

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

Brambles is a global provider of pallet and container pooling and supply chain services and information management services, and operates in 54 countries. It is therefore subject to an extensive range of legal, regulatory and governance requirements. Brambles is committed to observing the requirements applicable to publicly listed companies in Australia. The Board is conscious that best practice in the area of corporate governance is continuously evolving, and will therefore continue to anticipate and respond to further corporate governance developments.

This Corporate Governance Statement outlines the key components of Brambles' governance framework in place during the year ended 30 June 2011 (Year), by reference to the Australian Securities Exchange Corporate Governance Council Corporate Governance Principles & Recommendations, Second Edition (CGPR). During the Year, the Board believes Brambles met or exceeded all the requirements of the CGPR.

A checklist summarising Brambles' compliance with the CGPR is included at the end of this Statement. Various documents referred to in this Statement have been posted in the "Corporate Governance" section of the Brambles website at www.brambles.com. The checklist includes more detailed guidance on the location of all the governance-related documents available at www.brambles.com.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT & OVERSIGHT

1.1 ROLE OF THE BOARD & EXECUTIVE MANAGEMENT

1.1.1. Role of the Board and executive management

The Board has overall responsibility for overseeing the effective management and control of the Group on behalf of Brambles' shareholders, and supervising executive management's conduct of the Group's affairs within a control and authority framework which is designed to enable risk to be prudently and effectively assessed and monitored.

The Board has adopted a schedule of matters reserved to it for decision, a copy of which can be found at www.brambles.com, and further details of which are in section 1.1.2.

The roles of the Chairman and executive management, led by the Chief Executive Officer, are separated and clearly defined:

- the Chairman, Graham Kraehe, is responsible for leadership of the Board, setting the Board's agenda, conducting Board meetings, facilitating effective communication with shareholders and the conduct of shareholder meetings; and
- executive management, led by the Chief Executive Officer, Tom Gorman, has been delegated responsibility for the management of Brambles within the control and authority framework referred to above. The levels of authority for management are periodically reviewed by the Board and are documented. The Chief Executive Officer is assisted by Brambles' Executive Leadership Team (ELT).

The Non-executive Directors constructively challenge the development of strategy. They review the performance of management in meeting agreed objectives and monitor the reporting of performance. They have a prime role in appointing and where necessary, recommending the removal of, Executive Directors, and in their succession planning.

The structure of the Board ensures that no individual or group of individuals dominates the Board's decision-making process.

The ELT, a management committee, assists in implementing Brambles' strategic direction, and ensuring its resources are well managed. The ELT has a range of responsibilities, which include:

- reviewing business and corporate strategies;
- formulating major policies in areas such as succession planning and talent management, human and capital resources management, information technology, development of strategy,

risk management, communications and post-investment project reviews;

- leading initiatives which may from time to time vary, but include Zero Harm and innovation; and
- leading the implementation of change processes.

Biographical details for the members of the ELT are shown on pages 25 and 26.

During the Year, Brambles established a US Advisory Board and an Asian Advisory Board. Their functions are to assist management to develop Brambles' strategic direction in the USA and Asia respectively, and to strengthen Brambles' stakeholder relationships in those regions. The Chief Executive Officer is a member of both advisory boards. The remaining members comprise external persons with relevant business and industry experience in, and senior executives of Brambles with operating or functional responsibility for, the applicable region. Meetings between the external members of the advisory boards and Directors will be planned from time to time.

1.1.2. Responsibilities of the Board

The Board is responsible for approving the Group's overall strategic objectives, facilitating the provision of appropriate financial and human resources to meet these objectives and reviewing executive management's performance.

The schedule of matters reserved to the Board for approval includes, among other matters:

- the Group's overall strategic direction and strategic plans for the major business units;
- acquisitions or disposals of assets which exceed the authority limits delegated to the Chief Executive Officer and Chief Financial Officer;
- budgets, financial objectives and policies, and significant capital expenditure;
- Brambles' financial statements and published reports;
- the Group's systems of internal control and risk management processes, and the annual review of their effectiveness;
- changes to the Group's capital structure (other than changes resulting from established employee share plans); and
- the appointment of key senior executives.

