



CORPORATE GOVERNANCE STATEMENT

2016



Nufarm

Grow a better tomorrow.

CORPORATE GOVERNANCE STATEMENT

Nufarm's board processes have been reviewed to ensure they represent and protect the interests of all stakeholders. This includes detailed consideration of the third edition of the Corporate Governance Principles and Recommendations, ('the ASX principles') published by the Australian Securities Exchange Limited's (ASX) Corporate Governance Council.

Compliance with ASX principles

The ASX Listing Rules require Nufarm to disclose the extent to which we have adopted the ASX principles. During this reporting period, Nufarm complied with all of the ASX principles contained in the third edition of the ASX principles.

Management and oversight of Nufarm

The board

The governing body of the company is the board of directors. The board's responsibility is to oversee the company's operations and ensure that Nufarm carries out its business in the best interests of all shareholders and with proper regard to the interests of all other stakeholders.

The board charter defines the board's individual and collective responsibilities and describes those responsibilities delegated to the managing director and senior executives. A copy of the board charter is available on the corporate governance section of the company's website.

The board has set specific limits to management's ability to incur expenditure, enter contracts or acquire or dispose of assets or businesses without full board approval.

The board's specific responsibility is to:

- ratify, monitor and review strategic plans for the company and its business units;
- approve financial and dividend policy;
- review the company's accounts;
- review and approve operating budgets;
 - approve major capital expenditure, acquisitions, divestments and corporate funding;
- oversee risk management and internal compliance; and
- review codes of conduct and legal compliance.

The board is also responsible for:

- the appointment and remuneration of the managing director;
- ratifying the appointment of the chief financial officer and the company secretary. The company secretary has a direct reporting line to the chairman, and all directors have direct access to the company secretary, who is appointed by, and accountable to, the board on all governance matters; and
- reviewing remuneration policy for senior executives and Nufarm's general remuneration policy framework.

There are six scheduled board meetings each year. When necessary, additional meetings are convened to deal with specific issues that require attention before the next scheduled meeting. Each year the board also reviews the strategic plan and direction of the company.

At 31 July 2016, there are four board committees: audit and risk; human resources; nomination and governance; and health, safety and environment. All directors are entitled to attend any committee meeting.

Details of the attendances at meetings of board and committees during the reporting period appear on page 24 of Nufarm's 2016 Annual Report.

Nufarm undertakes appropriate checks before appointing or putting forward any director for election by shareholders and provides shareholders with all information relevant to their decision whether or not to re-elect the director. All directors and senior executives have a written agreement with the company setting out the terms of their appointment.

Diversity and inclusion

Our renewed commitment to our diversity policy in 2015 supports the Nufarm values of responsibility, agility, respect and empowerment, with the aim of embedding it in our culture.

In 2016 we built upon and encouraged the promotion of a culturally diverse workforce by focusing on Nufarm's female representation in the areas of: sales and engineering; global youth strategies; an employee feedback program; a Global Employee Awards Program; and an online program to support the development of our senior leaders.

Women at Nufarm

During 2016, Nufarm focused on increasing female participation in sales, engineering and technical roles. By introducing greater flexible working arrangements in the Australian market, we increased female representation in:

- customer-facing sales roles (an increase of 400 per cent); and
- engineering and technical roles (an increase from nine to 23 per cent).

"This job is perfect for a working mother. The flexibility is great and the part time hours mean I could return to work. The size of my area and distance to travel is good."

Melissa Trengrove (area sales manager, Australia)

While 23 per cent of our permanent and temporary employees are currently female (a one per cent increase in 2016) we have focused our approach on increasing female participation in specific functions within the business by using targeted initiatives.

Nufarm globally has 15 per cent female representation in the sales function, up from 13 per cent in 2015. We have also achieved a significant increase in the corporate function with 43 per cent female representation, up from 23 per cent in 2015.

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The charts below show the percentages of females and males working at Nufarm by function.

Across our regions, female representation has increased in North America to represent 30 per cent of our employees, up from 25 per cent in 2015. Europe now has 24 per cent female representation, up from 19 per cent in 2015.

In Europe, Nufarm targets diversity through union agreements, to bring focus and action to gender and pay equity between male and females.

