



AUDIT & RISK COMMITTEE CHARTER

Purpose

The Audit & Risk Committee (the Committee) is a committee of the Board. Its primary function is to assist the Board in fulfilling its corporate governance responsibilities in regard to financial reporting, audit and risk management, including:

- oversight of the preparation of Nufarm Limited's (the Group) financial reporting;
- compliance with legal and regulatory obligations;
- oversight of the effectiveness of the Group's enterprise-wide risk management and internal control framework; and
- oversight of the relationship with the external and internal auditors.

Duties

In meeting its responsibilities, the Committee shall:

- report Committee actions to the Board with such recommendations as the Committee may deem appropriate. The Committee will report to the Board immediately if it becomes aware of any material misstatement in financial information provided by management to the Board or of any material breakdown in internal controls.
- continuously monitor a framework and processes for compliance with laws, regulations, standards, best practice guidelines and the Group's code of conduct
- maintain suitable interaction with the Health Safety & Environment Committee and the Nomination & Governance Committee.
- perform such other functions assigned by law, the Company's Constitution, or the Board.

The Committee has no executive powers, except those expressly provided or delegated to it by the Board.

Management is responsible for:

- the preparation, presentation and integrity of the Group's financial information and other information provided to the Committee;
- implementing, managing and maintaining appropriate enterprise-wide accounting, financial reporting and risk management strategies, systems, policies and processes, reporting protocols and internal controls that are designed to ensure compliance with applicable accounting standards, laws and regulations; and
- maintaining sufficient knowledge, skills and expertise within the Group's finance function.

The external auditor is responsible for planning and carrying out each audit and review in accordance with applicable auditing standards. The external auditor is accountable to shareholders through the Committee.

The General Manager Global Risk Management & Assurance is responsible for providing independent, objective assurance and consulting services on the Group's system of risk management, internal compliance, control and governance.

Financial Reporting

The Committee shall:

- review with management and the external auditors the financial statements released to shareholders to ensure they comply with Australian Accounting Standards and other regulatory requirements, and present a true and fair view of the financial position and performance of the group.
- ensure compliance with current Accounting Standards and other regulatory requirements including:
 - changes in accounting policies during the period;
 - outlining methods used in accounting for specific transactions where there is no definitive accounting standard.
 - requiring the external auditors to inform the Committee of their views in relation to the above.
- pay specific attention to the treatment and disclosure of complex or unusual transactions as well as significant judgements made by management in preparing the financial statements
- review significant audit adjustments and unadjusted audit differences.
- review the form of the proposed opinion to be issued by the external auditor.
- ensure that appropriate processes are in place to form the basis upon which the CEO and CFO execute their certifications to the Board at year end under section 295A of the Corporations Act 2001 (Cth) in relation to the systems of internal controls, and that that system is operating effectively in all material respects in relation to financial reporting risks. In providing the certification, the CEO and CFO must ensure that their opinions have been formed on the basis of a sound system of risk management and internal control which operates effectively.
- review the dividend proposal and supporting information provided by management and make an appropriate recommendation on the dividend proposal to the Board.
- review the process by which management controls information released to the stock exchange on Group financial performance (historic and forecast) including the use of any pro-forma or non GAAP measures.

Legal and Regulatory Compliance

The Committee shall without limiting its scope, in conjunction with the Board, and the Group's management, monitor the Group's compliance with all relevant:

- statutory and regulatory obligations, including the ASX's continuous disclosure obligations
- internal policies and procedures.
- consider the effects on the Group of any new or proposed accounting or tax practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements.

Enterprise Risk Management and Internal Control Framework

The Committee shall:

- at least annually, as required by Recommendation 7.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition, review the Group's risk management framework to satisfy itself that it continues to be sound.
- consider and review with management, the external auditors, and the risk management function:
 - The effectiveness of, or weaknesses in, the Group's internal control framework including computerised information system controls and security, the overall control environment, and accounting, treasury and financial controls.
 - Any related significant findings and recommendations of the external auditors and internal auditors, together with management's responses thereto, including the timetable for implementation of recommendations to correct identified weaknesses in internal controls.
- review with the General Manager Global Risk Management and the external auditors the co-ordination of audit effort to assure completeness of coverage of key business controls and risk areas, reduction of redundant effort, and the effective use of audit resources.

