

The background image shows a complex industrial paper mill environment. It features a series of large, horizontal rollers and a curved metal structure, likely part of a paper winding or processing line. The machinery is supported by a blue metal framework. The floor is made of a light-colored, perforated metal grating. A large, semi-transparent circular graphic with a blue-to-teal gradient is centered over the image, containing the text 'Shaping our future'.

**Brambles**

Notice of Annual  
General Meeting 2019

**Shaping  
our future**

[brambles.com](http://brambles.com)



**Stephen Johns**  
Chairman

23 August 2019

Dear fellow Shareholder,

The 2019 Financial Year was one of transition for Brambles as it positioned itself to deliver enhanced value for customers, employees and shareholders.

Following the sale of the IFCO RPC business in May 2019, Brambles is now one streamlined business. This provides a significant opportunity to leverage our core pallet and container logistics expertise, lead industry initiatives and be more responsive to customers' needs and global supply chain challenges. As an organisation, this evolution is critical to the sustainability and competitiveness of our business, particularly as we look to a future characterised by rapid change and increasing customer demands for innovative, sustainable and cost-effective solutions.

It is within this context that the Board and management team are taking active steps to reshape Brambles for success into the 2020s and beyond. In addition to our ongoing commitment to the five core strategic priorities, which are outlined on pages 6 and 7 of our 2019 Annual Report, we are focused on becoming more customer-centric and deploying new physical and digital technologies to transform our service offerings and how we operate.

As I mentioned above, on 31 May 2019, we completed the sale of our IFCO RPC business for an enterprise value of US\$2.5 billion. At that time, we communicated to the market that we intend to return US\$1.95 billion of the IFCO RPC sale proceeds to you, our shareholders, through two mechanisms. The first is an on-market share buy-back of up to US\$1.65 billion. The buy-back commenced on 4 June 2019 and resulted in 6,039,299 ordinary shares being bought back for a consideration of US\$54.1 million before it was paused on 23 June as we entered our scheduled blackout period leading up to the release of the full year results. The buy-back will recommence on 22 August 2019.

The second is a pro-rata cash return of 29 Australian cents per share. The cash return has two components: a capital return of 12 Australian cents per share, which is subject to shareholder approval at this year's Annual General Meeting (AGM), and a special dividend of 17 Australian cents per share. The special dividend does not require shareholder approval and will be paid whether or not shareholder approval to the capital return is obtained.

The residual net proceeds were used to pay down debt to maintain our strong balance sheet.

Enclosed is the Notice of Brambles' 2019 Annual General Meeting, which will be held at Ballroom 1, The Westin Sydney, 1 Martin Place, Sydney NSW 2000 on Thursday, 10 October 2019, commencing at 2.00pm (AEDT).

Most of the items of business in the Notice will be familiar to you: the motion to adopt the Remuneration Report and the election and re-election of Directors.

Additionally, shareholder approval is being sought for:

- Amendments to the Brambles Limited 2006 Performance Share Plan and the issue of shares under that Plan to Graham Chipchase (Brambles' CEO and Executive Director) and Nessa O'Sullivan (Brambles' CFO and Executive Director);
- The issue of shares under the Brambles Limited MyShare Plan to Graham Chipchase;
- The approval of the capital return component of the pro-rata cash return referred to above; and
- To extend the buy-back programme I referred to above to allow a buy-back of up to 240,000,000 of Brambles' shares over the 12 months to 10 October 2020.

Full details of these proposals are set out in the Explanatory Notes to this Notice. Included in those notes is a summary of the tax treatment of the pro-rata cash return for tax residents of Australia.

Also enclosed is a shareholder question form designed to give shareholders an opportunity to raise questions ahead of the AGM, if they wish to do so. These questions may either be directed to Brambles or, if they relate to the content of the Auditors' Report or conduct of the audit, to Brambles' auditors PricewaterhouseCoopers. I will endeavour to answer the most commonly asked questions at the meeting.

Shareholders who cannot attend the meeting in person have the choice of casting "direct votes" or appointing a proxy to cast their votes. I encourage you to cast your direct vote or register your proxy appointment using the website of our share registry, Boardroom, at [www.votingonline.com.au/bxbagm2019](http://www.votingonline.com.au/bxbagm2019). Alternatively, please complete and mail the enclosed shareholder voting form in the reply paid envelope provided, or return it to the share registry by fax. Details on how to appoint a proxy and how to direct a proxy to vote, particularly in relation to Resolutions 2 and 6 to 9, are set out in the "How to Vote" section on pages 15 and 16 of this Notice. If you appoint me as your proxy but do not direct me how to vote, I will vote in favour of each of those resolutions.

Brambles' Directors believe the proposals set out in the Notice and described in the Explanatory Notes are in the best interests of Brambles' shareholders and unanimously recommend that you vote in favour of the resolutions.

If you plan to attend the Annual General Meeting in person, please bring the enclosed shareholder voting form to facilitate your registration. As in previous years, voting at the meeting will be conducted via a poll. Shareholders are invited to join the Board for afternoon tea at the conclusion of the Annual General Meeting. The Board looks forward to seeing as many of you as possible on the day.

Yours sincerely



**Stephen Johns**  
Chairman

# Notice of Annual General Meeting

Notice is given that the 2019 Annual General Meeting of the shareholders of Brambles Limited will be held at Ballroom 1, The Westin Sydney, 1 Martin Place, Sydney, NSW 2000 on Thursday, 10 October 2019, commencing at 2.00pm Australian Eastern Daylight Time (AEDT) for the purpose of transacting the items of business set out below. Registration will open at 1.00pm (AEDT).

In this Notice and Explanatory Notes, **Brambles**, or the **Company**, refers to Brambles Limited, **Group** refers to Brambles Limited and the entities it controlled at the end of, or during, the year ended 30 June 2019, **2019 Annual Report** refers to Brambles' 2019 Annual Report which has been posted on the Brambles website at [www.brambles.com/investor-centre/annual-reports](http://www.brambles.com/investor-centre/annual-reports) and **2019 Corporate Governance Statement** refers to the 2019 Brambles Corporate Governance Statement, which has been posted on the Brambles website at [www.brambles.com/corporate-governance-overview](http://www.brambles.com/corporate-governance-overview).

## Items of Business

### Financial Statements

1. To consider and receive the Financial Report, Directors' Report and Auditors' Report for Brambles and the Group for the year ended 30 June 2019.

Shareholders will be asked to consider and, if thought fit, to pass the resolutions below, all of which will be proposed as ordinary resolutions.

### Remuneration Report

2. "To adopt the Remuneration Report for Brambles and the Group for the year ended 30 June 2019."

Please refer to the instructions in the How to Vote section of this Notice on pages 15 and 16 for details of how to appoint a proxy for this resolution.

### Election of Director

The following Director, having been appointed by the Board since the last Annual General Meeting and, being eligible, submits himself for election as a Director of Brambles.

3. "That Mr James Richard Miller be elected to the Board of Brambles."

### Re-Election of Directors

The following Directors are to retire by rotation and, being eligible, submit themselves for re election as a Director of Brambles.

4. "That Mr George El-Zoghbi be re elected to the Board of Brambles."
5. "That Mr Anthony Grant Froggatt be re-elected to the Board of Brambles."

## Share Plans

### Amendments to the Brambles Limited Performance Share Plan

6. "That the Brambles Limited Performance Share Plan, as amended in the manner described in the Explanatory Notes accompanying this Notice of Meeting (the **Amended Performance Share Plan**), and the issue of shares under the Amended Performance Share Plan, be approved for all purposes, including for the purpose of Australian Securities Exchange Listing Rule 7.2, exception 9."

### Participation of Executive Directors in the Performance Share Plan or Amended Performance Share Plan

7. "That the participation by Mr Graham Chipchase until the 2020 Annual General Meeting in the:
  - a) Brambles Limited Performance Share Plan (if approval of the amendments to the Performance Share Plan under Resolution 6 is not obtained); or
  - b) the Amended Performance Share Plan (if approval of the amendments to the Performance Share Plan under Resolution 6 is obtained),

in the manner set out in the Explanatory Notes accompanying this Notice of Meeting be approved for all purposes including for the purpose of Australian Securities Exchange Listing Rule 10.14."

8. "That the participation by Ms Nessa O'Sullivan until the 2020 Annual General Meeting in the:
  - c) Brambles Limited Performance Share Plan (if approval of the amendments to the Performance Share Plan under Resolution 6 is not obtained); or
  - d) the Amended Performance Share Plan (if approval of the amendments to the Performance Share Plan under Resolution 6 is obtained),

in the manner set out in the Explanatory Notes accompanying this Notice of Meeting be approved for all purposes including for the purpose of Australian Securities Exchange Listing Rule 10.14."

### Participation of Executive Director in the MyShare Plan

9. "That the participation by Mr Graham Chipchase until 10 October 2022 in the Brambles Limited MyShare Plan in the manner set out in the Explanatory Notes accompanying this Notice of Meeting be approved for all purposes including the purpose of Australian Securities Exchange Listing Rule 10.14."

## Capital Return

10. "That approval be given, for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes, for Brambles to reduce its share capital by a total of approximately US\$120 million by way of an equal capital reduction, to be effected by the Company paying to each entitled registered holder of fully paid ordinary shares in the Company (as at the record date of Tuesday 15 October 2019) the amount of 12 Australian cents for each fully paid ordinary share held at the record date."

## Extension of On-Market Share Buy-Backs

11. "That for the purposes of section 257C of the Corporations Act and for all other purposes, shareholders authorise and approve the on-market buy-back of up to 240,000,000 fully paid ordinary shares in the Company (representing approximately 15% of the Company's issued shares as at 16 August 2019) in the 12 month period following the approval of this resolution, pursuant to an on-market buy-back conducted in accordance with the requirements of the ASX Listing Rules and the Corporations Act on the terms as described in the Explanatory Notes accompanying this Notice of Meeting."

## Voting Exclusion Statement

Brambles will disregard any votes cast on Resolutions 6 to 9 inclusive by:

- Mr Graham Chipchase and Ms Nessa O'Sullivan (being the only Directors of Brambles eligible to participate in any employee incentive scheme in relation to Brambles); and
- By any of the associates of the persons listed above.

However, Brambles will not disregard a vote if:

- It is cast by any such person as proxy for a shareholder who is entitled to vote, in accordance with the directions on the shareholder voting form; or
- It is cast by the Chairman of the meeting as proxy for a shareholder who is entitled to vote, in accordance with a direction on the shareholder voting form to vote as the proxy decides.

Please refer to the instructions in the How to Vote section of this Notice on pages 15 and 16 for details of how to appoint a proxy for Resolutions 6 to 9.

There are also restrictions on Brambles' Directors and key management personnel<sup>1</sup> voting on Resolutions 2 and 6 to 9 under the Corporations Act. These are explained in the How to Vote section of this notice on pages 15 and 16.

By order of the Board



**Robert Gerrard**  
Company Secretary  
23 August 2019

## Explanatory Notes

**Explanatory Notes on the items of business to be considered at the meeting follow.**

### Item 1

#### Financial Statements

The law requires Directors to lay the Financial Report, Directors' Report and Auditors' Report for the last financial year before the Annual General Meeting (AGM) of shareholders. These reports are in Brambles' 2019 Annual Report. Shareholders will be provided with a reasonable opportunity to ask questions about, or make comments on, Brambles' 2019 Annual Report or about the management of Brambles generally.

### Item 2

#### Remuneration Report

Section 250R(2) of the Corporations Act 2001 (Cth) (the Act) requires a resolution that the Remuneration Report be adopted must be put to the vote at a listed company's AGM. The vote is advisory only and does not bind the Directors or Brambles.

The Remuneration Report, which forms part of the Directors' Report, is set out on pages 29 to 48 of Brambles' 2019 Annual Report. The Remuneration Report sets out Brambles' remuneration policy and reports the remuneration arrangements in place for its Executive Directors, Non-Executive Directors and other key management personnel.

Shareholders will be provided with a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. Noting that each Director has a personal interest in their own remuneration from Brambles, as described in the Remuneration Report, the Board unanimously recommends the adoption of the Remuneration Report.

### Item 3

#### Election of Director

Jim Miller, having been appointed by the Board since the last Annual General Meeting and being eligible, offers himself for election. Prior to his appointment, the Board's Nominations Committee caused appropriate checks to be carried out on Jim relating to his character, education and experience as well as any criminal record or bankruptcy history. None of these checks revealed any adverse information about him. Jim has extensive operational and cross functional supply chain experience in digital technology which complements the Board's existing skills base. The Board unanimously recommends his proposed election. Jim is considered by the Board to be independent in character and judgement and free from any business or other relationship which could interfere, or appear to interfere, with the exercise of his objective, unfettered or independent judgement. Pages 6 and 7 of the 2019 Corporate Governance Statement contains further information on the independence of Directors.

Jim's brief biographical details follow:



**Jim Miller**

Independent Non-Executive Director  
*Member of the Remuneration Committee*

Joined Brambles as a Non-Executive Director in March 2019. Jim has extensive operational and cross functional supply-chain experience in digital technology. He is currently a Non-Executive Director of Wayfair Inc, a US e-commerce company. He has taken a role as interim Chief Technology Officer with Wayfair pending the appointment of a full-time person in that role, which is expected to take place in four to six months' time. In addition, Jim is currently a Non-Executive Director of The RealReal, Inc., also a US e-commerce company. Jim has held a number of senior executive roles including Vice President, Worldwide Operations for Google Inc from 2010 to 2018, where he was responsible for global operations, planning, supply chain and new product introduction for Google's IT infrastructure and Google Fiber. Previously, he was Executive Vice President, Industrial, Automotive and Multi-Media for Sanmina Corporation from 2009 to 2010, where he was responsible for its industrial, clean tech, multimedia and automotive businesses. Prior to that, he held various executive roles for Cisco Systems, Vice President Global Supply Chain for Amazon where he was responsible for the inception of its supply-chain organisation. He has also held various executive roles at IBM and Intel. Jim holds a Bachelor of Science, Aerospace Engineering from Purdue University and a Master of Science and Engineering and a Master of Science and Management from the Massachusetts Institute of Technology.

<sup>1</sup> Key management personnel are Brambles' Non-Executive Directors, Executive Directors, and the other Group executives as disclosed in the Remuneration Report on page 41 of Brambles' 2019 Annual Report.

## Item 4

### Re-election of Director

George El-Zoghbi retires by rotation and offers himself for re-election. The Board carried out a review of George's performance as a Director of Brambles and, as a result of that review, unanimously recommends his proposed re-election. George has been a Director for three years and is considered by the Board to be independent in character and judgement and free from any business or other relationship which could interfere, or appear to interfere, with the exercise of his objective, unfettered or independent judgement. Pages 6 and 7 of the 2019 Corporate Governance Statement contain further information on the independence of Directors.

George's brief biographical details follow:



**George El-Zoghbi**

Independent Non-Executive Director  
*Member of the Nominations  
and Remuneration Committees*

Joined Brambles as a Non-Executive Director in January 2016. George has extensive international consumer packaged goods and supply-chain experience. He is based in Chicago, USA, and is currently a Special Advisor to and a Director of Kraft Heinz Company and a Strategic Advisor to Altimetrika, a US based digital and IT solutions company. He previously served as Chief Operating Officer of US commercial businesses for Kraft Heinz Company from the merger of Kraft Foods Group and H.J. Heinz in July 2015 until October 2017. Prior to that merger, George held a number of key leadership roles at Kraft including Chief Operating Officer. Prior to joining Kraft in 2007, he held a number of executive roles with Fonterra Cooperative and various managerial and sales roles with Associated British Foods. He holds a Diploma of Business, Marketing, as well as a Masters of Enterprise from the University of Melbourne and has also completed an Accelerated Development Program at MC London Business School in the United Kingdom.

## Item 5

### Re-election of Director

Tony Froggatt retires by rotation and offers himself for re-election. The Board carried out a review of Tony's performance as a Director of Brambles and, as a result of that review, unanimously recommends his proposed re-election. Tony has been a Director for 13 years and is considered by the Board to be independent in character and judgement and free from any business or other relationship which could interfere, or appear to interfere, with the exercise of his objective, unfettered or independent judgement. If re-elected, Tony has indicated he intends to retire as a Non-Executive Director of Brambles during his next term of office. Pages 6 and 7 of the 2019 Corporate Governance Statement contain further information on the independence of Directors.

Tony's brief biographical details follow:



**Tony Froggatt**

Independent Non-Executive Director  
*Chairman of the Remuneration  
Committee and Member of the  
Nominations Committee*

Joined Brambles as a Non-Executive Director in June 2006. He is Chairman of Foodbank Australia. Previously, Tony was a Non-Executive Director of Coca-Cola Amatil, AXA Asia Pacific Holdings and Billabong International and was Chief Executive Officer of Scottish & Newcastle plc from May 2003 to October 2007. He began his career with the Gillette Company and has held a wide range of sales, marketing and general management positions in many countries with major consumer goods companies including H.J. Heinz, Diageo and Seagram. He holds a Bachelor of Law from Queen Mary College, London and a Master of Business Administration from Columbia Business School, New York.

## Item 6

### Amendments to the Brambles Limited Performance Share Plan

At the Extraordinary General Meeting of the Company held on 9 November 2006, shareholders approved the Brambles Limited Performance Share Plan and the issue of awards, which are rights to the Company's shares (**Awards**), under that plan for the purpose of Australian Securities Exchange (**ASX**) Listing Rule 7.2, exception 9. At the Annual General Meetings of the Company held on 25 November 2008, 10 November 2011 and 18 October 2017, shareholders approved amendments to the Performance Share Plan. An amendment to the Performance Share Plan was made on 19 August 2014 in accordance with rule 16.3(a) of that plan (which allows the Board to make minor administrative amendments). The Performance Share Plan together with the above amendments is called the **Performance Share Plan** in these Explanatory Notes.

Under the Performance Share Plan, the Board may grant to Brambles senior executives short-term incentive (**STI**) Awards and long-term incentive (**LTI**) Awards.

During the year, the Board Remuneration Committee conducted its annual review of the Company's remuneration structure and policy. As a result of that review the Remuneration Committee recommended to the Board, and the Board approved, two amendments to the terms of the Performance Share Plan subject to obtaining shareholder approval to those amendments. The proposed amendments only affect certain provisions (as detailed below) and all other provisions of the Performance Share Plan remain the same.

A summary of the proposed amendments to the Performance Share Plan (the **Amended Performance Share Plan**), and the reasons for them, are as follows:

- **Holding Lock on LTI Awards:** Currently, the Performance Share Plan grants the Board a general discretion to make an LTI Award or STI Award to eligible employees on any objective special terms which the Board may specify. Under the proposed amendments, an additional discretion is specified such that the Board may also impose disposal restrictions (e.g. a holding lock) to shares issued upon vesting of an Award. Such a restriction would mean that the participant in the Amended Performance Share Plan (**Participant**) whose Award has vested is not able to sell the underlying issued shares until a certain period of time has lapsed after vesting of that Award. The particular details of the disposal restriction will be specified in the terms of each Award. If the Amended Performance Share Plan is approved by shareholders, it is the Board's current intention to impose a one year holding lock on LTI Awards.
- **Dividends on STI Awards:** Currently, if Brambles declares a dividend in the period commencing from the day on which a STI Award is granted to a Participant and ending on the day on which the STI Award vests (**Relevant Dividend**), that Participant is not entitled to receive the Relevant Dividend or any payment in relation to the Relevant Dividend. Under the proposed amendments, a Participant who receives a STI Award will be entitled to payment approximately equal to the amount of the Relevant Dividend, to be paid to the Participant either in cash or shares.

The reasons why these changes are being proposed are set out in Section 2.1 of the Remuneration Report, which is on pages 30 and 31 of Brambles' 2019 Annual Report.

A number of other minor administrative or drafting amendments will be made to the Performance Share Plan in accordance with rule 16.3(a) of that plan.

A clean copy of the existing Performance Share Plan rules and a marked up copy of the Amended Performance Share Plan rules are available on Brambles' website at [www.brambles.com/charters-related-documents](http://www.brambles.com/charters-related-documents).

Each year, the Company makes annual grants of Awards under the Performance Share Plan. The Board will consider the grant of Awards for the 2020 financial year and those Awards will be made after the meeting (**2020 Awards**).

Australian Securities Exchange (**ASX**) Listing Rule 7.1 requires shareholder approval if a company intends to issue equity securities (which includes the grant of Awards) representing more than 15% of its issued capital in any 12 month period unless an exception applies. The applicable exception is contained in ASX Listing Rule 7.2, exception 9, which applies where shareholder approval of the grant of securities under an employee incentive scheme is obtained within three years before the grant of the securities.

As the proposed amendments to the Performance Share Plan comprise changes to certain of its material terms, shareholder approval is being sought for the amendments and the issue of Awards under the Amended Performance Share Plan. The authority granted by Resolution 6 would mean that the Company can grant Awards under the Amended Performance Share Plan without detracting from its ability to otherwise issue shares or other securities up to the limit permitted by the ASX Listing Rules.

ASX Listing Rule 7.2 requires this Notice of Meeting to include the following specified information in relation to the Awards to be granted under the Amended Performance Share Plan:

#### **A summary of the terms of the Amended Performance Share Plan**

See Annexure A to these Explanatory Notes.

#### **The number of securities issued under the Performance Share Plan since the date of last approval**

As at 16 August 2019, being the latest practicable day prior to the publication of this Notice of Meeting, 4,679,582 Awards had been granted under the current Performance Share Plan since 18 October 2017, being the date of last approval. No Awards have been granted under the Amended Performance Share Plan.

#### **A voting exclusion statement**

Please see the Voting Exclusion Statement for Resolutions 6 to 9 in the Notice of Meeting.

Noting the interests of Graham Chipchase and Nessa O'Sullivan, the independent Directors of the Board unanimously recommend the approval of the amendments to the Performance Share Plan and the issue of Awards under the Amended Performance Share Plan.

#### **Items 7 and 8**

#### **Participation of Executive Directors in the Performance Share Plan or the Amended Performance Share Plan**

At the 23 October 2018 AGM, Brambles obtained shareholder approval under ASX Listing Rule 10.14 for grants of Awards under the Performance Share Plan to Graham Chipchase and Nessa O'Sullivan, each an Executive Director, until the 2019 AGM.

As the Company wishes to amend the Performance Share Plan (as described in item 6 above), shareholder approval under ASX Listing Rule 10.14 is being sought for the issue of shares to Graham Chipchase and Nessa O'Sullivan under:

- the Amended Performance Share Plan, if approval of the amendments to the Performance Share Plan under Resolution 6 is obtained; or
- the existing Performance Share Plan if approval of the amendments to the Performance Share Plan under Resolution 6 is not obtained.

ASX Listing Rule 10.15A requires the following specified information to be disclosed in relation to the Awards to be granted to Graham Chipchase and Nessa O'Sullivan under the Amended Performance Share Plan or the Performance Share Plan, as the case may be. Unless otherwise stated, the specified information below applies to both the Performance Share Plan and the Amended Performance Share Plan:

- (a) the maximum number of securities that may be acquired by Graham Chipchase and Nessa O'Sullivan including the formula (if one is used) for calculating the number of securities to be issued - two types of annual Awards will be granted under the Amended Performance Share Plan or the Performance Share Plan, as the case may be:
  - short term incentive Awards (**STI Awards**), which will vest two years from the date they are granted subject to Mr Chipchase and Ms O'Sullivan each being an employee of the Group at the end of that two year period; and

- long term incentive awards (**LTI Awards**), which will vest three years from the date they are granted subject to Mr Chipchase and Ms O'Sullivan each being an employee of the Group at the end of that three year period and the requisite performance conditions being met. LTI Awards will be measured against the following three performance conditions:
  - One quarter of the LTI Awards will be measured on relative total shareholder return performance as against the top 100 ASX companies;
  - One quarter of the LTI Awards will be measured on relative total shareholder return performance as against the 50 companies either side of Brambles' rolling 12 month average market capitalisation on the MSCI World Industrials Index; and
  - The remaining half of the LTI Awards will be measured against the achievement of sales revenue targets with three year performance hurdles set on a compound annual growth rate (CAGR) basis. The sales revenue CAGR are underpinned by a return on capital invested (ROCI) hurdles to maintain quality of earnings.

Each year, the Board's Remuneration Committee will set annual STI Award performance objectives for various financial metrics at a "threshold" (the minimum necessary to qualify for the awards), "target" (when the performance target is met) and "maximum" (when targets have been significantly exceeded and the award has reached its upper limit) level as well as STI Award personal strategic objectives. At the end of each year, the Remuneration Committee will assess the achievement of those objectives and whether threshold, target or maximum performance has been achieved. Details of the financial and personal strategic objectives and the achievement of those objectives for each year are set out in Brambles' Remuneration Report in its 2019 Annual Report (e.g. the performance objectives and the achievement against those objectives for the year ended 30 June 2019 are set out on pages 36 and 37 of Brambles' 2019 Annual Report).

The number of STI Awards that will be granted to Graham Chipchase and Nessa O'Sullivan each year under the terms of their respective service agreements will be the specified percentage of their respective base salary set out in the table below based on whether threshold, target or maximum performance is achieved in the relevant year, divided by the volume weighted average price for the Company's shares for the five trading days up to and including the date of grant at the time of the grant (the **STI Formula**).