The introduction of greater flexible working arrangements in the Australian market has seen improved attraction and retention of employees with caring responsibilities. 80 per cent of part time arrangements are represented by females.

"I feel so incredibly lucky to be working for Nufarm and having such understanding colleagues! I have had ample notice for meetings and travel to date, so alternative arrangements can be made."

Lisa Furey (area sales manager, Australia)

Inclusive programs

To help grow our local talent, we have expanded our youth strategies globally, through graduate programs, apprenticeship schemes, internship and industry-specific co-ops. The success of these programs has led to the placements of at least 14 permanent Nufarm employees.

Brazil's internship program has been recognised nationally and received first place for 'best internship program practices'.

"The process apprenticeship scheme is all about investing in our future. Being able to recruit, train and develop young people, as well as providing them with an opportunity of longer term career with Nufarm, has a positive impact."

Mark Davies (human resources manager, United Kingdom)

"I liked the apprenticeship because it allowed me to learn as I worked, and you get more valuable experience when you are doing the job yourself than trying to learn it all in a classroom."

Mark McKnight (process apprenticeship, United Kingdom)

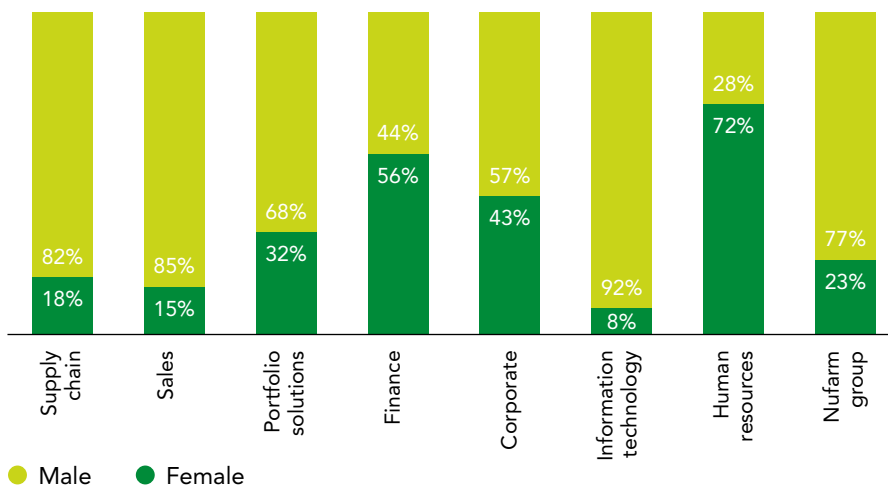
North America's 'Partner in Caring' initiative, a partnership between Nufarm and a not-for-profit organisation, provides working opportunities for individuals living with disabilities, and helps them to achieve personal success through work placements. The program recently expanded to offer the first of two employees regular work at Nufarm.

Brazil continues to maintain an average of five per cent of their workforce performing with a disability.

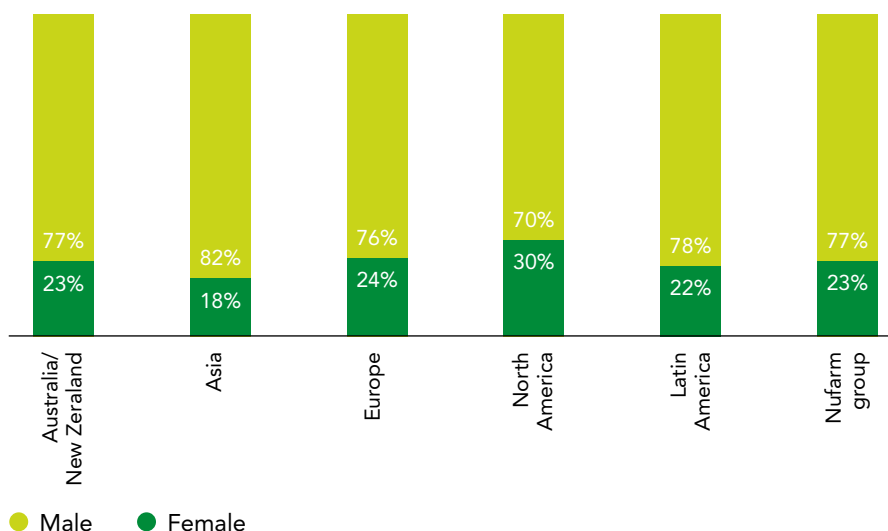
"We found the employees were incredibly eager, reliable and once provided with instructions, incredibly accurate and capable."