The schedule was amended during the Year to add responsibility for Brambles' Diversity Policy (see sections 3.2 and 3.3) and Board skills matrix (see section 2.4.5.).

The Board has delegated some of its responsibilities to the Audit, Nominations and Remuneration committees. The charters of the Board committees also require certain matters to be approved by the Board including, among other matters, the executive remuneration policy and the appointment of the external auditors. Details of the Board committees are set out in sections 2.4, 4.1 and 8.1 and the committee charters can be found at www.brambles.com. The Board is also supported by the ELT (see section 1.1.1.).

1.1.3. Allocation of individual responsibilities

Formal letters of appointment, which are contracts for service but not contracts of employment, have been put in place for all Non-executive Directors. The letters set out the key terms and conditions of their engagement, including time commitments, corporate expectations and, if appropriate, any special duties or assignments. A template letter of appointment for a Non-executive Director is available at www.brambles.com.

Senior executives have employment contracts setting out, amongst other things, their term of office, rights, responsibilities and entitlements on termination, and job descriptions setting out their duties.

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1.2 PERFORMANCE EVALUATION OF SENIOR EXECUTIVES

Brambles has a well established performance management and development planning process, which is used throughout the Group. The process involves objective setting consistent with Brambles' remuneration policy and targets, for cash and equity-based incentive plans set by the Remuneration Committee. Personal development planning, half year reviews and full year appraisals feed into a performance rating, leading to the assessment of annual bonuses. Senior executives (including Executive Directors and the ELT) all participate in this process, which is overseen by the Remuneration Committee.

Performance evaluations for senior executives, including Executive Directors and the ELT, were carried out during the Year in accordance with this process.

1.2.1. Induction of senior executives

Business units have procedures for the induction of senior executives, to assist them in participating fully and actively in management decision-making at the earliest opportunity after commencing their new roles.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

At the date of the Directors' Report, the Board consists of eight members, with two Executive Directors (the Chief Executive Officer and the Chief Financial Officer) and six Non-executive Directors. The biographies for each of the current Directors, shown on pages 24 and 25, indicate the breadth of their business, financial and international experience. This gives the Directors the range of skills, knowledge and experience essential to govern Brambles, including an understanding of the health, safety, environmental and community related issues which it faces. The Board considers that its current composition reflects an appropriate balance of Executive and Non-executive Directors.

The table below sets out the names of the Directors in office at the date of the Directors' Report, the years of their appointment and of their most recent election by shareholders, their status as Executive or Non-executive Directors, whether the Board considers that they are independent Directors, whether they will retire and seek re-election at the 2011 Annual General Meeting (AGM), and when they are next due for re-election.

Name	Year appointed ¹	Year last elected	Executive or Non-executive	Independent	Seeking election/ Retiring and seeking re-election in 2011	Next due for re-election
A G Froggatt	2006	2008	Non-executive	Yes	Yes	2011
T J Gorman	2009	2010	Executive	No	No	N/A ²
G J Hayes	2009	2010	Executive	No	No	2013
S P Johns	2004	2009	Non-executive	Yes	No	2012
S C H Kay	2006	2009	Non-executive	Yes	No	2012
G J Kraehe AO	2005 ³	2009	Non-executive	Yes	No	2012
C L Mayhew	2005	2010	Non-executive	Yes	No	2013
B M Schwartz AM	2009	2009	Non-executive	Yes	No	2012

¹ For the purposes of this table, the year appointed is the year the relevant Director was first elected to the Boards of Brambles or BIL and BIP, as the case may be.

² Following an amendment to Brambles' constitution which was approved by shareholders at the 2010 AGM, it is no longer necessary for the managing director of Brambles to stand for re-election. Tom Gorman holds the role of managing director, but is referred to by the title of Chief Executive Officer.

