

# Brambles

## Remuneration Committee Charter

**Brambles Limited**

Instituted:	4 December 2006
Amended	20 August 2007, 1 July 2011, and 1 July 2014

## 1. Establishment of Committee and Amendment of Charter

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This Charter sets out the basis on which the Board has established a Remuneration Committee pursuant to the authority contained in, and subject to the provisions of, the Constitution. This Charter may be amended by resolution of the Board.

## 2. Interpretation

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**ASX Listing Rules** means the listing rules of the Australian Securities Exchange.

**ASX Principles and Recommendations** means *ASX Corporate Governance Principles and Recommendations*, as amended from time to time.

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

**Brambles** means Brambles Limited.

**Committee** means the Remuneration Committee of the Board.

**Constitution** means the constitution of Brambles.

**Directors** means the members of the Board.

**Group** means Brambles and its subsidiaries and controlled entities.

**Executive Leadership Team** means such members of the senior executive team determined by the Board from time to time.

## 3. Objectives

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The objective and purpose of the Committee is to assist the Board in establishing coherent remuneration policies and practices which:

- (a) enable the Group to attract, retain and motivate executives and Directors who will create value for shareholders;
- (b) fairly and responsibly reward executives having regard to the performance of the Group, the performance of the executive and the general pay environment; and
- (c) comply with the provisions of the ASX Listing Rules and Corporations Act 2001.

## 4. Committee Membership

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### 4.1 Structure

- (a) The Committee will consist of at least three members, each of whom will be appointed or removed by the Board, following in each case a review by the Board's Nominations Committee, in consultation with the Chair of the Committee (other than in respect of the Chair's own appointment or removal).
- (b) All members of the Committee must be Non-executive Directors.
- (c) A majority of the members of the Committee must be independent Directors as determined by the Board in accordance with the requirements of the ASX Listing Rules, the ASX Principles and Recommendations and having regard to best-practice principles from time to time.

- (d) The Chair of the Committee:
  - (i) will be elected by, and hold office for the period determined by, the members of the Committee in accordance with the provisions of the Constitution;
  - (ii) must be a member of the Committee;
  - (iii) must be an independent Director; and
  - (iv) must not also be the Chair of the Board.

#### **4.2 Expertise**

At least one member of the Committee must have an understanding of remuneration policies and practices.

#### **4.3 Company Secretary**

The Company Secretary or their nominee will act as Secretary to the Committee, unless otherwise determined by the Committee.

### **5. Proceedings**

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#### **5.1 Frequency**

- (a) The Committee will meet as frequently as required but must not meet less than twice each year.
- (b) The Secretary to the Committee or any member may call a meeting of the Committee.

#### **5.2 Notice**

The dates, times and venues of each meeting of the Committee will be notified by the Secretary to all members of the Committee as far in advance as possible.

#### **5.3 Supporting Papers**

Supporting papers for each meeting of the Committee will be distributed by the Secretary to all members of the Committee as far in advance as possible. Unless the circumstances otherwise require, for example due to the existence of a conflict of interest, all Directors will receive a copy of the supporting papers for each meeting of the Committee, irrespective of their membership of the Committee.

#### **5.4 Attendance**

- (a) Only members of the Committee and the Secretary are entitled to be present at a Committee meeting.
- (b) The Committee may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate. In particular, the Committee may meet with:
  - (i) external advisers;
  - (ii) any executive or other employee; or
  - (iii) any other Non-executive Director,

and may do so with or without executive management being present.

## **5.5 Quorum**

A quorum for a meeting of the Committee is two members. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers or discretions vested in, or exercisable by, the Committee.

## **5.6 Chair**

- (a) In the absence of the Chair, the remaining members will elect one of their number as Chair of the meeting.
- (b) The Chair of the Committee has a casting vote in addition to his deliberative vote, except that the Chair must not exercise a casting vote at any meeting at which only two of the Committee members who are present are entitled to vote.

## **5.7 Constitution**

Proceedings of the Committee will be governed by the provisions of the Constitution, in so far as they may be applicable.

## **5.8 Minutes**

Minutes of meetings of the Committee will be distributed to members for confirmation as soon as practicable and, after confirmation, distributed to all Directors unless circumstances otherwise require, for example where there is a conflict of interest.

# **6. Authorities**

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## **6.1 Access**

The Committee has unrestricted access to executive management, all employees and all company records and to financial and legal advisers. To avoid any conflict of interest, no member of executive management should be directly involved in deciding their own remuneration.

## **6.2 Independent advice**

The Committee is authorised to obtain outside legal or other independent professional advice, and to secure the attendance of such advisers if it is considered necessary. To avoid any conflict of interest, such advisers should be separate from any professional advisers retained by executive management.

# **7. Duties and Responsibilities**

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Without limiting its role, specific duties and responsibilities of the Committee include the following:

## **7.1 Executive remuneration policy**

The Committee will:

- (a) determine and agree with the Board the broad policy for the remuneration of the Chief Executive Officer, other Executive Directors and other members of the Executive Leadership Team, including, but not limited to, superannuation, pension rights and compensation payments, and any amendments to that policy proposed from time to

time by management;

- (b) review the on-going appropriateness and relevance of the executive remuneration policy; and
- (c) ensure that provisions regarding disclosure of remuneration, including pensions, as set out in relevant laws and regulations are fulfilled.

## **7.2 Chair, Executive Directors and Executive Leadership Team**

The Committee will:

- (a) determine the entire specific remuneration for the Chair of Brambles, following consultation with the Chief Executive Officer;
- (b) determine the entire specific remuneration for each Executive Director, following consultation with the Chair of Brambles and the Chief Executive Officer (except that the Chief Executive Officer will not be consulted in respect of his or her own remuneration) and the Company Secretary (including base pay, incentive payments, equity awards, retirement rights, service contracts), having regard to the executive remuneration policy and whether in respect of any elements of remuneration any shareholder approvals are required;
- (c) review the proposed remuneration (including incentive awards, equity awards and service contracts) for the Executive Leadership Team, to ensure that this is consistent with the executive remuneration policy;
- (d) ensure that contractual terms on termination, and any payments made, are fair to the individual and Brambles, that failure is not rewarded and that the duty to mitigate loss is fully recognised; and
- (e) in determining such packages and arrangements, give due regard to the comments and recommendations of all relevant regulations and associated guidance.

## **7.3 Cash-based executive incentive plans**

Insofar as they impact on the Executive Directors and the Executive Leadership Team, the Committee will:

- (a) review and approve the design of and determine targets for any cash-based executive incentive plans; and
- (b) review and approve the total proposed payments from all such cash-based executive incentive plans.

## **7.4 Equity-based incentive plans**

The Committee will:

- (a) review the design of all equity-based plans for approval by the Board;
- (b) keep all plans under review in the light of legislative, regulatory and market developments;
- (c) for each equity-based plan, determine each year whether awards will be made under that plan and whether there are exceptional circumstances which allow awards at times other than those in the rules;
- (d) review and approve total proposed awards under each plan;

- (e) in addition to approving awards to Executive Directors and reviewing awards made to the Executive Leadership Team, ensure that all awards made to executives are in accordance with the rules governing each plan or as determined by the Committee;
- (f) together with the Chair of Brambles, approve and keep under review performance hurdles for each equity-based incentive plan;
- (g) approve the introduction of sub plans or minor amendments to the rules;
- (h) exercise discretion as permitted in the rules, including on:
  - (i) the position of leavers in appropriate circumstances; and
  - (ii) a change of control; and
- (i) determine the appropriate method to deal with adjustments following a change in share capital as permitted by the rules.

#### **7.5 Non-Executive Directors' remuneration**

The remuneration of the Chair of Brambles will be determined by the Committee. The remuneration of the Deputy Chair and the other Non-executive Directors will be determined by the Board, excluding in each case, any Director or Directors with an immediate conflict of interest. The Committee may request management or external advisers to provide necessary information to assist the Board in making its decision.

#### **7.6 General remuneration across the Group**

The Committee will:

- (a) review and note annually the remuneration trends across the Group in its main markets;
- (b) be aware of and advise the Board on any major changes in employee benefit structures throughout the Group; and
- (c) review and make recommendations to the Board on remuneration by gender.

#### **7.7 Other duties and responsibilities**

Other duties and responsibilities of the Committee include, but are not limited to:

- (a) reviewing the funding and performance of the Group's retirement plans and arranging for reports to be made to the Board on these;
- (b) reviewing this Charter and where necessary updating it annually and making recommendations to the Board for any changes it considers appropriate;
- (c) ensuring that the provisions regarding disclosure of remuneration required by the Corporations Act, including pensions and superannuation, are fulfilled;
- (d) selecting, approving the engagement of and agreeing the terms of reference for any remuneration consultant who makes recommendations to the Committee or Brambles on the remuneration of the Executive Leadership Team and making a statement available as to whether any remuneration consultants appointed by the Committee have any other connection with Brambles;
- (e) reporting the frequency of, and attendance by members at, meetings of the Committee in the Brambles annual reports;

- (f) making the Committee's Charter available, including details of the Committee's delegated authorities; and
- (g) agree the policy for authorising claims for expenses from Directors.

#### **7.8 Board approvals**

The Board must approve the following (subject to recommendation by the Committee where required under this Charter):

- (a) the executive remuneration policy;
- (b) the remuneration report to be included in the annual report and accounts;
- (c) the design of all equity-based incentive plans; and
- (d) the remuneration of the Non-executive Directors as set out in paragraph 7.5 above.

#### **7.9 Committee approvals**

The Committee must approve the following prior to implementation:

- (a) changes to the remuneration or contract terms of Executive Directors;
- (b) the design of new executive cash-based incentive plans and any amendments to current plans; and
- (c) the total level of award proposed from equity-based plans or executive cash-based incentive plans.
- (d) termination payments to Executive Directors or the Executive Leadership Team.

The Committee must also approve the engagement of a remuneration consultant under paragraph 7.7(d) before Brambles enters into an engagement contract with that consultant.

#### **7.10 Special Projects**

The Committee may undertake any special projects or investigations which the Committee considers necessary, or as may be requested by the Board.

### **8. Reporting**

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#### **8.1 Reporting to the Board**

The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must:

- (a) report to the Board on the Committee's proceedings following each meeting on all matters relevant to the Committee's duties and responsibilities; and
- (b) attend the Board meetings at which Brambles' financial statements are approved.

#### **8.2 Annual General Meeting**

The Chair of the Committee must attend the Annual General Meeting and be available to respond to any shareholder questions on the Committee's activities and areas of responsibility.

## **9. Performance Review**

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The Committee must conduct an annual review of its performance and effectiveness, inviting comments from all members of the Board. It must recommend to the Board any suggested changes in the duties and responsibilities of the Committee and the terms of this Charter.