Laura Williams (regional human resources manager, North America)

Female participation by function



Female participation by region



Employee opinion survey

Nufarm conducts an employee opinion survey every two years. The survey provides valuable feedback so we can refine our practices, and track their differences in the working experience between males and females, age and culture.

As a result of the last survey, Nufarm tailored its Global Employee Awards Program to attract peer nominations as the catalyst across all parts of the company, to better recognise their contribution locally and globally.

Our most recent Australian and New Zealand awards saw 19 people recognised by the business and their peers; 32 per cent were female and 68 per cent were male. Two out of three awards went to teams demonstrating effective collaboration and use of diverse thinking to achieve high performance.

The employee opinion survey will run again in October 2016.

Cultural diversity

Nufarm supplies products in more than 100 countries across five regions. Each region represents a sizeable percentage of our employees. Our global footprint provides us a culturally diverse workforce of leaders and teams. Our staff can effectively represent the local cultures and customer, while working as part of a broader global team.

Nufarm develops cross-regional and cross-functional teams to undertake major business improvement projects. An online program was introduced to develop our senior leaders, to introduce them to similar functions in other regions and support cross-regional projects.

Two of the CEO's direct reports have been recruited outside Australia, broadening the cultural diversity within the Nufarm leadership team.

Progress against 2016 objectives

Nufarm has demonstrated achievements against key objectives, and continues to drive an inclusive work environment. Our achievements include:

1. Talent planning processes through the top four levels of the company, with better identification and progress tracking of female staff with the potential to go one or more levels higher. Females contributed to 17 per cent of vertical and 31 per cent of horizontal promotions in Brazil last year.
2. Reviewing and revising our flexible working arrangement policy and practices to increase retention of staff with caring responsibilities. A good example of this has been a targeted effort to flex the sales working environment for returning to work mothers.
3. In 2016 the global senior leadership team completed unconscious bias training.

Focus for 2017

As a company, we believe that diversity and inclusion are important factors that contribute to the sustainable growth of our business, through the positive development of our talent and our culture. Over the last few years we have taken some positive action and made good progress. However, further changes in how we approach diversity and inclusion are required.

To support this, Nufarm has engaged an external partner to assist in developing a diversity and inclusion strategy, and a series of initiatives. These will ensure our work environment will make diversity and inclusion part of how Nufarm does business.

We are leading this process with:

1. Identifying challenges and opportunities through diversity diagnostics in support of our 'One Nufarm' strategy over the next few years.

2. Developing our diversity and inclusion strategy and detailed action plans linked to Nufarm objectives, and a future view of three years or more.
3. Delivering a full implementation plan and governance structure to ensure delivery of the strategy.
4. Developing appropriate and meaningful benchmarks that are measureable and monitored, to demonstrate the impact of Nufarm's diversity and inclusion strategy.

2017 objectives

1. Build on current availability of employment conditions and practices relating to flexible working arrangement for employees. Demonstrate increased usage of flexible working arrangements for employees with family or caring responsibilities, and increase female representation across the business.
2. Create a consultative program with employees on issues concerning gender equality, diversity and inclusion in the workplace.
3. Have an approved strategy to direct the implementation of action plans, to create a more inclusive work environment.

These objectives are in addition to the continued focus of our diversity policy and the current practices already demonstrating meaningful results.

Our success depends on our ongoing efforts to attract, retain and develop talented employees with broad experiences and backgrounds. This will bring new and innovative ideas and perspectives to Nufarm, ensuring the sustainable growth of our business.

Evaluating board and board committee performance

The board is committed to reviewing its performance and ensuring the board has the skills and knowledge to provide appropriate leadership and governance for the company.

In 2014, an independent consultant completed a formal review of the performance of the board and board committees, and a report outlining the findings and recommendations of the review was presented to the board.

In the current period the performance review was facilitated by the chairman completing interviews with each director.

Evaluating the performance of senior executives

As part of Nufarm's annual remuneration review, the performance of the senior executive team is reviewed first by the managing director, then the human resources committee and then by the board. In the case of the managing director, the human resources committee and the board conduct his review.