³ Graham Kraehe also served as a Director from 2000 to 2004, then re-joined the Board in 2005.

2.1 INDEPENDENT DIRECTORS

2.1.1. Independent decision-making

The Board recognises the importance of independent judgement and constructive debate on all issues under consideration. With the approval of the Chairman, Directors may take independent professional advice at Brambles' expense in the furtherance of discharging their duties and responsibilities. None of the Directors availed themselves of this right during the Year.

The Chairman holds meetings with the Non-executive Directors from time to time, including meetings at scheduled sessions, without the presence of the Executive Directors or other executives. The Non-executive Directors meet without the Chairman present on such occasions as may be considered appropriate.

2.1.2. Independent Directors

The Board has considered the independence of each of the Directors in office as at the date of the Directors' Report and concluded that all Non-executive Directors are independent. Therefore the Board has a majority of independent directors. In reaching this conclusion, the Board had regard to the relationships set out in Box 2.1 of the CGPR and noted that one of these relationships exists.

Carolyn Kay is a director of the Commonwealth Bank of Australia (CBA), which is a substantial shareholder of Brambles. The Board noted that the most recent substantial shareholder notice issued by CBA provided that, except for 593,185 shares (being 0.04% of Brambles' issued share capital at the date of this Statement), CBA's relevant interests in Brambles shares are exercised either as a superannuation trustee; a life company holding statutory funds; a responsible entity or manager of a managed investment scheme; under an investment mandate; by external managers unrelated to the CBA group; or subject to client direction. The Board does not consider that Carolyn Kay's relationship with CBA gives rise to any actual or perceived loss of independence on her part because of the manner in which CBA's relevant interests in Brambles shares are held.

In considering the matters in Box 2.1 of the CGPR, the Board considered that a customer was material if it accounted for more than 2% of Brambles' consolidated gross revenue and that a supplier was material if Brambles accounted for more than 2% of the supplier's consolidated gross revenue.

2.1.3. Regular assessments

Directors are required to complete a declaration of interest form prior to their appointment. This form is tabled at the Board meeting to consider the appointment of the relevant Director. If their circumstances change or they acquire any office, property or interest which may conflict with their office as a Director of Brambles or the interests of Brambles, Directors are required to disclose its character and extent in writing at the next Board meeting. The Board also makes an annual assessment of the independence of each Non-executive Director. If the Board concludes that a Director has lost their status as an independent director, that conclusion will be advised to the market in a timely manner.

Directors are generally not entitled to attend any part of a Board meeting, or to vote on any matter, in which they have a material personal interest unless the other Directors unanimously decide otherwise. In appropriate cases, Directors may be required to absent themselves from a meeting of the Board while such a matter is being considered.

2.2 INDEPENDENT CHAIRMAN

The Board has concluded that the Chairman is independent and that his other positions do not prevent him from devoting sufficient time to perform the role effectively. As the Chairman is independent, the Board does not consider it necessary to appoint a lead independent director.

The Chairman is responsible for facilitating the effective contribution of Non-executive Directors, who are to receive accurate, timely and clear information so that they may effectively discharge their duties and responsibilities. The Chairman is also responsible for fostering constructive relations between Executive and Non-executive Directors.

2.3 ROLES OF CHAIRMAN & CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer are exercised by two different individuals and are clearly documented, as discussed in section 1.1.1. of this Statement. The Chairman does not have a history of employment with Brambles.

2.4 NOMINATIONS COMMITTEE

2.4.1. Purpose of the Nominations Committee

The objective of the Nominations Committee is to support and advise the Board in fulfilling its responsibilities to shareholders in ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of Directors.

2.4.2. Charter

A copy of the Nominations Committee's Charter giving full details of its duties and responsibilities can be found at www.brambles.com.

