



CORPORATE GOVERNANCE STATEMENT 2017



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.

Nufarm's corporate governance practices can be viewed in the corporate governance section of our website: <http://www.nufarm.com/CorporateGovernance>

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 2017, there are four board committees: audit and risk; human resources; nomination and governance; 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 2017 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

Highlights

We are committed to living the Nufarm values of responsibility, agility, respect and empowerment and prioritising diversity and inclusion in all areas of our operations. We provide an inclusive work environment where individuals are valued for their diversity and are empowered to reach their full potential.

In FY17 we continued to improve diversity and inclusion outcomes across the business. We have revised our diversity and inclusion policy to reflect contemporary best practice and diversity beyond gender. We also introduced a human rights policy and commenced modern slavery risk assessments in all regions. We have focused on improving female representation across all areas of the business and we continue to develop our regional youth strategies.

Other key initiatives have included an employee opinion survey, the development of a cross cultural change leader network, unconscious bias awareness training, code of conduct training for project teams and the introduction of communication and collaboration tools to support flexible working.

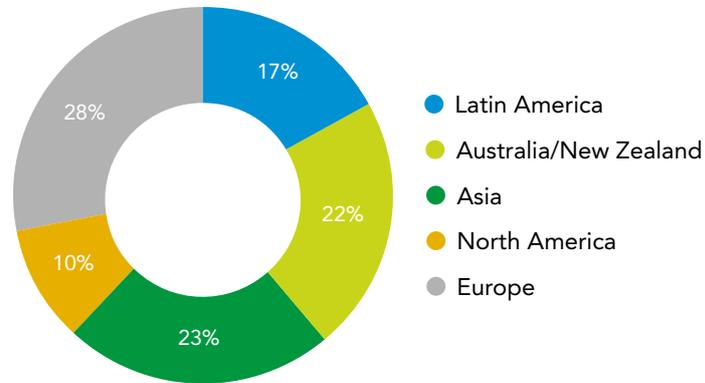
Our workforce

This year we employed 3,189 people across five regions, a decrease of two per cent from the previous year, which can be attributed to rationalisation activities that were finalised in 2016. Most of our workforce remain full time, permanent employees; however where the nature of the role allows it, we support flexible work arrangements.

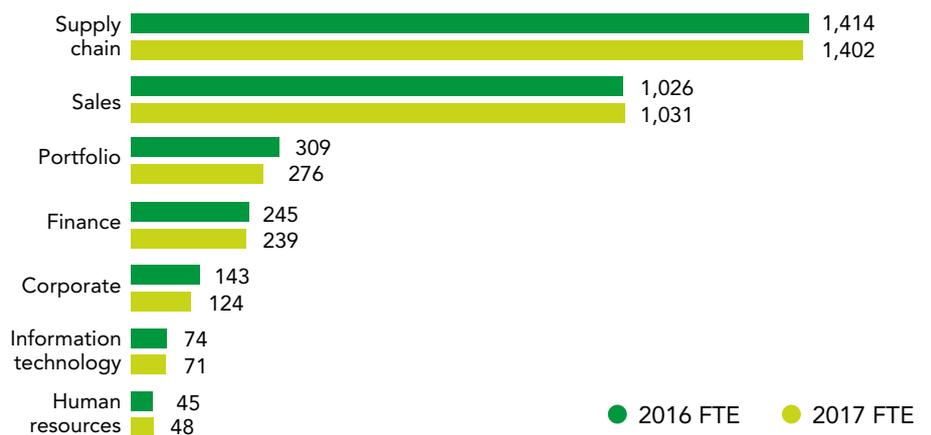
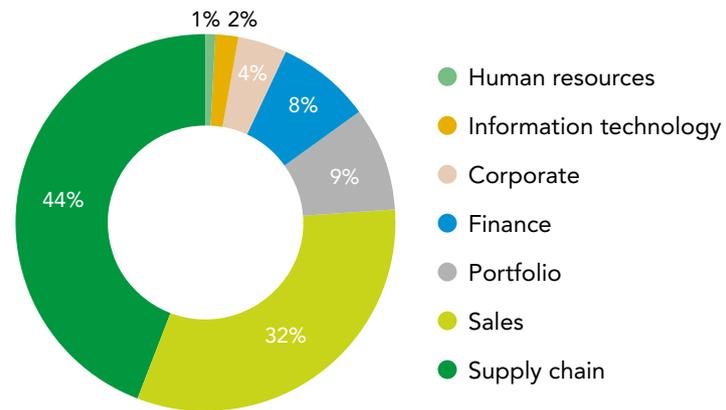
This year, the number of full time employees (FTE) decreased in most functions apart from sales and human resources. The largest decrease was seen in portfolio solutions.