A performance evaluation of senior executives was undertaken in accordance with this process in the reporting period. The executive compensation principles and remuneration mix are set out in detail in the remuneration report on pages 26 to 40 of Nufarm's 2016 Annual Report.

Board of directors

Composition

There are eight members of the board with a majority being independent non-executive directors. The board has an appropriate range of proficiencies, experience and skills to ensure the proper discharge of its responsibilities.

Profiles of each board member, including terms in office, are on pages 16 and 17 of Nufarm's 2016 Annual Report.

The company's constitution specifies that the number of directors may be neither less than three, nor more than 11. At present there are seven non-executive directors and one executive director, namely the managing director, and the board has decided at this time that no other company executive will be invited to join the board.

Independence

Directors are expected to bring independent views and judgment to the board. The board has regard to, and applies, the recommendations and commentary in the ASX principles concerning the independence of directors.

At the date of this report, the majority of directors are independent with the exception of Dr Bruce Goodfellow and Toshikazu Takasaki (non-executive directors) and Greg Hunt (managing director and chief executive officer).

Donald McGauchie has been a member of the board for 12 years and chairman of the board for six years. The board unanimously continues to support Donald as chairman, believing this to be in the clear interest of all stakeholders. Donald applies judgment independently of management in all decision making. He discharges his role with strong commitment to considerations of governance and disclosure.

Tenure

The board believes that the way directors discharge their responsibilities and their contribution to the success of the company determines their independence and justifies their positions.

The nomination and governance committee reviews the performance of directors who seek to offer themselves for re-election at the company's annual general meeting. The company's constitution requires directors to submit themselves for re-election at least every three years. The nomination and governance committee then recommends to the board whether or not it should continue to support the nomination of the retiring directors.

Chairman of the board

The chairman is elected annually at the directors' meeting immediately following the company's annual general meeting. Nufarm's chairman, Donald McGauchie, is an independent director.

The Nufarm board has stipulated that the role of the chairman and chief executive officer may not be filled by the same person. The roles of chairman and CEO are currently held by different people.

The nomination and governance committee

Donald McGauchie is chairman of the nomination and governance committee and Bruce Goodfellow and Frank Ford are members. A majority of the nomination and governance committee are independent directors, and the committee is chaired by an independent director.

The formal charter setting out the committee's membership requirements includes the following responsibilities:

- considering the appropriate size and composition of the board;
- developing criteria for board membership selection, composition and assessing the skills required on the board;
- reviewing the skills represented on the board to ensure the board is composed of directors who satisfy the mix of skills and diversity outlined in the board skills matrix;
- developing a process for the evaluation of the performance of the board, its committees and directors;
- recommending changes to the membership of the board and making recommendations to the board on candidates it considers appropriate for appointment;
- reviewing board succession plans;
- in conjunction with the human resources committee, ensuring the application of the diversity policy to the selection of board members;
- reviewing the time commitments required of non-executive directors and whether those requirements are met;

- reviewing any retiring non-executive director's performance and making recommendations to the board as to whether the board should continue to support the nomination of a retiring non-executive director;
- managing the process of managing director recruitment and transition on behalf of the board;
- reviewing and approving the company's corporate governance policies for continuous disclosure and securities trading; and
- reviewing the company's code of conduct and other ethical standards.

A copy of the nomination and governance committee charter and a summary of the policy and procedure for director appointments are available on the corporate governance section of the company's website.

In the current reporting period, the nomination and governance committee met on four occasions.

Nufarm recognises the valuable contribution made by each board member to the effective running of the company. When board positions become available, the company takes the opportunity to review the mix of skills and experience on the board in considering the skills and experience that a new director should possess.

This analysis forms the basis of selection criteria, which includes diversity, both as to gender and experience.

Nufarm applies a capability matrix to assess the collective capability of the board. This matrix covers qualifications, strategic and functional expertise, crop protection industry knowledge, business and board experience and diversity. Prior to initiating a search for a new board member, these areas of capability are reviewed in light of Nufarm's strategy and the prevailing and expected market conditions. The collective capability of the current board is assessed against requirements and the search then focuses on finding a board member who will best complement the current mix of capability on the board.

