



## AFSA Corporate Governance Policy

### Commitment to Good Corporate Governance

The Australian Fertiliser Services Association (AFSA) is an unlisted not-for-profit public company incorporated under the *Corporations Act 2001*. Its primary mission is to operate as the industry body for businesses and people who spread, distribute, sell, store, transport, manufacture or provide advice on the use of fertilizers or soil ameliorant products.

The Board of AFSA will adopt the highest principles of corporate governance and in so doing will adapt the *ASX Corporate Governance Principles and Recommendations* for use by AFSA. While these are not binding on AFSA, as an unlisted public company, the Board of AFSA wishes to adopt the Corporate Governance Principles, where applicable to achieve the highest standards practicable.

### What is Corporate Governance for AFSA?

Corporate Governance is the framework of rules, policies, relationships and processes under which the Association is managed on behalf of members. The Board is primarily responsible for applying and maintaining the Company's corporate governance. The Board of AFSA recognises that the approach to corporate governance will need to be tailored to meet the current requirements and be enhanced as the circumstances of the Association change.

The Board will periodically review the Governance Policy, and develop appropriate policies and practices as the Association changes.

### Board of Directors of AFSA

The Board is responsible for the overall corporate governance of AFSA, including AFSA's strategic direction, establishment of goals and monitoring the achievement of those goals. The Board has adopted a formal Board Charter, a Charter of the Sub-Committees of the Board and a Code of Conduct and Business Ethics. The Board Charter sets out the responsibilities of the Directors, the Chairman and the Company Secretary. The Board has established three Sub-Committees, the

Governance Committee, the Member Services and Communications Committee, the Industry Stewardship Committee and the Charter of the Sub-Committees of the Board sets out the responsibilities of each of the Committees.

The Board has also adopted a Code of conduct and Business Ethics to ensure that high standards and practices are adopted in the conduct of business. The Code sets out the Board's expectations as to how Directors and Officers will carry out their duties and responsibilities and how they are to notify and manage potential conflicts of interest.

### **Protection of the Association's Assets**

One of the most important goals of corporate governance is to ensure that company directors and officers are aware of and accountable for the financial condition of the companies they manage. The AFSA Board has a responsibility to the members to prudently manage and protect the financial, physical, intellectual property and database assets of the Association. To achieve this, the Board will be transparent in its decision making and transactions. Regular financial and business updates and reports will be distributed to members.

The board will ensure that there is compliance with all legal requirements. Appropriate internal controls will be in place and audits will be undertaken as required.

### **Risk Management**

The Governance Committee, which currently performs the function of Finance and Audit Committee, has the responsibility for advising the Board on:

- Compliance with legal and other requirements;
- The company's reporting;
- Financial controls and risk management systems;
- The engagement and performance of the external auditors;
- Appointments and remuneration;
- Organisational performance; and
- Management of assets and intellectual property

### **Respect the rights of members**

The board will develop and implement a communications policy for promoting effective communication with members to encourage their participation in the affairs of the Association and in general meetings. The board recognises the rights and expectations of members and other stakeholders for information concerning the affairs of the Association, the extent to which it is achieving its goals and the manner in which the Association's affairs are being managed.

<p><b>Australian Fertiliser Services Association</b> <b>Policy Name: AFSA Corporate Governance policy</b> <b>Policy Number: 4</b></p>	<p>Status: Adopted Adopted: August 2015 Reviewed: June 2017 Due for Review: June 2019 Page 2 of 2</p>
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