

## Human Resources Committee Charter

### Purpose

The Human Resources Committee is a committee of the Board. The Committee's purpose is to recommend to the Board policies and practices which enable Nufarm to attract, develop, retain and motivate high calibre Directors and executives.

The Committee will review and make recommendations on policies for remuneration, development, retention and termination of Directors and Key Management Personnel (KMP) ensuring that these policies:

- attract, motivate and retain high calibre people;
- enhance diversity of experience and perspective in decision-making;
- reward for performance and promote the continued development of a high-performance culture;
- support the development of leadership behaviours and capabilities;
- are in line with current governance, accounting, legal and disclosure requirements;
- are approved by the Board; and
- are applied fairly and consistently.

The Committee does not have executive powers to commit the Board or management to its recommendations except where authorised by a resolution of the Board.

The Committee does not become involved in day to day management activities or decision-making.

No individual will be directly involved in determining their own remuneration.

### Duties

#### Remuneration and Performance

Review and make recommendations to the Board in relation to Nufarm's Board and executive remuneration strategy, structure and practice regarding:

- Nufarm strategic objectives;
- corporate governance principles; and
- competitive practice.

The specific matters the Committee may consider include the review of:

- executive management and Directors' remuneration, including the link between Company and individual performance;
- current industry best practice;
- the outcome of the annual vote on the adoption of the Remuneration Report;
- different methods for remunerating senior management and Directors including superannuation arrangements;
- existing or proposed incentive schemes;
- retirement and termination benefits and payments for senior management;
- professional indemnity and liability insurance policies.

The Committee is responsible for seeking and approving remuneration advisers that will provide independent remuneration advice, as appropriate, on Board, CEO and other KMP remuneration strategy, structure practice and disclosure.

As part of governance for an ASX listed organization, the HRC may, in its absolute discretion, for items deemed material, vary or amend the results to give effect to an amendment on the basis of determining the STI/LTI result (whether the effect of the variation or amendment is to increase or decrease the STI/LTI payment).

Where the Board approves a material change in the strategic business plan for the Company which, in the reasonable opinion of the HRC, means that the outcome for the STI/LTI plan are no longer appropriate or consistent with the changed strategic business plan;

Principles to guide decisions around potential variations and adjustments to performance outcomes are inclusive of (but not limited to):

- to ensure no windfall gains or losses;
- where there is a substantial or material impact to the business and/or the payout outcome;
- where there is a positive and negative impact both need to be adjusted for; and
- early identification of impact and evidence of steps taken to mitigate.

Non-recurring items, M&A and asset sales may be included at the discretion of the HRC if management input had a significant positive or negative impact on the outcome (therefore triggering the need to pay).

### **Board Remuneration**

Review and make recommendations to the Board regarding the remuneration and benefits of non-executive Directors.

### **CEO Remuneration and Performance**

- Consider and recommend to the Board the terms and conditions of the CEO's employment contract including fixed annual remuneration, short term and long term incentives, equity based payments, benefits, pensions, superannuation, retirement and termination compensation.

- Conduct an annual review of the CEO's remuneration in line with Company performance, governance principles and market practice.

### **Key Management Personnel Remuneration and Performance**

- Review the CEO's proposed terms and conditions of employment for other KMP including fixed annual remuneration, short term and long term incentives, equity based payments, benefits, pensions, superannuation, retirement and termination compensation.
- Consider the outcomes of the CEO's annual assessment of direct reports' performance against agreed KPIs.
- Review the CEO's proposed changes to other KMP's remuneration including fixed remuneration and awards under relevant short term and long term incentive plans to ensure alignment with remuneration policy and structure.
- Review the company's remuneration, recruitment, retention and termination policies and procedures for senior executives.

### **Annual Reporting**

Review the annual remuneration report to satisfy itself that the report is complete and meets all reporting and disclosure requirements before recommending the report to the Board.

## **Induction, Development and Succession**

- Review induction and development arrangements for the Board to ensure Board members:
  - gain and maintain a suitable level of knowledge about Nufarm; and
  - are provided with appropriate professional development opportunities to develop and maintain the relevant skills and knowledge required to effectively perform their role as a Director.
- Review and make recommendations to the Board on succession plans for the CEO.
- Review the Company's succession plans to ensure that adequate arrangements are in place to attract and/or develop high calibre executives.

## **Diversity**

- Review and make recommendations to the Board on the Nufarm Diversity Policy ensuring the Policy is in line with applicable legislation and governance principles.
- In conjunction with the Nomination & Governance Committee ensure the application of the Diversity Policy to Board appointments and succession.
- Make recommendations to the Board regarding this policy and strategies to address Board diversity.
- Monitor the application of the Diversity Policy to executive appointments and succession.
- Determine the process for ongoing assessment of Nufarm's performance in relation to its Diversity Policy and Objectives;
- Review the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives and more generally as a framework that applies to the whole organisation;
- Monitor the broad application of the Diversity Policy and report on achievements in targeted areas.
- Together with the Executive set measurable objectives for annual review, refining and evolving objectives from year to year.

### In carrying out its duties the Committee will:

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

### Membership and Structure

- The Committee consists of three non-executive directors and is comprised of a majority of independent Directors.
- The Chairman of the Committee is appointed by the Chairman of the Board and is an independent Director.
- 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 prepare minutes of the meetings for Committee approval.

### Meetings

- Any member of the Committee may call a meeting of the Committee.
- As a minimum, the Committee will meet three times a year in order to review and make recommendations to the Board on matters within its Charter. Where these recommendations relate to remuneration packages and policies applicable to KMPs and Directors the meeting takes place at least one month prior to the date on which any change to remuneration packages or to the membership of the Board is to become operative.
- The Chairman of the Committee, or delegate, reports to the Board following each meeting.
- An executive member of the Committee is not entitled to be present at a meeting of the Committee when his/her own remuneration package is being evaluated.
- The Committee may invite any executive management team members or other individuals to attend meetings of the Committee, as it considers appropriate.
- The Committee has direct access to the Company's officers and advisers, both external and internal, and has the authority to seek whatever independent, professional or

other advice it requires in order to assist it in meeting its responsibilities from outside the Company.

### **Quorum and Voting**

- A quorum comprises any two Committee members. In the absence of the Committee Chairman, or appointed delegate, 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.