The Nominations Committee's Charter also sets out its composition, structure, membership requirements and the procedures for inviting non-members to attend meetings. The Committee is authorised to seek any information it requires from any Group employee or from any other source, including obtaining outside legal or other independent professional advice.

During the Year, the Committee's Charter was amended to incorporate responsibility for periodically assessing and, if necessary, recommending changes to the Board skills matrix (see section 2.4.5.) and to incorporate that matrix into the Board selection process contained in the Charter (see section 2.4.4.).

2.4.3. Composition of the Nominations Committee

The Nominations Committee is comprised entirely of Non-executive Directors, all of whom the Board considers to be independent. The members of the Nominations Committee are Graham Kraehe (Committee Chairman), Stephen Johns and Tony Froggatt.

Details of Nominations Committee meetings held during the Year and attendance at those meetings, are set out in the Directors' Report - Other Information on page 57.

2.4.4. Responsibilities

The Nominations Committee discharges its responsibilities by meeting regularly throughout the year and, among other matters:

- assessing periodically the Board skills matrix to determine that it includes the skills required to discharge competently the Board's duties, having regard to the strategic direction of the Group, and making recommendations to the Board on any changes which should be made to that matrix;
- having regard to the Board skills matrix, assessing the skills currently represented on the Board to determine whether those current skills meet the required skills identified;
- reviewing the structure, size and composition (including the mix of skills, experience, expertise and diversity having regard to the Board skills matrix) of the Board and the effectiveness of the Board as a whole, and keeping under review the leadership needs of Brambles, both executive and non-executive, with a view to ensuring the continued ability of Brambles to compete effectively in the marketplace;
- preparing a description of the role, capabilities and skills required for any Board appointment (Role Specification), identifying suitable candidates to fill Board vacancies, and nominating candidates for the approval of the Board;
- in identifying suitable candidates for a Board appointment, if necessary, causing:
 - > a search to be undertaken by an appropriately qualified independent third party acting on a brief prepared by the Nominations Committee, which includes the Role Specification;
 - > the search to be international, extending to those countries in which candidates with the necessary skills would ordinarily be expected to be found; and
 - > the pool of candidates to include qualified persons who would fill an existing diversity gap having regard to the Board skills matrix, Brambles' Diversity Policy (see section 3.2) and the diversity objectives adopted by the Board from time to time;
- ensuring that, on appointment, Non-executive Directors receive a formal letter of appointment, setting out the time commitment and responsibilities envisaged in the appointment;
- on any re-appointment of a Non-executive Director on the conclusion of their specified term of office, undertaking a process of review of the retiring Non-executive Director's performance during the period from their appointment or most recent re-appointment, as the case may be, to the Board;
- reviewing annually the time commitment required of Non-executive Directors and carrying out performance evaluations to assess whether the Non-executive Directors are devoting enough time to fulfilling their duties; and
- giving full consideration to whether succession plans are in place to maintain an appropriate mix of skills, experience, expertise and diversity on the Board, and satisfying itself that processes and plans are in place in relation to both Board (particularly for the key roles of Chairman and Chief Executive Officer) and other senior executive appointments.

2.4.5. Selection and appointment process and re-election of Directors

The Board is conscious of the need to ensure that proper processes are in place to deal with succession issues at Board level. As set out in section 2.4.4., the Nominations Committee assists the Board in the Board selection process, which involves the use of a Board skills matrix.

During the Year, the Nominations Committee adopted a Board skills matrix. The matrix incorporates the following elements: function (finance, accounting, operations); international management (Americas, Europe, Asia); industry (logistics, retail, fast moving consumer goods); diversity (male/female, international residency,

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regional/cultural background); and customer perspectives. In adopting the matrix, the Nominations Committee noted that it was an iterative document and would be reviewed and revised from time to time to meet Brambles' ongoing needs.

