

External Auditor Policy

1. Selection and appointment of external auditors

The Board is responsible for appointing the external auditor, subject to confirmation by shareholders at DuluxGroup's Annual General Meeting.

The Audit and Risk Committee is responsible for implementing a selection process for appointment of the external auditor and making a recommendation to the Board based on their assessment of the responses received from potential external auditors. In making any recommendation, the Audit and Risk Committee confers with senior executives on the responses received.

The assessment of responses from potential external auditors takes into account a number of key criteria, including:

- quality and thoroughness of proposed audit approach and methodology;
- understanding of the industry;
- independence of the external firm (and more specifically, the independence of the external audit partner);
- internal governance processes;
- resources and skills of the proposed audit team; and
- audit fees.

Once the review process has taken place the Audit and Risk Committee provides the Board with information concerning the process adopted in undertaking the review, the recommended external auditor and the reasons for final recommendation.

2. Provision of non-audit services

In addition to external audit and audit related / assurance services, the external auditor may be permitted to provide other (non-audit) services, with approval from the Audit and Risk Committee.

Prior to engaging the external auditor to undertake any non-audit services, the Audit and Risk Committee must consider whether the provision of non-audit services is compatible with maintaining the external auditor's actual and perceived independence.

The Audit and Risk Committee is to obtain assurance and confirmation from management that the additional services provided by the external auditor are not in conflict with audit process.

The outsourcing of any internal audit project to the external auditor, or the undertaking of any joint external audit review will also require prior approval of the Audit and Risk Committee.

3. Rotation of external audit engagement partners

DuluxGroup requires the audit partners and review partners of its external auditor to rotate every 5 years. The Audit and Risk Committee will assess the independence and review the performance of the external auditor on an annual basis.