



AUSTRALIAN FERTILISER SERVICES ASSOCIATION LIMITED

CHARTER OF THE SUB-COMMITTEES OF THE BOARD

JUNE 2017

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1. INTRODUCTION

- 1.1 This Charter governs the roles, responsibilities, composition and membership of the sub-committees (**Committees**) of the Board of Directors of the Company
- 1.2 The operation of the sub-committees of the Board is also governed, where applicable, by the Constitution of the Company.
- 1.3 The Board has established a Governance Committee, a Membership Services and Communications Committee, and an Industry Stewardship Committee
- 1.4 The Board will establish additional sub-committees and disband existing sub-committees as required and as the Board sees fit for the good corporate governance of the Company
- 1.5 The role of each sub-committee is set out in Item 1 of each of Schedules attached to this Charter.

2. COMPOSITION

2.1 Members

- 2.1.1 Each sub-committee will have a minimum of three members. Directors serving on these committees should have diverse, complementary backgrounds.
- 2.1.2 The members of the committees will be appointed and removed by the Board as the Board sees fit and for the good corporate governance of the Company.
- 2.1.3 The Board will appoint the chairperson of each committee. In the case of the Governance Committee (involving finance and audit), the Chairperson must not be the Chair of the Board.
- 2.1.4 The Company Secretary will provide secretarial support to each committee as required by the Chairperson of the committee.

2.2 Expertise

- 2.2.1 The specific expertise required of the members of each of the sub-committees is set out in Item 2 of each of Schedules attached to this Charter.

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2.2.2 Members of each of the sub-committees must have an understanding of the general principles of corporate governance and in particular the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council.

3. MEETINGS

3.1 Frequency

3.1.1 The committees will meet as frequently as required but must, at a minimum, meet twice in each financial year.

3.1.2 The Company Secretary must call a meeting of a committee if requested to do so by any director member of the committee.

3.2 Agenda and Notice

3.2.1 The committee Chairperson, with assistance from the Company Secretary, will be responsible for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to committee members prior to each meeting. Committee members must be notified by the Chairperson or the Company Secretary of the date, time and location of the committee meetings as far in advance as possible before the meeting but not less than five (5) business days, unless a shorter period is consented to by all members of the committee.

3.3 Quorum

3.3.1 A quorum for meetings of Board Sub-Committees will be at least two director members.

3.4 Minutes

3.4.1 The Committee Chairperson is responsible for taking the minutes of each meeting or ensuring that arrangements are in place for minute taking and that minutes are distributed to committee members as soon as practicable.

3.4.2 The minutes will be kept in the same manner and to the same standard as the minutes for Board meetings.

3.4.3 Each Director of the Company is entitled to a copy of the minutes of any Board Sub-Committee meeting upon request.

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3.5 Attendance

3.5.1 Each sub-committee may invite any person to attend part or all of any meeting of the committee as it considers appropriate. Formulation of recommendations and voting at committee meetings is restricted to committee members.

3.5.2 Each Director of the Company may attend any Board sub-committee meeting as an observer.

3.6 Use of technology

3.6.1 A Board sub-committee may meet either in face to face or by telephone, audio-visual link or by using any other technology consented to by all the committee members.

4. AUTHORITY

4.1 Each Board Sub-Committee has the authority to:

4.1.1 conduct investigations into any matters within its scope of responsibility;

4.1.2 request and receive such information from the Company Secretary and from other employees or sources as is necessary to support informed decision-making;

4.1.3 seek other information and advice as set out in Item 3 of each of the attached Schedules

5. RESPONSIBILITIES

Board Sub-Committees are responsible for assisting the Board to fulfill its overseeing responsibilities, providing advice and recommendations to the Board on the matters for which each committee is responsible. The specific responsibilities of each committee are set out in Item 4 of each of Schedules attached to this Charter.

6. REPORTING

Each Board Sub-Committee must:

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- 6.1 Report to the Board at the first Board meeting subsequent to each committee meeting regarding material matters and recommendations relevant to the committee’s duties and responsibilities;
- 6.2 Report to the Board at any time that the Board requests such a report.
- 6.3 Provide the Board with advice and recommendations regarding the appropriate material and disclosures relating to the committee’s area of responsibility, to be included in the Annual Report.
- 6.4 Review, and report annually to the Board on, the execution of the committee’s duties and responsibilities and make any necessary recommendations to the Board for changes to the committee’s charter.
- 6.5 Address any specific reporting requirements set out under their responsibilities in Item 4 of each of the Schedules attached to this Charter.