Having regard to the Board skills matrix and the recent retirements of David Gosnell and John Mullen due to their respective executive roles, the Board recognised the need for a new non-executive director with substantial international business experience (particularly in Europe and the Americas) and/or knowledge of the transport and logistics industries. The Board commenced a search, using external consultants, to identify potential candidates meeting these criteria and, in so doing, requested that they have regard to Brambles' diversity objectives (see section 3.3). The Board will continue to seek to appoint new members in future years having regard to the Board skills matrix and to succeed existing Directors as they retire, ensuring an appropriate balance of skills and experience is maintained.

A Non-executive Director's formal letter of appointment (see section 1.1.3.) sets out, among other things, the time commitment required and specifies that the Director should consult with the Chairman before accepting any additional commitments which may impact on their role. Any Non-executive Directors who are standing for election or re-election at the next AGM are asked to consider their other significant commitments and specifically acknowledge to Brambles that they will have sufficient time to meet what is expected of them as Directors of Brambles. Details of the number of Board and committee meetings held during the Year, and attendance at those meetings by each of the Directors and committee members, are set out in the Directors' Report - Other Information on page 57.

Directors are appointed for an unspecified term, but are subject to election by shareholders at the first general meeting after their initial appointment by the Board. No Director may serve for more than three years without being re-elected by shareholders. Re-appointment is not automatic. The Board reviews whether retiring Directors should stand for re-election, having regard to their performance and the contribution of their individual skills and experience to the desired overall composition of the Board.

The Non-executive Directors' formal letters of appointment confirm that the Non-executive Directors have no right to compensation on the termination of their appointment for any reason, other than for unpaid fees and expenses for the period actually served.

2.5 PROCESS FOR EVALUATING THE PERFORMANCE OF THE BOARD, ITS COMMITTEES & DIRECTORS

The Board and its committees carry out both internal and external evaluations, with the form of evaluation being determined each year. For the Year, the Board undertook an external evaluation of its performance as a whole and the performance of each of its committees.

The external review was conducted by the Board Advisory Services division of an independent firm of accountants. It involved the completion of a detailed questionnaire by each of the Directors and selected Brambles executives on matters relevant to the Board and Committees' performance, followed by in-depth interviews conducted by the firm with each Director and executive.

The outcome of the questionnaire and interviews were reported to the Board and each Committee. These were reviewed and discussed by the Board and Committees, with input from the external accountants, and key issues arising from the evaluations were identified for further action.

An internal evaluation of the performance of Tony Froggatt, the only Non-executive Director who is standing for re-election at the 2011 AGM, was also conducted. The Chairman reviewed the results of Tony Froggatt's performance evaluation with him. The Board also reviewed the results of that evaluation, in his absence, and unanimously resolved to recommend his re-election.

2.5.1. Induction and education

Newly appointed Directors receive appropriate induction and training, specifically tailored to their needs. Appointees are provided with an information pack including governance policies and business information, taken to visit operating sites, hold meetings with major shareholders and receive presentations on Brambles' businesses and functions by its business unit leaders and functional heads.

On an ongoing basis, Directors participate in various seminars and conferences held by industry and professional bodies. In addition, Board meetings regularly include sessions on recent developments in governance and corporate matters, significant accounting matters, operational site visits and meetings with major customers.

2.5.2. Access to information

The Board receives accurate, timely and clear information so that it may effectively discharge its duties and responsibilities. Where necessary, Directors seek clarification or request the provision of further information to assist with their decision-making processes. The Board committee charters document the committees' unrestricted rights to seek information from any Group employee or from any other source. Presentations to the Board are frequently made by senior executives.

2.5.3. The Board and the Company Secretary

The Board is assisted by the Company Secretary who, under the direction of the Chairman, is responsible for facilitating good information flows within the Board and its committees and between senior executives and Non-executive Directors, as well as the induction of new Directors and the ongoing professional development of all Directors. The Company Secretary is responsible for monitoring compliance with the Board's procedures and for advising the Board, through the Chairman, on all governance matters. All Directors have access to the advice and services of the Company Secretary, whose appointment and removal is a matter for the Board.