The capability matrix is also used to select induction, development and education activities for the board and to articulate the ongoing relevance of a board member's expertise prior to recommending re-election of that board member.

In the current reporting period, the capability matrix was reviewed and updated to determine that all the criteria remained relevant and were free of gender bias.

The board ensures that new directors are inducted to the company appropriately, including by sharing relevant industry knowledge, visits to specific company operations and briefings by key executives.

To assist in providing appropriate development opportunities for continuing directors to develop and maintain their skills and knowledge of the company, each year, one of the scheduled board meetings will be held at one of the company's international locations allowing directors to inspect the relevant operation, meet local management, customers and other stakeholders. Furthermore, directors are also provided with access to regional general managers.

Access to independent advice

To help directors discharge their responsibilities, any director can appoint legal, financial or other professional consultants at the expense of the company with the chairman's prior approval (which may not be unreasonably withheld).

The board charter provides that non-executive directors may meet without management present.

Conflicts of interest

Board members must identify any conflict of interest they may have in dealing with the company's affairs and then refrain from participating in any discussion or voting on these matters. Directors and senior executives must disclose any related party transactions in writing to the chairman.

Acting ethically and responsibly

Ethical standards

Nufarm operates in many countries and does so in accordance with the social and cultural beliefs of each country.

The company is politically impartial except where the board believes that it is necessary to comment due to any perceived major impact on the company, its business or any of its stakeholders.

We require all directors, senior executives and employees to adopt standards of business conduct that are ethical and which comply with the law. Where there are no legislative requirements, the company develops policy statements to ensure appropriate standards are maintained.

The company's code of conduct is available on the corporate governance section of the company's website.

Safeguard integrity in corporate reporting

Financial reports

The company has put in place a structure of review and authorisation to independently verify and safeguard the integrity of its financial reporting.

The audit and risk committee reviews the company's financial statements and the independence of the external auditors.

Audit and risk committee

Frank Ford is chairman of the board audit and risk committee and Anne Brennan, Gordon Davis and Peter Margin are members of the committee. The committee comprises independent non-executive directors and is chaired by an independent director.

Details of attendances at meetings of the audit and risk committee are set out on page 24 of Nufarm's 2016 Annual Report.

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Frank Ford has a master of taxation from the University of Melbourne, a bachelor of business, accounting from RMIT University and is a fellow of the Institute of Chartered Accountants. Frank is a former managing partner of Deloitte Victoria after a long and successful career as a professional advisor spanning approximately 35 years. During that period, he was also a member of the Deloitte global board, global governance committee and national management committee.

Frank is also a director of Tarrawarra Museum of Art Limited.

Anne Brennan has a bachelor of commerce (hons) from University College Galway and she is a fellow of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

She was formerly the executive finance director for the Coates Group and chief financial officer for CSR. Prior to this Anne was a partner in professional services firms Ernst & Young, Arthur Andersen and KPMG.

Anne is a director of Myer Holdings Limited, Charter Hall Group, Argo Investments Ltd, Rabobank Australia Limited and Rabobank New Zealand Limited.

Gordon Davis has a bachelor of forest science (hons), master of agricultural science and he also holds a master of business administration.

Gordon is a director of Primary Health Care Limited and was managing director of AWB Limited between 2006 and 2010. Prior to this, he held various senior executive positions with Orica Limited, including general manager of Orica Mining Services (Australia, Asia) and general manager of Incitec Fertilizers. He has also served in a senior capacity on various industry associations.

Peter Margin has a bachelor of science (hons) from the University of NSW and holds a master of business administration from Monash University. Peter has many years of leadership experience in major Australian and international food companies. His most recent role was a chief executive of Goodman Fielder Ltd and, before that Peter was chief executive and chief operating officer of National Foods Ltd. He has also held senior management roles in Simplot Australia Pty Ltd, Pacific Brands Limited (formerly known as Pacific Dunlop Limited), East Asiatic Company and HJ Heinz Company Australia Limited.

Peter is currently a director of Bega Cheese Limited, PACT Group Holdings Limited and Costa Group Holdings Limited.

The committee has a formal charter which is reviewed annually. A copy of the audit and risk committee charter and the committee's duties is available on the corporate governance section of the company's website.

The charter sets out membership requirements for the committee, its responsibilities and provides that the committee shall annually assess the external auditor's actual or perceived independence by reviewing the services provided by the auditor.

The charter also identifies those services that:

- the external auditor may and may not provide; and
- require specific audit and risk committee approval.

The committee has recommended that:

- any former lead engagement partner of the firm involved in the company's external audit should not be invited to fill a vacancy on the board;
- the lead engagement audit partner will be required to rotate off the audit after a maximum five years, involvement; and
- it will be at least two years before that lead partner can again be involved in the company's audit.

Prior to the approval of the financial statements for any financial period, the board receives a declaration from the CEO and CFO that:

- 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 company's financial position and performance; and
- that opinion has been formed on the basis of a sound system of risk management and internal control which operates effectively.

The company's external auditor attends the company's AGM and is available to answer questions for shareholders relevant to the audit.

Disclosure

The company has a detailed written policy and procedure to ensure compliance with its disclosure obligations under both the ASX Listing Rules and the Corporations Act. This policy is reviewed regularly with the company's legal advisers and was most recently amended in June 2016.

The company secretary prepares a schedule of compliance and disclosure matters for directors to consider at each board meeting.

A summary of the disclosure policy is available on the corporate governance section of the company's website.

Rights of shareholders

Information about Nufarm, including copies of:

- relevant market announcements and related information;
- annual report and financial statements; and
- presentations made to analysts and investor briefings,

are immediately made available on the company's website: www.nufarm.com. The corporate governance section of the website contains relevant corporate governance information, including copies of various policies.

CORPORATE GOVERNANCE STATEMENT continued

Communication

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

Nufarm values 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 shareholder's perspectives and respond to their feedback. Nufarm's communication policy aims to:

- ensure that shareholders and the financial markets are provided with full and timely information about its activities;
- ensure company compliance with its continuous disclosure obligations contained in the ASX Listing Rules and the Corporations Act in Australia as well as industry guidelines such as the Australasian Investor Relations Association's Best Practice Guidelines for Communication between Listed Entities and the Investment Community;
- ensure equality of access to briefings, presentations and meetings for shareholders, analysts and media; and
- encourage attendance and voting at shareholder meetings.

Information is communicated to shareholders:

- through the distribution of half year and annual reports;
- whenever there are other significant developments to report, by electronic means as well as by post; and
- when shareholders are provided with notice of the company's AGM and other general meetings.

Nufarm has a dedicated investor centre on the company's website which contains:

- all market announcements and related information which is posted immediately after release to the ASX;
- a calendar of events relating to shareholders;
- archived presentations made at the AGM and analyst and media briefings;
- notice of annual general meeting and explanatory notes;
- archived half year and annual reports;
- ASX announcements and financial results for at least the last three years; and
- the company's share price.

Management remains accessible to shareholders, analysts, fund managers and others with a potential interest in the company. Communications with external stakeholders are coordinated via a central contact point within the company.

Shareholders are encouraged to attend and participate at general meetings. To facilitate this, meetings will be held during normal business hours and at a place convenient for the greatest possible number of shareholders to attend.

The full text of notices and accompanying materials will appear on the company's website.

Information, including in relation to:

- the nature of the business of the meeting;
- conflicts of interest;
- voting restrictions; and
- directors' recommendations,

will be presented in a clear and concise manner designed to provide shareholders and the market with full and accurate information. Proxy forms will be provided in order to enable shareholders unable to attend the meeting to vote on the resolutions.

Nufarm encourages its shareholders to receive communications from, and to send communications to it and its share registry, electronically.

Nufarm's formal communications policy is available on the corporate governance section of the company's website.

Identifying and managing risk

The board is committed to identifying, assessing, monitoring and managing its material business risks. To that end, the board has implemented a sound risk management framework which it reviews at least annually to ensure its effectiveness.

The board is responsible for the oversight of the company's risk management system. The board ensures that appropriate policies are in place to ensure compliance with risk management controls and requires management to monitor, manage and report on business risks.

The board delegates certain responsibilities to board committees and primarily to its audit and risk committee which is chaired by an independent director. The audit and risk committee's responsibilities include providing an oversight of the effectiveness of Nufarm's enterprise-wide risk management and internal control framework.

