

# Brambles

Board Charter

**Brambles Limited**

Instituted: 1 January 2020

## **1. Role of Board and Management**

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### **1.1 Role of the Board**

The role of the Board of Brambles Limited (**Company**) is to:

- (a) instil and reinforce a culture throughout the Group of behaving lawfully, ethically and responsibly including approving a statement of values which reflects that culture;
- (b) approve the purpose, strategic objectives and risk appetite of the Brambles Group (**Group**);
- (c) review, approve and monitor the adequacy of the Group's risk management framework; and
- (d) oversee executive management's:
  - (i) conduct of the Group's affairs in achieving its strategic objectives in a manner aligned with its purpose, values and risk appetite; and
  - (ii) instilling of the Group's values throughout its businesses and operations.

### **1.2 Role of Executive Management**

- (a) The role of executive management, led by the Chief Executive Officer, and with the support of the Brambles Executive Leadership Team, is to:
  - (I) carry out the day to day management of the business and affairs of the Group to achieve its strategic objectives in a manner aligned with its purpose, values and risk appetite; and
  - (II) provide the Board with accurate, timely and clear information on the Group's operations to enable the Board to perform its responsibilities including information about the financial performance of the Group, compliance with its material legal and regulatory requirements and conduct in relation to its values or Code of Conduct.
- (b) The Board has delegated to the Chief Executive Officer the power to conduct the day to day management of the Group subject to:
  - (i) the levels of authority set by the Board for the Chief Executive Officer and other members of the Executive Leadership Team from time to time; and
  - (ii) the matters which are reserved for the decision of the Board as set out in section 3 of this Charter

## **2. Structure and Composition of the Board**

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- (a) The Board shall determine the number and mix of skills, knowledge, expertise and diversity necessary for it to carry out its roles and responsibilities, on the recommendation of the Nominations Committee.
- (b) A majority of the Board shall be independent Directors.

- (c) The Chairman of the Board shall be an independent Director and shall not be the same person as the Chief Executive Officer.
- (d) The independence of each Director shall be determined annually by the Board in accordance with standards adopted by the Board from time to time.
- (e) Non-Executive Directors will be required to confirm their independence periodically while they remain in office.
- (f) The Board will monitor dealings in securities and declarations of interest by Directors.
- (g) Non-Executive Directors will ordinarily serve for a maximum of three terms of three years so that he or she serves no more than ten years. The Board shall retain discretion to invite a Non-Executive Director to serve beyond ten years:
  - (i) if it considers it necessary having regard to the composition and blend of experience on the Board at that time; or
  - (ii) to properly manage Board and/or Chairman succession; or
  - (iii) where that Non-Executive Director is the Chairman or Chairman elect and, having regard to all the circumstances, it is appropriate for the Chairman or Chairman elect to serve for a period longer than 10 years from the date the Chairman or Chairman elect was first appointed as a Non-Executive Director; or
  - (iv) if it otherwise considers that such an extension would benefit the Company.
- (h) The annual assessment of the independence of Non-Executive Directors will include an assessment of the independence of any Non-Executive Director who has served more than 10 years.

### **3. Responsibilities of the Board**

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The Board is responsible for the matters set out in this section 3.

#### **3.1 Strategic Objectives**

- (a) Approving the Group's:
  - (i) overall strategic objectives and strategic plans for each of the Group's major business units, including the extension of the Group's activities into:
    - (A) new geographic areas involving substantial sovereign risk, or
    - (B) substantially new business areas,
 and monitoring the implementation of those plans;
  - (ii) key business and financial objectives; and
  - (iii) dividend policy, and the approval or recommendation of any dividend pursuant to that policy.
- (b) Approving acquisitions or disposals of assets which exceed the authority limits delegated to the Chief Executive Officer or the Chief Financial Officer.

- (c) Approving decisions to cease operating all or any material part of the business of the Group.

### **3.2 Financial Controls, Compliance, Corporate Reporting**

- (a) Approving the Group's annual operating and capital expenditure budgets.
- (b) Approving the Group's treasury policies, including foreign currency exposure and policies on the use of financial derivatives.
- (c) Approving the Group's:
  - (i) annual report and financial statements (including the directors' report and remuneration report);
  - (ii) corporate governance statement and sustainability review; and
  - (iii) other significant statements to the press, stock exchange and/or shareholders relating to those statements or reports.
- (d) Overseeing the integrity of the Group's accounting and corporate reporting systems and reviewing the effectiveness of those systems to provide adequate, accurate and timely information to the Board.
- (e) Monitoring matters impacting on compliance with statutory and regulatory obligations.
- (f) Monitoring the prosecution, defence or settlement of litigation which is substantial in terms of the implications for the Group.
- (g) Approving the overall levels of insurance for the Group, including Directors' and Officers' liability insurance and indemnification arrangements for Directors.
- (h) Approving any significant changes in accounting policies or procedures.

### **3.3 Risk Management**

- (a) Approving the Group's risk appetite and its risk management framework which covers both financial and non-financial risks and systems of internal control.
- (b) Monitoring managements' performance against the risk management framework including whether it is operating within the risk appetite approved by the Board.
- (c) Conducting a bi-annual review of:
  - (i) the risk appetite and the effectiveness of the risk management framework and internal control systems;
  - (ii) whether any changes should be made to the risk appetite or that framework and systems; and
  - (iii) emerging risks and environmental and social risks.