STI Awards: Performance Against Annual Targets	Graham Chipchase % of base salary	Nessa O'Sullivan % of base salary
Threshold	35	35
Target	60	60
Maximum	90	90

Under the Amended Performance Share Plan, for STI Awards granted for the 2020 financial year, if Brambles declares a Relevant Dividend, Graham Chipchase and Nessa O'Sullivan will each be entitled to receive the following number of Brambles shares (**Dividend Equivalent Shares**) in respect of each Relevant Dividend (**DE Formula**):

$$\text{Dividend Equivalent Shares} = (\text{RD Amount} \times \text{N}) / \text{VWAP}$$

Where:

RD Amount = the amount per share of the Relevant Dividend;  
N = the number of STI Awards to which the Relevant Dividend relates and granted to Graham Chipchase or Nessa O'Sullivan, as the case may be; and

VWAP = the volume weighted average price for the Company's shares for the five trading days up to and including the date of issue of the Dividend Equivalent Shares.

(There is no entitlement to Dividend Equivalent Shares under the Performance Share Plan.)

The number of LTI Awards made to Graham Chipchase and Nessa O'Sullivan will be 130% of his or her base salary divided by the volume weighted average price for the Company's shares for the five trading days up to and including the date of grant at the time of the grant (the **LTI Formula**). The LTI Awards to be granted for the 2020 financial year will have a three year performance period commencing 1 July 2019 and ending 30 June 2022 and the vesting matrix for the sales revenue CAGR targets and ROCI performance condition component of those awards is as follows:

Vesting %	ROCI		
	Sales revenue CAGR	16.5%	18.0%
2%	-	20%	60%
3%	20%	40%	80%
4%	40%	60%	100%
5%	60%	80%	100%
6%	80%	100%	100%

The sales revenue CAGR and ROCI targets in above matrix were set by the Remuneration Committee having regard to the Company's Remuneration Policy (outlined in Section 2 of the Remuneration Report, which is on pages 30 and 31 of Brambles' 2019 Annual Report) as well as Brambles' three-year plan for its strategic priorities and financial objectives. The vesting schedule is not intended to be, and should not be relied on by current or potential Brambles shareholders as, forecasts of future performance.

- (b) The price (including a statement whether the price will be, or will be based on, the market price) or the formula for calculating the price for each security to be acquired under the Amended Performance Share Plan or the Performance Share Plan, as the case may be – see the STI Formula, the LTI Formula and, for the Amended Performance Share Plan only, the DE Formula set out above, each of which are based on the market price of the Company's shares.
- (c) The names of all Directors and their associates who received securities under the Performance Share Plan and the Amended Performance Share Plan since the last approval, the number of securities received and the acquisition price for each security – As the Amended Performance Share Plan has not been approved by shareholders, there have been no Awards issued under the Amended Performance Share Plan. No Awards have been received by Graham Chipchase or Nessa O'Sullivan under the Performance Share Plan since it was last approved by shareholders on 23 October 2018. This is because the Awards to be granted for the 2020 financial year would ordinarily have taken place during September 2019 pursuant to the approval of shareholders at the 23 October 2018 AGM. The Board has, however, postponed the granting of those Award until after the 2019 AGM pending the outcome of resolutions 6, 7 and 8. Going forward, Awards will be granted after each year's AGM (and subject to obtaining the necessary shareholder approvals for those grants).
- (d) The names of all Directors and their associates entitled to participate in the Amended Performance Share Plan and the Performance Share Plan – Graham Chipchase and Nessa O'Sullivan are the only Directors currently entitled to participate in the Performance Share Plan and the Amended Performance Share Plan.
- (e) A voting exclusion statement – see Voting Exclusion Statement for Resolutions 6 to 9 in the Notice of Meeting. You should also read the instructions in the How to Vote section of this Notice on pages 15 and 16.
- (f) The terms of any loan in relation to the acquisition of the securities – this is not applicable.
- (g) Details of any securities issued under the Amended Performance Share Plan or the Performance Share Plan, as the case may be, will be published in each Annual Report of Brambles relating to a period in which securities have been issued, with a statement that approval for issue of the securities was obtained under ASX Listing Rule 10.14.

Any Directors or their associates may not participate until shareholder approval of their participation is obtained under ASX Listing Rule 10.14.

Graham Chipchase's and Nessa O'Sullivan's participation in the Amended Performance Share Plan or the Performance Share Plan, as the case may be, being consistent with the participation of other senior executives of Brambles in those plans, is unanimously recommended to shareholders by the independent Directors of the Board. If approved, Awards under the Amended Performance Share Plan or the Performance Share Plan, as the case may be, may be issued to Graham Chipchase and Nessa O'Sullivan until the 2020 Annual General Meeting.

## Item 9

### Participation of Executive Director in the MyShare Plan

Under the terms of his employment contract, Graham Chipchase is entitled, subject to obtaining shareholder approval, to participate in Brambles' employee share plans.

ASX Listing Rule 10.14 requires shareholder approval for an issue of securities to a director under an employee incentive scheme.

Graham Chipchase became an employee of the Company on 1 January 2017 and a director of the Company on 20 February 2017. At the 16 November 2016 AGM, Brambles obtained shareholder approval under ASX Listing Rule 10.14 for participation by Mr Chipchase in the Company's MyShare Plan, until 16 November 2019. Shareholder approval for his continued participation in the MyShare Plan is therefore being sought under this rule.

ASX Listing Rule 10.15A requires the following specified information to be disclosed in relation to the shares to be issued to Graham Chipchase under the MyShare Plan:

- (a) The maximum number of securities that may be acquired by Graham Chipchase including the formula (if one is used) for calculating the number of securities to be issued - the maximum number of securities each month will be determined by the following formula:

$$(A\$6,000/12)/MP$$

where MP is the market price of Brambles shares acquired on the ASX on the last trading day of the relevant month during the applicable MyShare Plan year (the **MyShare Formula**).

The following is a worked example of the application of this formula for a MyShare Plan year. It assumes that Graham Chipchase contributes the maximum amount of A\$6,000 for that year, that the market price (i.e. MP in the MyShare Formula) of Brambles shares on the last trading day of each month of that year is A\$12.66 (being the closing price of those shares on 16 August 2019, the latest practicable day prior to the publication of this Notice of Meeting), and that the matching ratio is 1:1.

$$\text{Monthly contribution} = A\$6,000/12 = A\$500$$

$$\text{Number of Acquired Shares for MyShare Plan year} = A\$500/A\$12.66 \times 12 = 474$$

$$\text{Number of Matched Shares for MyShare Plan year} = 474$$

The actual number of Acquired Shares and Matched Shares which Graham Chipchase would acquire will depend on the actual monthly contribution and market price of Brambles shares on the last trading day of each month of the relevant MyShare Plan year and so may be higher or lower than the amounts in the above example.

- (b) The price (including a statement whether the price will be, or will be based on, the market price) or the formula for calculating the price for each security to be acquired under the MyShare Plan – see the MyShare Formula set out above which is based on the market price of the Company's shares.
- (c) The names of all Directors and their associates who received securities under the MyShare Plan since the last approval, the number of securities received and the acquisition price for each security – Graham Chipchase acquired the following Acquired Shares and Matched Share Rights under the MyShare Plan since it was last approved by shareholders on 16 November 2016.

Type of Security	No. Shares/ Rights	Acquisition Price (A\$)
Acquired Shares	45	\$9.40
Acquired Shares	43	\$10.29
Acquired Shares	43	\$10.49
Acquired Shares	44	\$9.85
Acquired Shares	46	\$9.26
Acquired Shares	46	\$9.27
Acquired Shares	49	\$9.03
Acquired Shares	47	\$9.47
Acquired Shares	44	\$10.20
Acquired Shares	45	\$10.07
Acquired Shares	46	\$9.87
Acquired Shares	48	\$9.64
Acquired Shares	44	\$10.07
Acquired Shares	46	\$9.87
Acquired Shares	48	\$9.09
Acquired Shares	49	\$8.92
Acquired Shares	44	\$9.86
Acquired Shares	39	\$10.96
Acquired Shares	41	\$10.99
Acquired Shares	42	\$10.64
Acquired Shares	41	\$10.50
Acquired Shares	43	\$10.25
Acquired Shares	42	\$10.70
Acquired Shares	38	\$11.77
Acquired Shares	35	\$11.96
Acquired Shares	34	\$12.06
Acquired Shares	34	\$12.09
Acquired Shares	32	\$12.91
Acquired Shares	31	\$13.09
Matched Share Rights	1,229	Nil

Nessa O'Sullivan acquired the following Acquired Shares and Matched Share Rights under the MyShare Plan since it was last approved by shareholders on 18 October 2017.

