

# Brambles

## Charter of Audit Independence

### **Brambles Limited**

Instituted:	May/June 2002
Amended:	10 April 2008, 15 October 2009 8 June 2011 17 October 2017 and 26 March 2019

## 1. Charter of Audit Independence

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This Charter of Audit Independence sets out the circumstances in which the Company's Auditor may perform Non-Audit Related Services and the procedures to be followed to obtain approval for those services where they are permitted.

## 2. Interpretation

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**Audit Committee** means the Audit Committee of the Board.

**Auditor** means the external auditors of Brambles Limited.

**Board** means the Board of Directors of Brambles Limited.

**Brambles** means Brambles Limited and each of its subsidiaries.

**Chief Financial Officer** means the Chief Financial Officer of Brambles Limited.

**Non-Audit Related Services** means services other than those which are necessary for the Auditor to carry out its statutory audit or review and are directly related to the performance of the statutory audit or review.

## 3. Corporate Governance and Audit Independence

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The purpose of this Charter is to ensure that the Audit Committee, the Board and Brambles' shareholders can be satisfied that the Auditor is, and is seen to be, independent at all times. Among other matters, this requires that the Auditor is not involved directly or indirectly in auditing its own work - that is, it must not do work for Brambles that it may be required to review as part of the external audit. This Charter sets out the Board's policies and procedures which are to be followed to ensure this independence, and identifies various obligations of the Auditor, Brambles management and the Audit Committee designed to ensure that the provisions of this Charter are observed in day-to-day practice.

## 4. Performance of Non-Audit Related Services

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### 4.1 Non-Audit Related Services

Appendix 1 to this Charter contains a list of Non-Audit Related Services commonly provided by audit firms. The list is divided into the following two categories.

#### **Category A – Non-Audit Related Services Acceptable for Auditor to Perform, subject to approval**

These comprise Non-Audit Related Services which, depending on the circumstances and the specific work, it may be appropriate for the Auditor to perform subject to obtaining approval as set out in section 4.2(a).

#### **Category B – Non-Audit Related Services which Auditor may not perform**

These comprise Non-Audit Related Services which would impact the actual or perceived independence of the Auditor's ongoing assurance engagements. These services may not be provided by the Auditor.

### 4.2 Obtaining Approval for Category A Non-Audit Related Services

- (a) The Auditor may perform Category A services with the prior approval of the Audit Committee or, subject to sections 4.2(b) and (c) below, the Chief Financial Officer.

- (b) The Chief Financial Officer can approve a specific Category A Non-Audit Related Service, except for “Personal tax services”, at any time if the fee for those services will be less than USD50,000.
- (c) The Chief Financial Officer can also approve a specific Category A Non-Audit Related Service, except for “Personal tax services” if:
  - (i) the fee for those services will be less than USD150,000; and
  - (ii) that fee, together with the total fees paid to the Auditor for all other Non-Audit Related Services during the applicable financial year at the time approval is sought, will be less than USD1,000,000.
- (d) With the exception of Non-Audit Related Services that are subject to section 4.2(b), once the USD1,000,000 fee level is reached during a financial year, any subsequent Non-Audit Related Services to be performed during that financial year must be pre-approved by the Audit Committee. The USD1,000,000 fee level will be calculated on the fees accrued for all Non-Audit Related Services performed during the relevant financial year.
- (e) If Audit Committee approval for the performance of Non-Audit Related Services is required but it is not practical, due to time or other limitations, to obtain that approval, the Chairman of the Audit Committee may approve the performance of those services, with ratification by the Audit Committee to follow at the next Audit Committee meeting.
- (f) If the Chief Financial Officer has approved the performance of a specific Non-Audit Related Service, the details of those services will be communicated to the Audit Committee at the next Audit Committee meeting.
- (g) A request for approval for the Auditor to perform Non-Audit Related Services must be made using the form in Appendix 2. This applies when seeking approval from either the Audit Committee or, if applicable, the Chief Financial Officer. The form should be completed and sent to the Group Company Secretary for submission to the Chief Financial Officer or the Audit Committee, as the case may be.
- (h) Any question about which category of Appendix 1 a particular Non-Audit Related Services falls within must be resolved by the Audit Committee prior to that service being performed.