7. REVIEW

- 7.1 This Charter will be reviewed annually by the Board and updated as required.

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SCHEDULE 1

GOVERNANCE COMMITTEE

1. Role

The role of the Governance Committee is to assist the Board with its responsibilities in relation to:

- 1.1 Compliance with legal and other requirements
- 1.2 The Company's reporting
- 1.3 Financial controls and risk management systems
- 1.4 The engagement and performance of the external auditor
- 1.5 Appointments and remuneration
- 1.6 Organisational Performance; and
- 1.7 Management of assets and intellectual property

2. Expertise

- 2.1 Each member of the Governance Committee must have an understanding the relevant statutory and constitutional requirements that apply to the Company
- 2.2 Each member must be able to read and understand financial statements.
- 2.3 At least one member of the committee must have financial qualifications or experience in business and company finance.
- 2.4 At least one member of the committee must have relevant experience in:
 - a. Negotiating terms and conditions of employment
 - b. Development and implementation of workplace policies and procedures
 - c. Evaluation and selection of candidates for employment
- 2.5 The Committee may at any time, subject to the approval of the Board, at the Company's expense, seek technical advice from an independent professional adviser or advisers.

3. Authority

In addition to the authorities set out in item 4 of the Charter of The Committees of the Board, the Governance Committee has the authority to:

- 3.1 Subject to the agreed protocol, require the attendance of any Company employee or contractor at meetings, as appropriate

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- 3.2 Have unrestricted access to employees or contractors and information deemed relevant to its responsibilities under this Charter, through the Company Secretary, as appropriate.
- 3.3 Seek independent professional advice at the Company's expense, ordinarily with the approval of the Chairperson of the Board, but without the prior approval of the Chairperson of the Board if the Committee deems that the circumstances warrant such action.

4. Responsibilities

The Governance Committee is responsible for providing the Board with advice and recommendations and fulfilling the following specific responsibilities:

4.1 Compliance with legal and other requirements

- 4.1.1 Implement and review the effectiveness of systems for monitoring compliance with statutes, regulations, policies and standards
- 4.1.2 Ensure that relevant statutory, regulatory, constitutional and other governance requirements are complied with at all times
- 4.1.3 Develop and oversee Implementation of the necessary charters, codes of conduct and operating policies of the Board and the organisation
- 4.1.4 Oversee, periodically review and, where necessary, update the Code of Conduct for the Board and the Code of Conduct for Members and the systems for monitoring compliance and enforcing the Codes.
- 4.1.5 Review policies and procedures for identifying, analysing and addressing complaints, review significant complaints and their resolution.

4.2 Integrity of the Company's Reporting

- 4.2.1 Ensure compliance with relevant statutory finance and accounting standards and reporting requirements
- 4.2.2 Review financial and other reports, ensuring that they reflect a true and fair view as a basis for recommending to the Board for adoption.
- 4.2.3 Regularly review policies and recommend any necessary changes.
- 4.2.4 Regularly update the Board to ensure that it is aware of matters that may affect the financial position of the Company and make recommendations as required.

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4.2.5 Recommend the signing, by the Board, of the Company's Annual Report, the Director's Report and Director's Declaration.

4.3 Financial controls and effectiveness of risk management systems

4.3.1 Ensure that systems are in place to identify, minimise and manage financial, legal and business risks and that those systems are working effectively.

4.3.2 Ensure that the Company has appropriate insurance coverage in place for all matters for which the Company is legally obligated to insure, along with all other matters considered to be of significant risk to the Company.