Eighty-six per cent of our workforce are permanent employees, with 14 per cent contract or non-permanent employees. Five per cent of our employees work part time and functions such as corporate (12 per cent) and human

2017 FTE by region



2017 FTE



resources (10 per cent) demonstrated greater participation in part time work arrangements. Parental leave was accessed by three per cent of our workforce. This represented six per cent of our female employees and two per cent of our male employees globally.

Eighty-six per cent of our workforce are permanent employees, with 14 per cent contract or non-permanent employees.

Women at Nufarm

In FY17 we focused on improving female representation across all areas of the business, with 26 per cent of new or vacant positions filled by female candidates. This is an increase in the number of women joining the business compared to our current female representation of 23 per cent.

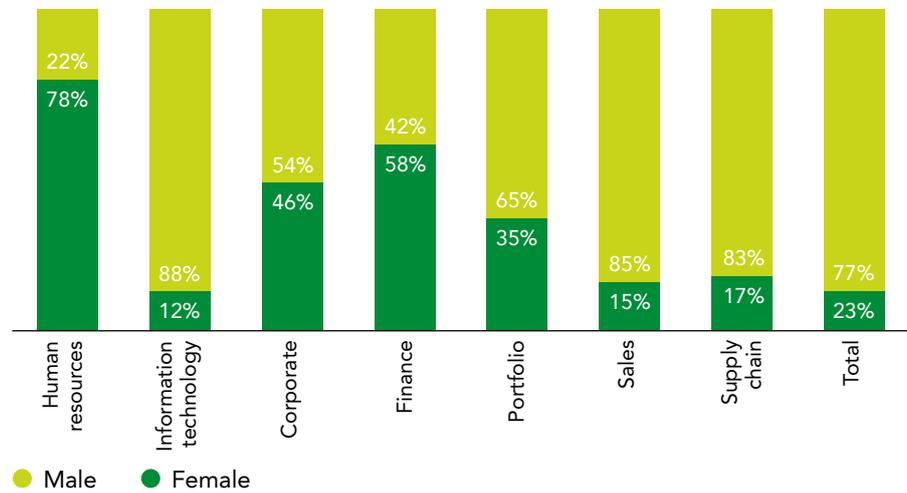
Board level female representation increased from 13 per cent to 22 per cent. Female representation also increased in people leadership positions from 17 per cent to 20 per cent and 29 per cent of all internal candidates promoted were female.

The Australia and New Zealand region implemented smaller selling territories as part of a reorganisation and in response to employee feedback. Reducing selling territory size will benefit parents returning to work and reduce time spent travelling. This will also reduce driving-related safety risks and improve work-life balance for all sales employees.

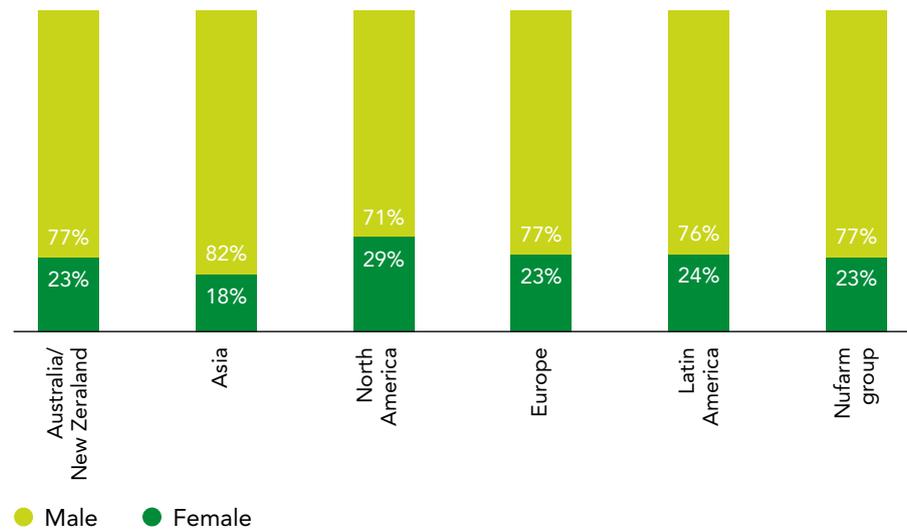
The percentage of female employees has increased in most functional areas apart from sales and supply chain.

Across our regions female representation has remained stable with a slight increase in the Latin America region. In Europe, we continue to target gender diversity leveraging union and collective agreements to improve gender and pay equality. The Australia and New Zealand region is extending flexible working arrangements with the development of purchased leave and a gender neutral parental leave policies.