The Company Secretary is Robert Gerrard. His qualifications and experience are set out on page 56.

PRINCIPLE 3: PROMOTE ETHICAL & RESPONSIBLE DECISION-MAKING

3.1 ESTABLISH A CODE OF CONDUCT

Brambles has a Code of Conduct, which provides an ethical and legal framework for all employees in the conduct of Brambles' business.

Brambles' Code of Conduct includes the following schedules:

- Corporate Social Responsibility Policy;
- Speaking Up Policy;
- Continuous Disclosure & Communications Policy;
- Group Guidelines for Serious Incident Reporting;
- Environmental Policy;
- Competition Compliance Policy;
- Health & Safety Policy;
- Diversity Policy;
- Securities Trading Policy;
- Risk Management; and
- Guidelines for Document Management.

The policies listed above set out the reporting responsibilities of specified individuals, or in some cases, all employees. The Audit Committee is responsible for monitoring compliance with the Speaking Up Policy and at each meeting receives a report on investigations into any matters raised under that policy. The Board also receives a copy of that report. A copy of the Code of Conduct is available on www.brambles.com.

During the Year, the Continuous Disclosure & Communications Policy and the Securities Trading Policy were reviewed and updated and

the Diversity Policy was added to the Code of Conduct. Further details of the Continuous Disclosure & Communications Policy are set out in sections 5.1 and 6.1. The updated Securities Trading Policy was released to the market, in accordance with ASX Listing Rule 12.9. Further information about the Diversity Policy is set out in section 3.2.

3.1.1. Purpose of the Code of Conduct

The Code of Conduct defines how Brambles relates to its shareholders, employees, customers, suppliers and the community. It includes Brambles' general principles on business integrity. All employees are expected to conduct business in accordance with the laws and regulations of the countries in which the business is located, and in a manner so as to enhance the reputation of Brambles.

3.1.2. Application of the Code of Conduct

The Code of Conduct has been translated into 16 languages. This means that the majority of Brambles' employees can read the Code in their first language. It can also be used to form part of employees' terms and conditions of employment. Non-executive Directors are required to agree to comply with the Code of Conduct and to acknowledge that their performance assessments will include an element on conformity with the Code.

The Code of Conduct is not intended to be all-encompassing. There are areas in which Brambles expects its businesses to develop detailed policies in accordance with local requirements. The Code of Conduct provides a set of guiding principles that may be supplemented with additional local policies. It provides a common behavioural framework.

Brambles implements the Code of Conduct through a variety of induction and training programs. During the Year, ongoing training took place with the aim of enhancing employees' compliance with certain of the policies under the Code.

The Code of Conduct requires Brambles' contractors to adhere to Brambles' health and safety, environmental and serious incident reporting standards and requires consultants or professional advisers who are engaged to undertake work for the Group to comply with the Continuous Disclosure & Communications Policy.

3.2 ESTABLISH A DIVERSITY POLICY

During the Year, the Board adopted a Diversity Policy. (Previously, many aspects of the Diversity Policy were covered under the Group's employment and equal opportunity policies.) When considering the scope of the policy, the Board believed that it should deal with diversity across a range of issues and not be solely limited to gender.

Brambles' vision statement for diversity, set out in the policy, is:

Brambles is committed to creating and maintaining a culture which delivers outstanding performance and results.

Diversity is essential to Brambles' long term success. Brambles values and fosters diversity because it allows:

- customers' needs, both today and in the future, to be recognised and addressed;
- all employees to feel valued and able to perform to their best; and
- Brambles to have access to the widest possible talent pool.