External Auditor

The Committee shall:

- recommend to the Board the appointment, remuneration and independence of the external auditor;
- review and approve the engagement letter, the scope and approach of the annual external audit plan with the external auditors;
- assess the external auditors' process for identifying and responding to key audit and internal control risks;
- require the external auditor to immediately contact the Chairman of the Committee (or, if deemed appropriate by the external auditor, the Chairman of the Board) if management has unreasonably restricted access by the external auditor, or if there are significant unresolved issues between management and the external auditor;
- ensure that lead engagement audit partners will rotate after a maximum period of five years; and that two years will elapse before the former lead audit partner can be involved again in the company's audit;
- require the external auditor to confirm 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;
- provide advice to the Board as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non-audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the Corporations Act 2001 (Cth) to be included in the Company's Annual Report;

- review with management their certification that the provision of non-audit services has not prejudiced the independence of the external auditors;
- recommend to the Board the appropriate disclosure in the financial statements of the full details of all fees paid to the external auditor; and
- ensure that the external auditor attends the Company's annual general meeting and is available to answer questions from shareholders that are relevant to the audit.

Internal Audit

The Committee shall :

- approve the appointment or replacement of the General Manager Global Risk Management & Assurance (internal auditor);
- review and approve the internal auditor's audit plans, work programme and quality control procedures and monitor the progress of the work programme;
- confirm that the internal auditor is able to fulfil his/her duties free from undue influence of the executive management;
- confirm that the internal auditor has all necessary access to management and the right to seek information and explanations;
- consider the major findings of the internal audit reports and review management's response in terms of content and timeliness;
- maintain a separate reporting line from the internal auditor to the Committee, and to permit full and frank exchange of information; and
- consider the overall effectiveness of the internal auditor.

Membership and Structure

- The Committee shall consist of at least three members, all of whom are non-executive directors, and is comprised of a majority of independent Directors.
- At least one member of the Committee should also be a member of the Health, Safety & Environment Committee.
- Members of the Committee will have a range of different backgrounds, skills and experiences which, when taken as a whole, will give the Committee the ability to understand the industry in which the Group operates. At least one member of the Committee should have a background in financial reporting, accounting or auditing. Further, each member of the Committee must be financially literate and able to read and understand financial statements.
- The Chairman of the Committee is appointed by the Board. The chairperson must be an independent non-executive director and must not be the Chairman of the Board.
- The Chairman of the Committee is responsible for arranging all meetings of the Committee and, for providing members of the Committee with a written agenda.
- The Company Secretary or his appointee will act as secretary of the Committee and will circulate minutes of the meetings.

Meetings

- Any member of the Committee may call a meeting of the Committee.
- As a minimum the Committee will meet three times a year.
- The Chairman of the Committee, or delegate, reports to the Board following each meeting.
- The Managing Director & Chief Executive Officer (CEO), Chief Financial Officer (CFO), General Manager Global Risk Management & Assurance, external auditor and such other management representatives as required will normally attend all Committee meetings.
- The Committee has direct access to the Company's officers and advisers, both external and internal, and has authority to seek whatever independent, professional or other advice it requires in order to assist it in meeting its responsibilities from outside the Company.
- The Committee will meet privately, at least annually, with the General Manager Global Risk Management & Assurance, and the external auditors to discuss any matters that the Committee or these groups believe should be discussed with the Committee without the presence of management.

Quorum and Voting

- A quorum comprises any two Committee Members. In the absence of the Committee Chairman the members will elect one of their number as Chairman for that meeting.
- Each member shall have one vote.
- The Chairman of the Committee will not have a second or casting vote.

Committee Performance Review

The Committee shall:

- self-assess whether the Committee has carried out the responsibilities defined in the Charter once a year;
- self-assess whether the Committee complies with its membership requirements at least once every year; and
- critically review the Charter at least once per year to ensure its relevance and compliance with overall governance legislative requirements and best practice.