Gender by function



Gender representation by region



Across our regions female representation has remained stable with a slight increase in the Latin America region. In Europe, we continue to target gender diversity leveraging union and collective agreements to improve gender and pay equality.

Cultural diversity

We supply products in more than 100 countries across five regions. Our global footprint provides us with a culturally diverse workforce of leaders and teams, representing local cultures and customers. The Nufarm leadership team is culturally diverse, with at least six different cultural backgrounds reflected in the executive group, representing the company's global footprint.

In FY17, we established a change leader network to bring together people leaders from all regions, functions and businesses to support our business transformation and increase global collaboration as One Nufarm. This group represents the voice of the business and provides feedback on global initiatives. They are provided with information and resources to support the changes being introduced in their regions. This network provides opportunities for those involved to participate at a global level and for effective cross-cultural collaboration and engagement.

This year we have also improved global collaboration and workplace flexibility with the introduction of improved communication and collaboration tools that will enable our people to work effectively from any location including using Salesforce.com, Office 365 with Skype for business, OneDrive and OneNote.

Inclusion programs

To help grow our local talent we continue to expand our regional youth strategy each year through a variety of programs.

We have active internship and graduate programs in Brazil, the United Kingdom, North America and Australia. In Australia, we offered permanent roles to all graduates in the FY17 program. Brazil has seen participants in its internship program successfully gain employment with Nufarm in the human resources, information technology and finance functions during FY17.

Apprenticeships offer an important opportunity for young people to access the employment market. Our Wyke site in the United Kingdom take on five apprentices each year into three apprenticeship programs: control and instrumentation, mechanical and process. This year 67 per cent of graduating apprentices moved into permanent positions, with the remainder still in progress due to extensions or leaving the business with a completed apprenticeship.

In North America, we continue to build our partnership with Purdue University to engage talent to support the engineering functions and have developed a similar new partnership with Governor State University attracting quality technical analysts.

To cultivate a more inclusive work environment, managers at our North America manufacturing sites undertook sensitivity training. The training enabled them to provide appropriate support for individuals with disabilities transitioning into regular work as part of the 'Partners in Caring' initiative with the Seroma Centre in North America.

Inclusive leadership and unconscious bias training programs have been extended in FY17 to include regional leadership teams.

Employee opinion survey

In October 2016, 84 per cent of Nufarm employees provided confidential feedback through our Nufarm employee opinion survey. The results of the survey and the agreed actions were communicated to all employees.

In response to the employee opinion survey feedback we redesigned our performance management program in line with industry best practice. We have adopted a more agile approach to objective setting that will ensure employee priorities and development goals are more closely aligned to the needs of the business.

We also committed to improving information technology systems and processes following feedback from employees. These improvements are being delivered through an information technology transformation program that will continue into FY18.

Progress against objectives

This year we have started to identify areas for diversity and inclusion improvements, with the ANZ region pilot diagnostic becoming the blueprint for our global program. The diagnostic will now extend to all regions so that we can better understand the challenges and opportunities. We will then develop a meaningful and appropriate diversity and inclusion strategy that can be measured and monitored.

CORPORATE GOVERNANCE STATEMENT continued

The table below demonstrate progress made against the FY17 objectives:

Objective	Progress
<p>1</p> <ul style="list-style-type: none"> To improve current employment conditions and practices relating to working arrangements for employees. Demonstrate increased usage of flexible working arrangements for employees with family or caring responsibilities, and increase female representation across the business. 	<ul style="list-style-type: none"> We have launched a human rights policy and developed and completed a modern slavery risk assessment in each region as part of our sustainability strategy. We have deployed collaboration tools and platforms to enable employee flexibility and productivity. The ANZ parental leave policy was reviewed and updated to reflect greater inclusion and gender neutral application. Additional parental leave benefits will be introduced in FY18.
<p>2</p> <ul style="list-style-type: none"> Develop a consultative program with employees on issues concerning gender equality, diversity and inclusion in the workplace. 	<ul style="list-style-type: none"> In FY17 the diversity and inclusion pilot diagnostic began a consultation process to better understand our current and future diversity and inclusion needs from our employees. This included gender equality and diversity and Inclusion in the workplace. FY18 will see this consultative approach extended globally.
<p>3</p> <ul style="list-style-type: none"> Have an approved strategy to direct the implementation of action plans to create a more inclusive work environment. 	<ul style="list-style-type: none"> We have updated our diversity and inclusion policy to reflect best practice. A diversity and inclusion toolkit has been created as part of our strategy to be deployed in 2018. The toolkit will provide an initial benchmark to identify opportunities for improvement and inform our strategy and action plans. Education sessions have been conducted for all global project teams regarding diversity and inclusion and our code of conduct to support and leverage a more inclusive work environment. In FY18 we plan to extend these sessions to all employees.