#### **4.3 Other Services not in Appendix 1**

The Audit Committee is authorised to determine the categorisation of any Non-Audit Related Services not listed in Appendix 1. Pending any such determination, any services not included in Appendix 1 will be regarded as Category B services.

#### **4.4 Application of Policy**

This policy is to be applied by reference to the substance of a particular matter. Accordingly, the restrictions in this policy apply:

- (i) whether or not any remuneration, compensation or other benefit is provided directly or indirectly for the particular service; and
- (ii) whether the service is performed directly or indirectly by the Auditor (including by any of its associates or related entities).

### **5. Review of Charter and Policy**

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This Charter and the policy on Non-Audit Related Services which it contains will be subject to

review by the Audit Committee on an annual basis, and otherwise as appropriate.

**CHARTER OF AUDIT INDEPENDENCE  
SCHEDULE OF NON-AUDIT RELATED SERVICES**

**Brambles Auditor must not be involved, directly or indirectly, in auditing its own work. That is, it must not do work for Brambles that it may be required to review as part of the external audit.**

**Category A – Non-Audit Related Services acceptable for Auditor to perform**

*The following Non-Audit Related Services may, depending on the circumstances and the specific work, be appropriate for the Auditor to perform, subject to obtaining the approval referred to in section 4.2(a) of this Policy.*

- Defined audit-related work and other regulatory reporting.
- Reporting Accountant services.
- Preparation of subsidiary financial statements for local statutory filings.
- Compliance services (including fraud and money laundering).
- Forensic Accountant services.
- Remuneration Consultancy.
- Corporate tax services
- IT consultancy.
- Management consultancy.
- HR or recruitment services.
- Fairness opinions and contribution-in kind reports.
- Legal services and other professional services unrelated to the audit.
- Transaction work (mergers, acquisitions, disposals, internal restructure etc).
- Personal tax services for Brambles employees except for those employees referred to under “Personal tax services” in Category B.

**Category B – Non-Audit Related Services which Auditor may not perform**

*The following Non-Audit Related Services would impact the actual or perceived independence of the Auditor’s ongoing assurance engagements. They may not be provided by the Auditor.*

- Internal accounting or other internal financial services.
- Valuation services.
- Actuarial services.
- Executive or “management” roles and functions.
- Other financial services (e.g. broker financial adviser or investment banking services).
- Design, development or implementation of financial information or internal control systems.
- Internal audit services or their outsourcing
- Personal tax services for Brambles employees:
  - (a) who comprise key decision makers; or
  - (b) whose role includes the preparation of financial statements or financial information which may be subject to the half-year review or full-year audit of Brambles by the Auditor,
 as determined by the Chairman of the Audit Committee in consultation with the Board Chairman.

Request for Approval of Services to be performed by Auditor  
To: Brambles Audit Committee OR Chief Financial Officer

**Name of BU:**

**Service Requested By:**

**Date of Issuance of Request:**

**Timing of Services:**

**Estimate of Fees:**

**Nature of Services to be Provided (with reference to list of services at Appendix 1 of the Charter of Auditor Independence):**

**Details of why the Auditor is preferred to another service provider:**

Requesting Party signature:  
Requesting Party name:

Date:  
Office:

**Non-Audit Fees paid to Auditor YTD (to be completed by HQ Finance):**

- Other assurance services:	US\$ _____
- Tax advisory services:	US\$ _____
- Transaction services:	US\$ _____
- Other services:	US\$ _____
Total:	US\$ _____

**HQ Endorsement (where request originated from BU):**

Endorsee signature:  
Endorsee name:

Date: