the ASX and posted to the website as soon as they are available after the meeting. All Directors are expected to attend the AGM.

Nufarm's external auditor attends the AGM to answer any shareholder questions concerning the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by Nufarm and the independence of the external auditor in relation to the audit.

The Company encourages shareholders to receive communications electronically. Shareholders may elect to receive all or some of their communications electronically. This election can be made directly with the Share Registry, Computershare Investor Services Pty Limited.

The Board obtains the views of shareholders by either formal or informal means. The Board receives a regular report from the General Manager Investor Relations and External Communications which contains feedback from investors. The CEO and CFO are accessible to shareholders, analysts, fund managers and others with a potential interest in the Company. The Chairman and the Chair of the Human Resources Committee are also accessible to shareholders and institutional investors.

6.3 Verification of periodic reports

Nufarm is committed to ensuring that all the information contained in its corporate reports is accurate, effective and clear. Nufarm has put in place a process to verify the integrity of its periodic reports that are not subject to audit or reviewed by the external auditor. This includes the annual Directors' Report, the Annual Report and the Sustainability Report.

A statement on the processes undertaken to verify the information not audited or verified by the external auditor is available in the Corporate Governance Section of Nufarm's website.

Corporate Governance Statement continued

7 Inclusion and diversity

Nufarm is a global organisation that aims to provide an inclusive work environment where individuals are valued for their diversity and empowered to reach their full potential. We believe we are stronger when our plans and operations reflect the thinking of all our people, representing a broad range of backgrounds, cultures and experience.

During the two month period ended 30 September 2020 (reporting period) we continued to keep inclusion and diversity a priority. Our goal is to embed inclusion and diversity in the way we conduct our business, wherever we operate around the world. Activities included:

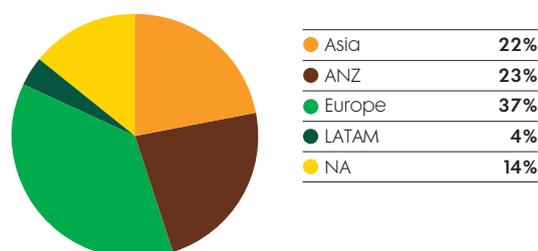
- Nufarm's continued effort to respond to Covid-19 with flexibility and inclusion. While we are privileged to be working in an essential industry we also recognise that this is a very trying time for all our employees. During this reporting period we introduced a Health and Wellbeing intranet site for all employees focusing on staying connected, work life balance, flexible working and building resilience to name a few.
- The NLT Inclusion and Diversity Steering Committee appointed two new Committee members as part of the steering committee rules to ensure continued diversity of this Committee.

Nufarm's workforce

At the end of this reporting period we employed 2,668 people (2020 2,702) across five regions, a decrease of 34 full time equivalents.

Most of our workforce remain full time with 88 per cent permanent employees (2020: 88 per cent) and 12 per cent contract or non-permanent employees (2020, 12 per cent). Where the nature of the role allows it, we support flexible work arrangements with 3 per cent of our workforce operating with part-time arrangements, we continue to operate with significant flexible working arrangement to support our workforce capability during Covid-19.

Two-month period ended 30 September 2020



Two-month period ended 30 September 2020



Organisation Functions

Two-month period ended 30 September 2020 v 2020FY FTE by function	30 September 2020	2020 FY
Supply Chain	1,265	1,272
Sales	827	847
Portfolio Solutions	238	241
Finance	168	160
Corporate	73	77
Information Technology	56	64
Human Resources	41	41

Organisation Levels

Two-month period ended 30 September 2020	FTE	Female	Male
Key management personnel (CEO and CEO-1)	4	0%	100%
Exec and senior management (CEO-1 and CEO-2)	92	21%	79%
People manager	472	21%	79%
Professionals	1,212	29%	71%
Manufacturing shop floor	654	10%	90%
Administration	202	70%	30%
Other	32	22%	78%

*Key Management Personnel as listed in the annual report and include CEO and some direct reports.

**CEO-1 refers to the layer of senior executives reporting directly to the CEO, CEO-2 the next layer of management reporting to those senior executives.

Women at Nufarm

Nufarm's focus on gender diversity is designed to empower all employees by actively addressing the barriers to equality and creating a level playing field and inclusive culture for both men and women. To this end we are committed to working towards a target of not less than 30 per cent of either gender making up our workforce.

We are focused on improving female representation across all areas of the business and continue to recruit above our female representation of 25 percent (2020). During this reporting period, 29 percent (2020, 32 per cent) of new hires were female and 18 percent of people leaving the business were female (2020: 24 per cent).

Female representation increased in Finance by 2 percent (2020: 51 per cent) and decreased in Corporate (by 4 percent) and Human Resources (by 3 percent). Portfolio, Finance and Corporate are functions that already meet our target of no less than 30 per cent of either gender. Geographically North America achieves our goal with ANZ and LATAM making gradual progress closer to our no less than 30 per cent of either gender goal. People Manager and Professionals went up in female representation by 1 per cent while Administration went down by 1 per cent.