4.3.3 Review policies for the prevention of fraud, their implementation and effectiveness.

4.4 Engagement and performance of the external auditor

4.4.1 Recommend the appointment, remuneration and terms of engagement of the external auditors.

4.4.2 Ensure that no unreasonable restrictions are placed on the auditors.

4.4.3 Review audit reports and ensure that all auditor's recommendations are addressed.

4.4.4 Ensure that any non-audit services provided by the external auditor do not compromise the auditor's independence.

4.4.5 Review the performance and independence of the external auditors.

4.5 Appointments and remuneration

4.5.1 Evaluate suitability of candidates for re-election or election as directors

4.5.2 Develop and oversight succession planning for the Board

4.5.3 Develop and oversight policy on directors' fees and expenses and ex gratia payments

4.5.4 Recommend the appointment, remuneration, terms of engagement and termination of the Company Secretary, key employees and outsourced service providers

4.5.5 Oversight policies and procedures relating to and performance of employees and contractors.

4.6 Management of assets and intellectual property

4.6.1 Develop, manage, and, if appropriate, commercialise AFSA's intellectual property.

4.6.2 Manage the Company's assets

4.7 Review of Organisational Performance

4.7.1 Monitor and review the performance of key employees and contractors

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4.7.2 Monitor and review company performance against targets and performance indicators

4.7.3 Monitor the effectiveness of the process for evaluating the performance of Directors

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SCHEDULE 2

MEMBER SERVICES AND COMMUNICATIONS COMMITTEE

1. Role

- 1.1 The role of the Member Services and Communications Committee is to assist the Board with its responsibilities in relation to:
- a. Increasing Membership
 - b. Provision of services to members
 - c. Communicating with members and other stakeholder groups
 - d. Relationships with key stakeholder groups
 - e. Overseeing special projects
 - f. The National Conference

2. Expertise

- 2.1 Each member of the Member Services and Communications Committee must have:
- a. An understanding of the needs and expectations of members
 - b. An appreciation of AFSA's role in the fertiliser industry
 - c. Experience in influencing and communicating with industry stakeholder groups
- 2.2 The Committee may, at any time, second to the committee Association members or other independent advisors to assist the committee with its deliberations

3. Authority

- 3.1 Subject to the concurrence of the Board, the committee may, at the Company's expense, seek technical advice from an independent professional adviser or advisers.

4. Responsibilities

- 4.1. The Member Services and Communications Committee is responsible for providing the Board with advice and recommendations and fulfilling the following specific responsibilities:
- a. Diversifying and increasing Membership
 - b. Increasing member satisfaction
 - c. Communicating effectively with the membership base

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- d. Identifying and delivering to members, services which add value to their businesses
- e. Strengthening relationships with key stakeholder groups

- f. Harnessing the National Conference to better position AFSA for the future

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SCHEDULE 3

INDUSTRY STEWARDSHIP COMMITTEE

1. Role

- 1.1 The role of the Industry Stewardship Committee is to assist the Board with its responsibilities in relation to:
- a. Promoting environmentally sustainable practices in the Fertiliser Services Industry
 - b. Environmental and Health aspects of the use of fertilizers
 - c. Promoting the Fertcare and AccuSpread programs
 - d. Better positioning the Industry and the Association for the future

2. Expertise

- 2.1.1 Each member of the Industry Stewardship Committee must have:
- a. A good understanding of the Fertiliser Services Industry
 - b. A good understanding of the technical side of fertilizers and their economic, environmental and health impacts
 - c. A sound knowledge of the Fertcare and AccuSpread programs
 - d. An appreciation of AFSA's role in the development of both programs
 - e. Experience in influencing and communicating with industry stakeholder groups
- 2.2 The Committee may, at any time, second to the committee Association members or other independent advisors to assist the committee with its deliberations

3. Authority

- 3.1 Subject to the concurrence of the Board, the Committee may, at the Company's expense, seek technical advice from an independent professional adviser or advisers.

4. Responsibilities

- 4.1 The Industry Stewardship Committee is responsible for providing the Board with advice and recommendations and fulfilling the following specific responsibilities:
- a. Positioning the Association as a positive force for environmental sustainability and food security
 - b. Promoting environmentally sustainable practices to industry participants and farmers
 - c. Overseeing the Fertcare and AccuSpread Programs and their promotion to government agencies, members and other stakeholder groups

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- d. Developing the AccuSpread program and broadening its adoption
- e. Investigating and developing further initiatives which will enhance environmental and economic sustainability in the industry
- f. Overseeing the implementation of initiatives aimed at enhancing the sustainability of members' businesses
- g. Contributing to the development of communications initiatives aimed at better positioning the Association

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