Type of Security	No. Shares/ Rights	Acquisition Price (A\$)
Acquired Shares	46	\$9.87
Acquired Shares	47	\$9.09
Acquired Shares	49	\$8.92
Acquired Shares	44	\$9.86
Acquired Shares	40	\$10.96
Acquired Shares	40	\$10.99
Acquired Shares	42	\$10.64
Acquired Shares	42	\$10.50
Acquired Shares	43	\$10.25
Acquired Shares	41	\$10.70
Acquired Shares	38	\$11.77
Acquired Shares	35	\$11.96
Acquired Shares	34	\$12.06
Acquired Shares	35	\$12.09
Acquired Shares	31	\$12.91
Acquired Shares	31	\$13.09
Matched Share Rights	638	Nil

No other Directors of Brambles have participated in the MyShare Plan.

- (d) The names of all Directors and their associates entitled to participate in the MyShare Plan – Graham Chipchase and Nessa O'Sullivan are the only Directors currently entitled to participate in the MyShare Plan. Graham Chipchase and Nessa O'Sullivan will be the only Directors entitled to participate in the MyShare Plan after the approval of Resolution 9.
- (e) A voting exclusion statement – see Voting Exclusion Statement for Resolutions 6 to 9 in this Notice of Meeting. You should also read the instructions in the How to Vote section of this Notice on pages 15 and 16.
- (f) The terms of any loan in relation to the acquisition of the securities – this is not applicable.
- (g) A statement that securities issued under the scheme will be published in each annual report – details of any securities issued under the MyShare Plan will be published in each Annual Report of Brambles relating to a period in which securities have been issued, with a statement that approval for issue for the securities was obtained under ASX Listing Rule 10.14.

Any Directors or their associates, other than Graham Chipchase (who became entitled to participate in the MyShare Plan after the approval of Resolution 7 at the 2016 Annual General Meeting) and Nessa O'Sullivan (who became entitled to participate in the MyShare Plan after the approval of Resolution 11 at the 2017 Annual General Meeting) may not participate until shareholder approval of their participation is obtained under ASX Listing Rule 10.14.

Graham Chipchase's continued participation in the MyShare Plan, being consistent with the participation of other senior executives of Brambles in that plan, is unanimously recommended to shareholders by the independent Directors of the Board. If approved, securities under the MyShare Plan may only be issued to Graham Chipchase until 10 October 2022.

## Item 10 Capital Return

### Background

On 25 February 2019, Brambles announced that it would be selling its IFCO RPC pooling business for US\$2.5 billion (the **IFCO Sale**) and that it would return approximately US\$300 million of those proceeds to Brambles shareholders by way of a pro-rata return of cash of 29 Australian cents per ordinary share held on the record date (being 15 October 2019) (the **Record Date**), (the **Special Distribution**). To effect the Special Distribution, Brambles proposes to:

- Subject to the approval of Resolution 10, reduce its share capital by a total of approximately US\$120 million (the **Capital Return**) by returning to eligible shareholders the amount of 12 Australian cents per ordinary share held on the Record Date; and
- reduce its retained earnings by approximately US\$180 million (the **Special Dividend**) by paying a special dividend of 17 Australian cents per ordinary share held on the Record Date. The Special Dividend will be paid in addition to Brambles' final dividend for the year ended 30 June 2019 and whether or not Resolution 10 is approved by shareholders.

The Capital Return will be effected by way of an equal reduction of capital under Chapter 2J.1 of the Corporations Act. The Capital Return and the Special Dividend will be funded by the proceeds of the IFCO Sale.

### What are the reasons for the Capital Return?

The IFCO sale generated cash proceeds of US\$2.5 billion before transaction costs. In determining how to use those proceeds, the Board undertook a detailed review as to how it should manage Brambles' capital position going forward. In conducting that review, Directors considered Brambles' future cash flow projections, its existing business growth opportunities and potential future strategic initiatives, the maintenance of its solid investment grade rating, its current and projected net debt position and its key financial targets (set out on page 13 of Brambles' 2019 Annual Report). The outcome of that review was a decision to propose the Capital Return (and the Special Dividend) because the Directors consider that, post the receipt of the proceeds from the IFCO Sale, Brambles has surplus capital at this point in time.

### What is the effect of the Capital Return on Brambles?

1. Effect on capital structure: If the Capital Return is implemented, Brambles' issued share capital will be reduced by approximately US\$120 million, being 12 Australian cents per fully paid ordinary share. (In addition, Brambles' retained earnings will be reduced by the Special Dividend of approximately 17 Australian cents per fully paid ordinary share.) As no shares will be cancelled in connection with the Capital Return, the Capital Return will not affect the number of shares held by each shareholder or the control of Brambles. Brambles will continue to have approximately 1,588,798,227 fully paid ordinary shares on issue at 16 August 2019 (being the latest practicable day prior to the publication of this Notice of meeting), reduced by the number of fully paid ordinary shares it acquires and cancels under its buy-back programme (see the Chairman's Letter on page 2 and the Explanatory Notes for Item 11 on page 11 and 12 respectively of this Notice).
2. Impact on existing business and growth opportunities: the Board considers that the Capital Return will not adversely affect Brambles' capacity to fund or pursue existing business and growth opportunities.

3. Share price impact: If the Capital Return is implemented, Brambles shares are likely to trade at a lower share price than they would have done had the Capital Return not been implemented (reflecting that capital is being returned to shareholders). This is likely to occur from the 'ex' date, being the day that Brambles shares trade without an entitlement to participate in the Capital Return.
4. Tax implications: No adverse tax consequences are expected to arise for Brambles as a result of the Capital Return.

### What approvals are required?

The Capital Return will constitute an equal capital reduction for the purposes of the Corporations Act as:

- a) it relates only to ordinary shares;
- b) it applies to each holder of ordinary shares in proportion to the number of ordinary shares they hold; and
- c) the terms of the reduction will be the same for each holder of ordinary shares.

Section 256B(1) of the Corporations Act permits a company to reduce its share capital, including by returning capital in cash or in kind, if the reduction:

- a) is fair and reasonable to Brambles shareholders as a whole;
- b) does not materially prejudice the Brambles' ability to pay its creditors; and
- c) is approved by shareholders under section 256C.

Resolution 10 seeks the approval of the shareholders as required under section 256C.

### Is the Capital Return fair and reasonable to shareholders?

The Directors consider that the Capital Return is fair and reasonable to Brambles shareholders as it will be available to all ordinary shareholders equally having regard to the number of ordinary shares in Brambles held by each of them at the Record Date.

### Is there any material prejudice to creditors?

The Directors have carefully reviewed Brambles' assets, liabilities and expected cash flows, and believe that the Capital Return will not materially prejudice Brambles' ability to pay its creditors. The Directors have also satisfied themselves as to the solvency of Brambles following the implementation of the Capital Return.

### Tax implications for shareholders

The information set out below relates to the Capital Return and the Special Dividend, is general in nature and should not be relied upon as advice.

Tax implications for eligible shareholders will depend on the circumstances of the particular shareholder. All shareholders should therefore seek their own professional advice in relation to their tax position. Neither Brambles nor any of its officers, employees or advisers assumes any liability or responsibility for advising shareholders about the tax consequences of the Capital Return or Special Dividend.

Brambles is currently seeking an ATO Class Ruling to confirm the income tax consequences for entitled shareholders who are tax residents of Australia. It is expected that:

- a) Although the ATO has not finalised the Class Ruling, and will not formally publish the Class Ruling until after the AGM (see below), it has indicated to Brambles that the ruling will apportion the Special Distribution between capital (the Capital Return) and income (the Special Dividend) at approximately 40% capital and 60% income;

- b) For shareholders who are tax residents of Australia and who hold their shares on capital account, there should be no immediate tax liability for most shareholders relating to the Capital Return (the tax cost base of shares is instead reduced, thereby deferring any tax payable by shareholders until they dispose of their shares unless little or no tax cost base exists, in which case the cash receipt will give rise to a capital gain). The Special Dividend will be assessable income of the shareholders, will be unfranked and declared to be conduit foreign income; and
- c) Shareholders who are not tax residents of Australia should seek specific advice in relation to the tax consequences arising from the Capital Return and Special Dividend under their own local laws.

The final version of the Class Ruling will be published on the ATO website. The ATO has indicated to Brambles that, subject to shareholders approving the Capital Return, it will publish the Class Ruling after the AGM. Brambles will make an announcement when the final Class Ruling is published and display the final Class Ruling on its website as soon as it becomes available.

#### Payment details and rounding

The amount payable in respect of each fully paid ordinary share in Brambles on issue on the Record Date for the Capital Return will be 12 Australian cents per fully paid ordinary share. Amounts payable to shareholders will be rounded up or down to the nearest cent, applying standard rounding techniques.

If the Capital Return is approved by shareholders, payment will be made to entitled shareholders according to payment elections provided to Brambles' share registry, Boardroom Pty Limited.

#### Timetable for the Capital Return

Subject to shareholder approval, the proposed Capital Return and Special Dividend are expected to take effect in accordance with the following timetable\*:

Event	Date
Annual general meeting and Capital Return approval	Thursday 10 October 2019
Trading on an 'ex return of capital' basis starts	Monday 14 October 2019
Trading on an 'ex dividend' basis starts	
Record Date for determining entitlement to participate in Capital Return and Special Dividend	Tuesday 15 October 2019
Implementation of the Capital Return	Tuesday 22 October 2019

\*All dates and times are indicative only. Brambles reserves the right to vary these dates and times.

#### Are there any reasons to vote against Resolution 10?

The Directors believe that the Capital Return is in Brambles' best interests for the reasons set out in this notice.

You may wish to vote against Resolution 10 for various reasons, for example if you believe that Brambles should retain the amount of the Capital Return to fund business reinvestment, future growth opportunities or strategic initiatives or use the funds in a different way.

#### Directors' interests

As at the date of the notice, the following Directors have an interest in the Capital Return as they are shareholders of Brambles:

Director	Interest
Graham Chipchase	32,753 ordinary shares
George El-Zoghbi	35,000 ordinary shares
Elizabeth Fagan	20,000 ordinary shares
Tony Froggatt	14,890 ordinary shares
David Gosnell	22,910 ordinary shares
Tahira Hassan	15,000 ordinary shares
Stephen Johns	61,049 ordinary shares
Brian Long	24,000 ordinary shares
Nessa O'Sullivan	911 ordinary shares
Scott Perkins	20,000 ordinary shares

#### Lodgement

In accordance with section 256C(5) of the Corporations Act, a copy of this notice has been lodged with the Australian Securities and Investments Commission.

#### Item 11

#### Extension of On-Market Share Buy-Backs

##### Background

On 25 February 2019, Brambles announced that it would conduct an on-market buy-back of up to US\$1.65 billion, representing up to 159,115,225 fully paid ordinary Brambles shares, being 10% of Brambles' lowest issued share capital in the 12 months prior to 25 February 2018 (the **Buy-Back**).

Brambles is now seeking approval to allow the extension of the Buy-Back to up to 15% of its shares (including any shares bought back prior to the meeting under the current Buy-Back) over the 12 months to 10 October 2020.

This will give Brambles flexibility in the conduct of its capital management initiatives should Brambles decide that extending the Buy-Back is in the best interests of shareholders. Approval to extend the Buy-Back under Item 11 does not oblige Brambles to undertake any buy-backs. At this stage, no decision has been made as to whether or not to buy back shares beyond the initial target of up to US\$1.65 billion or, if the Buy-Back is continued, the number of shares to be bought back.

##### Reason for Shareholder approval

The Corporations Act permits a company to buy back shares in itself, provided the buy-back does not materially prejudice the company's ability to pay its creditors and provided also that the company complies with the procedures specified in the Corporations Act. A company is entitled to buy back shares on-market without shareholder approval, provided that the total number of shares bought back does not exceed 10% of the smallest number of votes attaching to voting shares on issue during the previous 12 months (the **10/12 Limit**). On-market buy-backs exceeding the 10/12 Limit require shareholder approval under section 257C(1) of the Corporations Act.

##### Number of shares to be bought back

During the period between 4 June 2019 and 21 June 2019, Brambles bought back a total of 6,039,299 shares, representing approximately 0.38% of the Company's issued shares, at a value of A\$77,238,951 million.

Without approval under Item 11, Brambles' entitlement to buy-back shares on-market would be capped at 159,115,225 shares, being 10% of the lowest number of Brambles shares on issue in the 12 months to 25 February 2019.

If approval is granted under Item 11, Brambles will be authorised by shareholders to undertake further on-market buy-backs of up to 240,000,000 shares, being approximately 15% of Brambles' shares on issue as at 16 August 2019 (being the latest practicable day prior to the publication of this Notice of Meeting), over the 12 months from 10 October 2019 to 10 October 2020.

The number and percentage of shares to be bought back will be determined based on the share price, market conditions and alternative capital deployment opportunities over the period of the Buy-Back.

#### Offer price

The price to be paid by Brambles for shares purchased under the Buy-Back will be the then-prevailing market price on the ASX. However, the ASX Listing Rules provide that the price at which Brambles buys back shares on-market must not be more than 5% above the average market price (as that term is defined in the ASX Listing Rules) over the last five days on which sales were recorded on the ASX before the day on which shares are to be bought back.

#### Current price

To provide an indication of the recent market price of Brambles shares, the closing price on 16 August 2019 (being the last practicable day prior to the finalisation of this Notice of Meeting) was A\$12.66. The highest and lowest market sale prices for Brambles shares on the ASX during the previous three months were as follows:

Month	Low	High
June 2019	A\$12.08	A\$13.09
July 2019	A\$12.15	A\$13.12
Up to 16 August 2019	A\$12.66	A\$13.31

#### Particulars of the terms of the Buy-Back

The usual rules for settlement of transactions which occur on market on the ASX will apply in respect of the shares acquired under the Buy-Back. All shares which are bought back will be cancelled immediately upon settlement of the trade.

#### Reasons for the Buy-Back

The IFCO Sale generated cash proceeds of US\$2.5 billion before transaction costs. After determining funds required to pay taxes and transaction costs on the IFCO Sale and conducting a detailed review of Brambles capital management requirements going forward, the Board determined that US\$1.65 billion of those proceeds should be returned to shareholders by way of an on-market share buy-back programme and that this would provide the most benefit to shareholders.

#### Effect on Brambles

Brambles will proceed with buy-backs beyond the 10/12 Limit under this approval only if the Board believes that this could be undertaken in the best interests of shareholders and is consistent with Brambles' approach to capital management, as well as broader market conditions and alternative investment opportunities.

Extending the Buy-Back is not expected to pose any significant disadvantage to shareholders. Further, Brambles' ability to pay its creditors will not be materially prejudiced by Brambles undertaking the extended Buy-Back.

In making their decision on how to vote on Item 11, shareholders should be aware that any shares bought back by Brambles would result in a reduction in the number of ordinary shares on issue. As at 16 August 2019 (being the last practicable day prior to the finalisation of this Notice of Meeting), Brambles had 1,588,798,227 shares on issue. Given the maximum number of shares that could be bought back under the extended buy-back, it is not expected that the buy-back will result in a material change in the control of or liquidity in Brambles shares.

The consideration paid under any buy-backs undertaken would be cash and all shares bought back would be cancelled, thus reducing Brambles' share capital. Any buy-backs will be funded from the proceeds of the IFCO Sale.

As shares will be purchased on-market under any buy-backs, no part of the buy-back price would be treated as a dividend for taxation purposes in the hands of a shareholder and there will be no franking credits attached to the payment of the buy-back price. Provided that Brambles is not franking its ordinary share dividends in the six month period in which any buy-back occurs, the buy-back will not have an impact on Brambles' franking account.

#### Advantages and disadvantages of the Buy-Back

The potential advantages of the Buy-Back include:

- optimising value for shareholders where the shares are trading below their intrinsic value;
- by reducing the number of securities on issue, the Buy-Back is likely to be accretive to overall earnings per share;
- returning excess funds to shareholders and reducing excess cash holdings; and
- facilitating a more active market in Brambles' shares.

The potential disadvantages of the Buy-Back include:

- the Buy-Back will reduce Brambles' available cash which could adversely impact Brambles' ability to acquire new assets, fund new business or other growth opportunities or strategic initiatives or pay dividends to shareholders;
- after the Buy-Back is completed, there will be a reduction in the number of shares on issue which may decrease liquidity of Brambles' shares traded on the ASX.

#### Directors' interests

As at the date of this Notice of Meeting, the following Directors have an interest in the Buy-Back as they are shareholders of Brambles:

Director	Interest
Graham Chipchase	32,753 ordinary shares
George El-Zoghbi	35,000 ordinary shares
Elizabeth Fagan	20,000 ordinary shares
Tony Froggatt	14,890 ordinary shares
David Gosnell	22,910 ordinary shares
Tahira Hassan	15,000 ordinary shares
Stephen Johns	61,049 ordinary shares
Brian Long	24,000 ordinary shares
Nessa O'Sullivan	911 ordinary shares
Scott Perkins	20,000 ordinary shares

As required by the Corporations Act, Brambles has set out in these Explanatory Notes all information known to Brambles that is material to the decision on how to vote on the resolution in respect of the Buy-Back.