Focus for FY18

In the last few years we have taken positive action and made good progress against our objectives. We have identified however, that further changes in our approach to diversity and inclusion are required. This is supported by the analysis from the successful ANZ pilot diagnostic that identifies where there are opportunities for improvement.

FY18 objectives

We will extend the diversity and Inclusion diagnostic to take a global view of our current state and identify the gaps. While the global diagnostic is being completed, we will continue to:

1. Implement and deploy the new global diversity and inclusion policy. This will include each region conducting a regional diversity and inclusion self-assessment and establishing action plans with identified metrics in all regions
2. We will continue to provide opportunities to improve female representation at Nufarm through establishing recruitment metrics where:
 - (a) at least one female candidate is included in the shortlist of candidates for positions in the top three levels of the company (CEO-2); and
 - (b) one female representative is required on all interview panels for roles in the top three levels of the company (CEO-2).
3. Create a more inclusive work environment with at least 25 per cent of all people managers having participated in Inclusive Leadership training.

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

We believe that diversity and inclusion are critical to the sustainable growth of our company. We will only achieve growth through developing our talent and continuing to build an inclusive culture within the organisation.

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.

The board is also committed to reviewing the performance of its committees and its directors.

In the current period the performance review of the board, its committees and its directors 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 27 to 42 of Nufarm's 2017 Annual Report.

Board of directors

Composition

There are nine 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 2017 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 eight 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 judgement 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 13 years and chairman of the board for seven years. The board unanimously continues to support Donald as chairman, believing this to be in the clear interest of all stakeholders. Donald applies judgement 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.

Nomination and governance committee

Donald McGauchie is chairman of the nomination and governance committee and Bruce Goodfellow and Frank Ford are members of the committee. A majority of the committee are independent directors, and the committee is chaired by an independent director. Profiles of each committee member are on pages 16 and 17 of Nufarm's 2017 Annual Report.

The committee met on three occasions in the 2017 reporting period.

A copy of the committee's charter and a summary of the policy and procedure for director appointments are available on the corporate governance section of the company's website. The charter must be reviewed annually by the committee and it was reviewed by the committee in the 2017 reporting period.

The committee's charter sets out the committee's membership requirements and 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.

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 2017 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 professional development opportunities for continuing directors to develop and maintain their skills and knowledge of the company, each year, Nufarm endeavours to hold one of the scheduled board meetings 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.

Copies of the company's code of conduct and anti-bribery policy are 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 audit and risk committee and Anne Brennan, Gordon Davis, Peter Margin and Marie McDonald are members of the committee. The committee comprises independent non-executive directors and is chaired by an independent director. Profiles of each committee member are on pages 16 and 17 of Nufarm's 2017 Annual Report.

The committee met on four occasions in the current reporting period.

A copy of the committee's charter is available on the corporate governance section of the company's website. The charter must be reviewed annually by the committee and it was reviewed by the committee in the 2017 reporting period.

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 September 2017.

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.

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 shareholders' 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 and facilitate 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 who are 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.

A copy of the company's 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.

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 2017 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 committee is also responsible for reviewing and approving the company's continuous disclosure protocol and security trading policy. Copies of the continuous disclosure protocol and security trading policy are available on the corporate governance section of the company's website.

The health safety and environment 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.

Nufarm has adopted a formal sustainability strategy to provide a globally aligned and planned approach to manage economic, social and environment sustainability risks. The health safety and environment 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 2017 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.

Health safety and environment committee

Gordon Davis is chairman of the health safety and environment committee and Toshikazu Takasaki and Marie McDonald are members of the committee. A majority of the committee are independent directors and the committee is chaired by an independent director. Profiles of each committee member are on pages 16 and 17 of Nufarm's 2017 annual report.

The committee met on three occasions in the current reporting period.

A copy of the committee's charter is available on the corporate governance section of the company's website. The charter must be reviewed annually by the committee and it was reviewed by the committee in the 2017 reporting period.

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 27 to 42 of Nufarm's 2017 Annual Report.

Human resources committee

Peter Margin is chairman of the human resources committee and Gordon Davis, Donald McGauchie and Anne Brennan are members of the committee. The committee comprises independent non-executive directors and is chaired by an independent director. Profiles of each committee member are on pages 16 and 17 of Nufarm's 2017 Annual Report.

The committee met on four occasions in the 2017 reporting period.

A copy of the committee's charter is available on the corporate governance section of the company's website. The charter must be reviewed annually by the committee and it was reviewed by the committee in the current reporting period.

The committee's charter 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.

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 27 to 42 of Nufarm's 2017 Annual Report.

Nufarm has in place a short term incentive plan ('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.