The Board considers gender diversity an important factor in its succession planning. The percentage of female Non-executive Directors is back to 29 percent following Donald McGauchie's resignation (2020: 25 per cent).

Gender by region

Two-month period ended 30 September 2020	Female	Male
ANZ	27%	73%
ASIA	19%	81%
Europe	26%	74%
LATAM	19%	81%
NA	31%	69%

Gender by function

Two-month period ended 30 September 2020	Female	Male
Supply Chain	20%	80%
Sales	19%	81%
Portfolio Solutions	42%	58%
Finance	53%	47%
Corporate	49%	51%
Information Technology	13%	87%
Human Resources	75%	25%

Cultural diversity

Our global footprint enables a culturally diverse workforce of leaders and teams, representing local cultures and customers in over 100 countries. 12.5 percent of board members reside outside Australia (2020: 11 per cent). Our executive and senior management team remains culturally diverse with at least 15 different cultural backgrounds represented. Nufarm's employee self-disclosed data indicates that our workforce originates from no less than 63 different countries and speaks at least 37 different languages. Nufarm also has at least 5 per cent of employees working in a different country to their birth country.

Corporate Governance Statement continued

Progress against 2021 objectives

Nufarm believes that inclusion and diversity are both critical to our sustainable growth. A key enabler to achieving growth is to develop our talent and continue to build an inclusive culture.

As a continuation of our efforts we now continue into year three of our inclusion and diversity strategy through extending our themes and objectives from last year deeper into the organisation; focusing additional efforts towards developing greater gender equality with our internal talent pipeline; and conducting our interim regional inclusion and diversity audit.

FY2021 objectives

Inclusion and diversity strategy goals

2021 inclusion and diversity objectives and progress

Inclusion and diversity strategy goals	2021 inclusion and diversity objectives and progress
<p>1 Vision and Purpose Goal</p> <p>Diversity is actively understood and represented by all employees who promote an inclusive culture. Difference is celebrated across the company and there is a solid understanding of how inclusion and diversity can contribute to achieving business objectives.</p> <p>By 2022</p>	<p>Continue with the communications plan and regular inclusion and diversity articles.</p> <p>Refresh the NLT Inclusion and Diversity Steering Committee, minimum 2 year term and maximum 3-year term to ensure diversity of the group.</p> <p>Progress: Rotation of 2 new executives to the NLT steering committee have been appointed.</p>
<p>2 Policy Goal</p> <p>Inclusion and diversity policy underpins other HR strategies. Policies and procedures are regularly reviewed, and where special circumstances allow, alternative solutions are put in place to ensure attraction and retention of a diverse workforce.</p> <p>By 2020</p>	<p>Conduct a progress Global (regional) Inclusion and Diversity diagnostic by March 2021 to demonstrate progress and review Inclusion and Diversity Strategy.</p>
<p>3 Knowledge and Capability Goal</p> <p>All employees understand what diversity and inclusion is and the competitive advantages it brings, are aware of their responsibilities in contributing to a diverse and inclusive environment, and how to do so effectively.</p> <p>By 2022</p>	<p>Deliver unconscious bias trainings to the European Senior Leadership team and the next level.</p> <p>100% employees have access to Inclusive Leadership Framework.</p> <p>Deploy a Voice of the Business program 'Nufarm Voice' to improve engagement through continuous listening and data driven actions.</p> <p>Progress: Nufarm Voice and platform has now been designed and will be launched November 2020. The inclusive Leadership Framework continues to be deployed through online training to staff in their national language.</p>
<p>4 Remuneration Goal</p> <p>Remuneration practices ensure there is no bias based on difference.</p> <p>By 2022</p>	<p>Incorporate business as usual, gender analysis by region into the remuneration review signoff process, to be led by regional leads and signed off by RGM. Global to support development of analysis.</p> <p>Progress: Our planned annual gender pay analysis for FY20 did not occur due to a salary freeze.</p> <p>Nufarm's short term incentive 2020 plan included a non-financial team component that aims to drive a collaborative growth mindset culture. This component is measured based on team performance, contribution and behaviour and minimises manager bias associated to individual performance decisions.</p>
<p>5 Talent Goal</p> <p>The Board to have not less than 30 per cent of directors of each gender by 2022.</p> <p>The senior leadership team and workforce generally to have not less than 30 percent of people of each gender by 2025.</p> <p>Succession plan coverage reflects the diversity of the organisation.</p> <p>By 2025</p>	<p>Continue to have one female on the panel for all senior leadership level appointments and the commitment of having one female on the shortlist for all senior Leadership roles.</p> <p>Succession plan coverage reflects the diversity of the SLT population.</p> <p>Progress: NEW gender diversity KPI has been introduced to the CEO and executive team for the 2021 FY and will be included in their team performance scorecard.</p>

These objectives are in addition to the ongoing activities under Nufarm's inclusion and diversity policy and current practices that are already yielding meaningful results.