## Annexure A - Summary of the Amended Performance Share Plan

Awards are rights to Brambles Limited Shares. Two types of awards can be made under the Performance Share Plan:

1. STI Awards – under which participants who receive a cash annual employment bonus (“STI Cash Award”) in respect of a financial year may also receive a bonus in the form of an award over Brambles Limited Shares. STI Awards may also be granted to employees who do not ordinarily receive an STI Cash Award; and
2. LTI Awards – which are long-term incentives, the vesting of which is subject to performance conditions. The Remuneration Committee of Brambles Limited will determine the number of shares subject to an LTI Award.

When the Remuneration Committee of Brambles Limited makes an award, it will determine whether the award will take the form of a conditional right, a share right and/or a phantom award. A share right, once vested, must be exercised in order for the holder to become unconditionally entitled to the underlying shares. Once a conditional right vests, the holder is unconditionally entitled to the underlying shares without taking any further action. Recipients of phantom awards can only ever receive a cash amount, and cannot obtain the underlying shares in any circumstances.

### Eligibility

The Remuneration Committee of Brambles Limited may select to participate in the plan any employee of Brambles Limited or its subsidiaries or relevant joint venture companies (“Employer Group”) who is not within six months of the date on which they are bound to cease employment under the terms of their contract of employment or has not given or been given notice terminating their employment. In practice it is intended that the plan will generally be extended to the most senior executives in the Group.

### Timing of grants

Awards will normally only be granted within 42 days after the announcement by Brambles Limited of its results for any period, or at other times in exceptional circumstances.

### Limits on awards to any one person

The market value of Brambles Limited Shares subject to STI Awards and LTI Awards made to any person in any financial year, shall not be more than two and a half times their base salary. However, the Remuneration Committee of Brambles Limited may increase this limit to three times base salary in exceptional circumstances.

For all participants, the number of Brambles Limited Shares subject to awards each year will be a specified percentage of their respective base salary for that year divided by the volume weighted average price for the Company’s shares for the five trading days up to and including the date of grant at the time of the grant.

### STI Awards

Participants who receive an STI Cash Award in respect of a financial year may also receive a bonus in the form of an award over Brambles Limited Shares (the latter being in the form of an STI Award). STI Awards may also be granted to employees who do not ordinarily receive an STI Cash Award. An STI Award normally only vests two years after grant and if the participant is still employed in the Employer Group. Participants who

receive an STI Award will also be entitled to receive payments in respect of the dividends paid by Brambles Limited for the shares underlying their STI Award during the two-year vesting period. These payments will be by way of either cash or shares.

### LTI Awards

The Remuneration Committee of Brambles Limited may grant any eligible employee an LTI Award. An LTI Award normally only vests three years after grant, to the extent that the performance condition is met and if the employee is still employed in the Employer Group. (See sections below regarding leavers and changes of control). LTI Awards which have not vested at the end of the performance period will lapse.

The percentage of Brambles Limited Shares subject to an LTI Award which vest will be determined in accordance with a prescribed formula.

The vesting of LTI Awards under the Amended Performance Share Plan is subject to the following performance conditions:

- one quarter of the LTI Awards will be subject to a vesting condition based on the total shareholder return (TSR) of Brambles Limited compared to the TSR of the companies in the S&P/ASX100; and
- one quarter of the LTI Awards will be subject to a vesting condition based on the TSR of Brambles Limited compared to the 50 companies either side of Brambles’ rolling 12 month average market capitalisation on the MSCI World Industrials Index; and
- half of the LTI awards will be subject to a vesting condition based on the achievement of sales revenue targets with three year performance hurdles set on a compound annual growth rate basis. The sales revenue growth elements will be underpinned by return on capital invested hurdles to ensure quality of earnings is maintained at a strong level.

The TSR calculations will be based on average daily closing share prices in the three months immediately preceding the start and the three months immediately preceding the end of the performance period.

### Leaving employment

An unvested award will only lapse if the employee ceases to be employed in the Employer Group as a result of resignation or termination by the Company for gross misconduct or poor performance. Awards will not lapse if the employee leaves employment for any other reason (known as “good leavers”) unless the Board determines otherwise within 60 days of the employee leaving employment. In such cases, STI Awards will continue in effect until they vest (unless a portion is deemed to vest early to satisfy any tax liability that might arise upon the employee leaving employment) and other awards will continue in effect until the end of the performance period and will vest to the extent the performance condition is then satisfied. The number of Brambles Limited Shares in respect of which LTI Awards will vest will be reduced in these circumstances to reflect the portion of the performance period during which the employee was in employment.

In all other cases where the employee leaves employment, vested share rights remain exercisable up to and including the first anniversary of the leaving date, and the Brambles Limited Shares underlying a vested conditional right will be transferred to the employee as soon as possible (even where the employee has left before the transfer occurs).

### Overall limits

No award shall be granted under the Performance Share Plan if it would cause the number of Brambles Limited Shares which may be issued under that award, when aggregated with the number of Brambles Limited Shares which:

- (a) may be issued under any other outstanding award granted under the Performance Share Plan and all other employee incentive schemes; and
- (b) have been issued in the previous five years under the Performance Share Plan or under any other employee incentive scheme (including employee incentive schemes of BIL and BIP),

to exceed 5% of the ordinary share capital of Brambles Limited at the time of the grant, after taking account of awards and issues which may be excluded for the purpose of calculating that 5% limit. This limit is included to take advantage of certain regulatory exemptions in Australia (and reflects the limit in ASIC Class Order 14/1000).

### Change of control

If there is a takeover or reconstruction or similar transaction affecting the Brambles Group, awards may vest early. The Remuneration Committee of Brambles Limited, acting fairly and reasonably, will decide the extent to which awards will vest, having regard to the length of time between the start of the performance period and the relevant event and the extent to which the performance conditions have been met up to that point, and the portion of the performance period during which the employee was employed.

Alternatively, awards may be exchanged for equivalent awards over shares in an acquiring company subject to the consent of that company.

### Variations of capital

If there is a variation in Brambles Limited share capital (such as a bonus or rights issue) or if a transaction occurs which would affect the value of awards (for example, a demerger), the Remuneration Committee of Brambles Limited may adjust the number and/or description of shares subject to awards to reflect the variation or transaction in such manner as it considers is appropriate (and subject to the listing rules of the ASX).

### Other terms

- An employee is not required to pay anything for the grant of an award unless the Board of Brambles Limited decides otherwise.
- The Board may cancel any Award which has been granted but which has not vested in a number of circumstances, including:
  - if the Board reasonably considers that the Participant has engaged or participated in conduct which adversely affects, or is likely to adversely affect, the Company's financial position or reputation;
  - to protect the financial soundness of the Company;
  - to respond to unforeseen or exceptional events; and
  - as a result of any other subsequent or adverse development following the grant of an Award.
- Benefits under the Performance Share Plan will not count for the purposes of an employee's pension or superannuation rights and cannot be transferred, assigned or otherwise disposed of.
- Employees have no interest in, and will not receive any dividends on shares subject to awards until they vest and, if relevant, are exercised. (Recipients of phantom awards can only ever receive a cash amount, and cannot obtain the underlying shares in any circumstances.)
- Shares allotted to satisfy awards will rank equally with other shares of the same class in issue on the date of allotment except for rights arising before such allotment. Application will be made for shares to be quoted on the ASX.
- No awards may be granted more than ten years after the last approval of the Performance Share Plan by Shareholders.
- Awards may be satisfied by the issue of new shares, the transfer of existing shares or, where a phantom award has been made, in cash.
- Awards will always lapse, at the latest, six years after grant.

### Amendment

The Board of Brambles Limited may alter the Performance Share Plan at any time, but amendments to the main terms of the Performance Share Plan (that is, those relating to eligibility, individual and plan limits, terms of vesting of awards and adjustments to awards) which are to the advantage of participants or eligible employees will require the prior approval of Brambles Limited Shareholders.

The approval of Brambles Limited Shareholders will not be required for any amendment which is minor, to benefit the administration of the plan, to take advantage of new legislative provisions or any development in the law or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Employer Group or participants. Similarly, the Board of Brambles Limited can (subject to the ASX Listing Rules) amend the terms of any performance conditions if events happen which cause them to consider that the performance condition will not achieve its original purpose, provided that the amended performance condition is no less difficult to satisfy.

## How to Vote

### Voting Methods

Ordinary shareholders can vote in one of the following ways:

- by attending the meeting and voting, either in person, by attorney or, in the case of corporate shareholders, by corporate representative;
- by lodging a direct vote, either electronically by visiting [www.votingonline.com.au/bxbagm2019](http://www.votingonline.com.au/bxbagm2019) or by using the shareholder voting form enclosed with this Notice; or
- by appointing a proxy to attend and vote at the meeting on their behalf, either electronically by visiting [www.votingonline.com.au/bxbagm2019](http://www.votingonline.com.au/bxbagm2019) or by using the shareholder voting form enclosed with this Notice.

Voting on the items set out in this Notice will be conducted on a poll.

### Voting Deadline

Shareholders who wish to lodge a direct vote or appoint a proxy to attend and vote at the meeting on their behalf, must either:

- complete their electronic instructions on [www.votingonline.com.au/bxbagm2019](http://www.votingonline.com.au/bxbagm2019); or
- complete and return their shareholder voting forms to:
  - Brambles' share registry, either by hand to Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000, or by using the enclosed reply paid pre-addressed envelope; or
  - the facsimile number +61 2 9290 9655,

so that they are received by 2.00pm (AEDT) on Tuesday, 8 October 2019 or, if the meeting is adjourned, at least 48 hours before its resumption in relation to the adjourned part of the meeting. Shareholder voting forms received after this time will be invalid.

### Voting in Person

Shareholders who plan to attend the meeting are asked to arrive at the venue by 1.00pm (AEDT) if possible, so that their shareholding may be checked against the share register and attendance noted. Shareholders attending in person must register their attendance on arrival.

Where more than one joint shareholder votes, the vote of the shareholder whose name appears first in Brambles' share register shall be accepted to the exclusion of the others.

To vote in person at the meeting, a company which is a shareholder may appoint an individual to act as its representative. The representative should bring to the meeting a letter or certificate evidencing their appointment. A form of certificate may be obtained from Brambles' share registry at [www.investorserve.com.au](http://www.investorserve.com.au) (see the "Investor Services", "Forms" section – under the "General" heading), by calling 1300 883 073 (if in Australia) or +61 2 9290 9600 (if outside Australia) or from Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000.

### Direct Voting

The Directors have established an online and postal voting system which gives shareholders the choice of casting "direct votes" in advance of the AGM, as an alternative to appointing a proxy to cast their votes.

To lodge direct votes, shareholders should either:

- visit [www.votingonline.com.au/bxbagm2019](http://www.votingonline.com.au/bxbagm2019), go to the "Vote Online" section and follow the prompts and instructions (shareholders will need their Voting Access Code (VAC) to hand which is set out on the shareholder voting form enclosed with this Notice); or
- follow the instructions and notes on the shareholder voting form enclosed with this Notice.

For direct votes to be effective, they must be lodged as specified in the Voting Deadline section on page 15.

If a shareholder is entitled to cast two or more votes at the meeting, the shareholder may specify the proportion or number of direct votes that they wish to cast "For", "Against" or specify that they will "Abstain" from voting on an item. Fractions of votes will be disregarded.

If a shareholder specifies that they will "Abstain" from voting on an item, the shares that are the subject of the direct vote will not be counted in calculating the required majority. The Brambles Limited Rules for Direct Voting at General Meetings are available at [brambles.com](http://brambles.com) in the "Investor Centre", "Annual General Meetings" section.

### Proxy Voting

To appoint a proxy, shareholders should either:

- [www.votingonline.com.au/bxbagm2019](http://www.votingonline.com.au/bxbagm2019), go to the "VoteOnline" section and follow the prompts and instructions (shareholders will need their Voting Access Code (VAC) to hand which is set out on the shareholder voting form enclosed with this Notice); or
- follow the instructions and notes on the shareholder voting form enclosed with this Notice.

For proxy appointments to be effective, they must be lodged as specified in the Voting Deadline section on page 15.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf, and on a poll, the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. If a shareholder is entitled to cast two or more votes at the meeting, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion or number is specified, each proxy may exercise half of the shareholder's votes. Fractions of votes will be disregarded. If a member appoints two proxies, neither proxy is entitled to vote on a show of hands.

The online proxy facility is not suitable for shareholders wishing to appoint two proxies.

A proxy need not be a shareholder.

The Act provides the following for the processing of proxy votes:

#### Directed Proxy Votes

If you appoint someone other than the Chairman of the meeting as your proxy and give them voting instructions, the Act provides that the Chairman of the meeting must cast those proxy votes on your behalf if your nominated proxy does not do so.

## Undirected Proxy Votes

Shareholders are encouraged to consider how they wish to direct their proxies to vote. Other than members of Brambles' key management personnel or their closely related parties voting as a proxy on Resolutions 2 and 6 to 9, if a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.

Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.

If you wish to appoint a Director (other than the Chairman) or other member of Brambles' key management personnel or their closely related parties as your proxy, you must specify how they should vote on Resolutions 2 and 6 to 9 by completing the "For", "Against" or "Abstain" boxes on the shareholder voting form. If you do not do that, your proxy will not be able to exercise your vote on your behalf for those resolutions.

The Chairman will be able to exercise your vote on your behalf on Resolutions 3 to 5 and 10 and 11 as he sees fit, if you appoint the Chairman as your proxy in accordance with Section 2 of the shareholder voting form, but do not direct him how to vote (in which case the Chairman will vote in favour of each of those items).

If you appoint the Chairman as your proxy in relation to Resolutions 2 and 6 to 9 but do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution on the shareholder voting form, the proxy form provides that you expressly authorise the Chairman of the meeting to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Brambles key management personnel. The Chairman intends to vote undirected proxies in favour of Resolutions 2 and 6 to 9. If you wish to appoint the Chairman as proxy with a direction to vote against, or to abstain from voting on Resolutions 2 and 6 to 9, you should specify this by completing the "Against" or "Abstain" boxes on the shareholder voting form.

## Using powers of attorney

If a shareholder has appointed one or more attorneys to attend and vote at the meeting, or if the shareholder voting form is signed by one or more attorneys, the power of attorney (or a certified copy of the power of attorney) must be received by Brambles' share registry or at Brambles' registered office, using one of the addresses or the fax number in the Voting Deadline section on page 15 by no later than 2.00pm (AEDT) on Tuesday, 8 October 2019 or, if the meeting is adjourned, at least 48 hours before its resumption in relation to the adjourned part of the meeting, unless the power of attorney has been previously lodged for notation with Brambles' share registry.

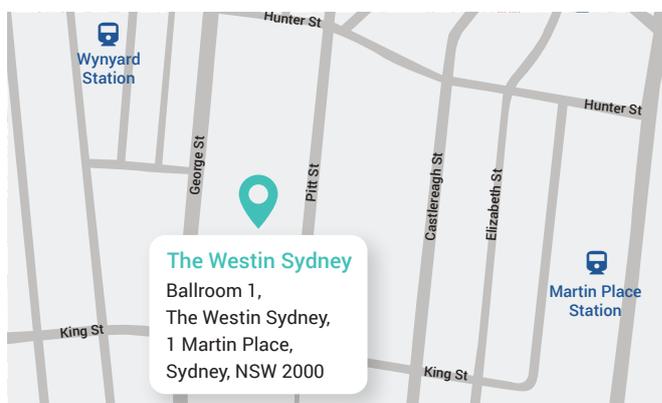
The attorney(s) must declare that a notice of revocation of appointment has not been received.

## Revocations of proxies

Any revocations of proxies (including online proxies) or powers of attorney must be received by Brambles' share registry or at Brambles' registered office, using one of the addresses or the fax number in the Voting Deadline section on page 15, before the commencement of the meeting, or at the registration desk for the 2019 AGM at The Westin Sydney Centre from 1.00pm (AEDT) on the day of the meeting until the commencement of the meeting.

## Shareholders who are entitled to vote

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the holders of Brambles ordinary shares for the purposes of the meeting will be those registered holders of Brambles ordinary shares at 7.00pm (AEDT) on Tuesday, 8 October 2019.



**Ballroom 1, The Westin Sydney, 1 Martin Place, Sydney, NSW 2000 on 10 October 2019 at 2.00pm (AEDT).**

The Westin Sydney is centrally located in Sydney, within easy walking distance of Martin Place or Wynyard Stations.

If you have any questions about the location of the AGM please call Brambles Limited on +61 1300 883 073 (during business hours).



To review the Group's online annual review for 2019, go to:

**BRAMBLES.COM**