### **3.4 Corporate Structure**

- (a) Approving changes to the Group's capital structure, including reductions of share capital, share buy-backs or issue of new securities, other than:

- (i) grants under employee option / share schemes, which are dealt with in the Remuneration Committee's Charter; and
- (ii) issues of shares on the exercise of awards under option or share schemes, which have been delegated to the Company Secretary.
- (b) Approving substantial changes to the Group's capital or internal corporate structure.
- (c) Approving changes to Brambles' place of listing and its status as a public company or as a listed entity.
- (d) Approving any purchase by Brambles of its own shares.

### **3.5 Appointments**

- (a) Appointments to the Board and to the Board's Committees, following a review by the Board's Nominations Committee.
- (b) The appointment of the Chairman and, if applicable, a Deputy Chairman and/or Senior Independent Director.
- (c) The appointment and termination of the Chief Executive Officer and the Chief Financial Officer and where appropriate, ratifying the appointment and termination of other senior executives.
- (d) The appointment, re-appointment or removal of external auditors (on the recommendation of the Audit Committee).
- (e) The appointment or removal of the Company Secretary.

### **3.6 Delegation of Authority**

- (a) Approving changes to the membership or Charter of any Committee of the Board.
- (b) Approving changes to the authority delegated to the Chief Executive Officer, the Chief Financial Officer or other levels of executive management.
- (c) Approving matters which exceed the authority delegated to the Chief Executive Officer, the Chief Financial Officer or other levels of executive management.

### **3.7 Policies**

Approving substantial policies affecting the Group as a whole, and any amendment to them, including:

- (a) the Group's purpose, statement of values and its Code of Conduct;
- (b) the Securities Trading Policy;
- (c) Health and Safety policies;
- (d) Environmental Policies;
- (e) Continuous Disclosure and Communications Policy;
- (f) Corporate Social Responsibility Policy;
- (g) Diversity Policy;

- (h) Speaking Up Policy;
- (i) Anti-Bribery and Corruption Policy;
- (j) Charter of Audit Independence;
- (k) Remuneration policies for Non-Executive Directors, the Chief Executive Officer and the Group's senior executives (on the recommendation of the Remuneration Committee); and
- (l) policies regarding charitable and political donations.

### **3.8 Corporate Governance Matters**

Monitoring and assessing the effectiveness of the Group's governance practices, including:

- (a) The determination of the independence of non-executive Directors.
- (b) Satisfying itself that the Group's remuneration policies are aligned with the Group's purpose, values, strategic objectives and risk appetite.
- (c) The audit fees payable to the external auditors, on the recommendation of the Audit Committee.
- (d) Resolutions and related documentation to be put to shareholders in general meeting.
- (e) Oversee the process for compliance with the Group's continuous disclosure obligations.
- (f) Any announcements and press releases which may be made by the Company concerning matters reserved for the Board under this Charter, except where such approval is not practicable having regard to the Company's continuous disclosure obligations. In those cases, the Company's Disclosure Committee shall approve the relevant announcement or release.
- (g) Where within the Board's power, major changes in the rules of, or changes to the identity of the trustee of, pension or superannuation schemes to which the Company contributes on behalf of employees.
- (h) Setting measurable objectives for achieving diversity and annually assessing both the objectives and the progress towards achieving them including an annual review and report on the relative proportion of women and men in the workforce at all levels of the Group.
- (i) Whenever required, challenging management and holding it to account.
- (j) Monitoring the safety and sustainability performance of the Group.
- (k) The process for identifying and selecting candidates for appointment to the Board, on the recommendation of the Nominations Committee
- (l) An annual review of the Board Skills Matrix, on the recommendation of the Nominations Committee.
- (m) Monitoring the process for verifying the integrity of Brambles' periodic corporate reports which it releases to the market.

#### **4. Role and responsibilities of the Chairman**

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The Chairman of the Board is responsible for:

- (a) leading the Board;
- (b) facilitating the effective contribution of all Directors;
- (c) promoting constructive and respectful relations between Directors and between the Board and management;
- (d) setting the Board's agenda and managing meetings so that there is sufficient time for the Board to discuss all agenda items, in particular strategic issues and the Group's budgets;
- (e) acting on the results of Board and Director evaluations;
- (f) chairing shareholder meetings; and
- (g) facilitating effective communications with shareholders.

#### **5. Role and responsibilities of the Company Secretary**

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The Company Secretary is accountable directly to the Board, through the Chairman, for all matters to do with the proper functioning of the Board, including:

- (a) advising in relation to governance matters;
- (b) monitoring whether Board and Committee policies and procedures are followed including the Company's continuous disclosure and communications policy;
- (c) ensuring Board and Committee papers are provided in a timely manner;
- (d) ensuring that the minutes are an accurate reflection of business at Board and Committee meetings; and
- (e) assisting in the coordination of the induction and professional development of Directors.

#### **6. Committees of the Board**

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- (a) The Board may from time to time establish and delegate any powers to a Committee of the Board including any special or ad hoc committees.
- (b) The Board shall approve Committee charters and any proposed amendments to Committee charters.
- (c) The Board has established the following Committees:
  - (i) Audit Committee;
  - (ii) Nominations Committee; and
  - (iii) Remuneration Committee.

## **7. Board Evaluation**

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The Board will conduct annual performance evaluations of the Board as a whole, its Committees, the Chairman, individual Directors seeking re-election and the governance processes in place to support the Board.

## **8. Independent Advice**

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- (a) Each Director may seek independent professional advice at the expense of Brambles on any matter connected with the discharge of his or her responsibilities.
- (b) A Director seeking independent professional advice should obtain the approval of the Chairman (or in the case of a request by the Chairman, the Chairman of the Audit Committee).
- (c) Copies of any independent professional advice obtained by a Director must be made available to, and for the benefit of, all Board members, unless the Chairman otherwise agrees or unless making it available in this manner would result in a waiver of that Director's legal professional privilege.