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Full details of the members of the audit and risk committee are set out on pages 16 and 17 of Nufarm's 2016 Annual Report.

In the current reporting period the audit and risk committee met on five occasions.

A copy of the audit and risk committee charter and its duties is available on the corporate governance section of the company's website.

The company's risk management framework, policies and procedures set out the roles, responsibilities and guidelines for managing financial and operational 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 and are based on concepts and principles identified in the Australian/New Zealand Standard on Risk Management (AS/NZ ISO 31000:2009). The risk framework, policies and procedures will continue to be enhanced as the group's operations develop and its range of activities expands.

Nufarm's group risk management department, led by the general manager global risk and assurance, manages the implementation of this framework across the group. 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 audit and risk committee charter requires the committee and the general manager global risk and assurance to review, at least annually, the group's risk management framework. In the current reporting period, the audit and risk committee reviewed the effectiveness of the company's risk management framework to ensure that the framework remains sound.

Nufarm's internal audit function is headed by the general manager global risk and assurance who reports at each audit and risk committee meeting on the implementation and management of the enterprise risk management policy.

As explained in the audit and risk committee charter, the internal audit is designed to:

- assess 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;
- consider significant findings and recommendations of the external auditors and internal auditors, together with management's responses thereto, and the timetable for implementation of recommendations to correct identified weaknesses in internal controls; and
- review, with the general manager global risk and assurance and the external auditors, the coordination of the audit effort to assure completeness of coverage of key business controls and risk areas, reduction of redundant effort, and the effective use of risk management and audit resources.

The nomination and governance committee is responsible for ensuring the company has appropriate governance policies and practices and appropriate ethical standards.

The health, safety and environment (HSE) committee assists the board in respect of the company's responsibilities in relation to health, safety and environment matters arising out of activities within the Nufarm group as they affect employees, contractors, visitors, customers and the communities in which the Nufarm group operates. Gordon Davis is chairman of the HSE committee and Peter Margin and Toshikazu Takasaki are members of the committee. The committee has a majority of independent directors.

In the current reporting period Nufarm adopted a formal sustainability strategy to provide a globally aligned and planned approach to manage economic, social and environment sustainability risks. The HSE committee receives an update at each of its meetings on the progress and development of the sustainability strategy.

Nufarm publishes an annual sustainability report, and a copy of the 2016 report is available on the company's website.

All board committees report to the board on risk management issues within their area of responsibility.

A summary of the company's policies on risk oversight and management of material business risks is available in the corporate governance section of the company's website.

Remuneration

The board has procedures to ensure that the level and structure of remuneration for executives and directors is appropriate. Full details of the executive remuneration structure are set out in the remuneration report on pages 26 to 40 of Nufarm's 2016 Annual Report.

Human resources committee

Peter Margin is chairman of the human resources committee and Gordon Davis, Donald McGauchie and Anne Brennan are members. The committee comprises independent non-executive directors and is chaired by an independent director.

The committee's formal charter, a copy of which is available on the corporate governance section of the company's website, includes a responsibility to review and make recommendations to the board in relation to Nufarm's board and executive remuneration strategy, structure and practice with regard to:

- Nufarm's strategic objectives;
- corporate governance principles; and
- competitive practices.

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; and
- professional indemnity and liability insurance policies.

The committee is responsible for seeking and approving independent remuneration advisers who will provide independent remuneration advice, as appropriate, on board, chief executive officer and other key management personnel remuneration strategy, structure, practice and disclosure.

The committee reports to the board on all matters and the board makes all decisions, except when power to act is delegated expressly to the committee.

In the current reporting period the human resources committee met on three occasions.

The company distinguishes the structure of non-executive directors' remuneration from that of senior executives. Details of senior executive and non-executive directors' remuneration are set out in the remuneration report on pages 26 to 40 of Nufarm's 2016 Annual Report.

Nufarm has in place a short term incentive STI plan. The rules of the STI plan provide that participants are not permitted to hedge any shares issued to them under the STI plan whilst those shares are held in trust.

Clause 10 of the company's security trading policy sets out the process by which key management personnel may seek approval to enter into a margin loan or other security arrangement in respect of Nufarm's securities. A copy of the security trading policy is available on the corporate governance section of the company's website.

A copy of the human resources committee charter is available on the corporate governance section of the company's website.