The Diversity Policy provides, amongst other things, that:

- Brambles is committed to selecting, recruiting, developing and supporting people solely on the basis of their professional capability and qualifications, irrespective of gender, ethnicity, nationality, class, colour, age, sexual identity, disability, religion, marital status or political opinion;
- Brambles selects, retains and develops the best people for the job on the basis of merit and job related competencies - without discrimination;

- where appropriate, Brambles will engage external agencies to assist it in the identification, selection and assessment of candidates;
- Brambles will continue to develop talent management programs such as:
 - > development programs for senior executives;
 - > development programs for next generation leaders; and
 - > mentoring programs; and
- on an annual basis, the Board will review and report on the:
 - > relative proportion of women and men in the workforce at all levels;
 - > statistics and trends in the age, nationality and professional backgrounds of Brambles' executive population;
 - > measurable objectives for achieving gender and nationality diversity; and
 - > progress towards achieving those objectives.

3.3 GENDER DIVERSITY OBJECTIVES

During the Year, the schedule of matters reserved to the Board was amended to add the following Board responsibilities:

- determining measurable objectives for achieving gender diversity and annually assessing both the objectives and the progress towards achieving them.
- annually review and report on the relative proportion of women and men in the workforce at all levels of the Group.

Brambles had previously committed to establishing diversity targets during 2011 in its 2010 Sustainability Report. In considering the measurable objectives for achieving diversity, the Company considered a number of areas that it believed were important to both demonstrate and achieve a diverse workforce. These included:

- nationality - Brambles believes that it is essential that its employees represent the communities in which they operate. The Company already has a high representation of different nationalities in its employee population. The general managers and executive teams in each of the countries in which Brambles operates are made up almost entirely of people of that nationality. Brambles monitors this through its bi-annual talent management process with a view to continuing the process and expanding the access of differing nationalities to its global operations.
- professional background - Brambles also believes that its employees should be able to relate to the Company's customers. It therefore recruits extensively from the sectors in which it operates, to ensure that the Company has the right blend of skills and experience. This aspect of diversity is also monitored through the bi-annual talent management process.
- gender - Brambles believes that its executive population should reflect the overall balance of employees in its organisation. This is the best measure for Brambles, as it has a large proportion of employment activities in heavy manual duties, and therefore an overall workforce that is predominantly male.

As at 30 June 2011, Brambles' overall employee population was 73% male and 27% female. 12.5% of its Board and approximately 26% of its management (which is defined as manager, director, vice president and senior vice president grades) are women. In calculating these percentages, Brambles included each permanent employee on the payroll, but excluded casual employees and contractors.

Brambles has adopted a measurable objective for women to represent 30% of its Board and across its Executive Leadership Team and management positions by 30 June 2015.

3.4 GENDER DIVERSITY REPORTING

Each year, Brambles will publish the composition of its executive population by grade against this target, showing progress year on year.

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The position at 30 June 2011 is as follows:

	2015 Objective	% Females at 30 June 2011	% Females at 30 June 2010
Board	30%	12.5%	12.5%
Executive Leadership Team	30%	0.0% ¹	0.0%
Senior Vice President	30%	15.2%	18.2%
Vice President	30%	17.7%	11.8%
Director	30%	21.3%	21.5%
Manager	30%	27.8%	27.1%

¹ On 5 August 2011, Brambles announced the appointment of Jean Holley as its new Chief Information Officer, bringing the percentage of females on the Executive Leadership Team to 11%.

Further information on diversity is included in the Diversity & Inclusion section of the Sustainability Review, on pages 21 and 22.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 ESTABLISH AN AUDIT COMMITTEE

Brambles confirms that, in accordance with ASX Listing Rule 12.7, it has had an Audit Committee throughout the Year.

4.1.1. Purpose of the Audit Committee

The objective and purpose of the Audit Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities by:

- monitoring and reviewing:
 - > the integrity of financial statements;
 - > internal financial controls;
 - > the objectivity and effectiveness of the internal auditors; and
 - > the independence, objectivity and effectiveness of the external auditors;
- making recommendations to the Board in relation to the appointment or removal of the external auditors, the approval of their remuneration and the terms of their engagement, including the rotation of external audit engagement partners;
- assessing whether the Committee is satisfied that the independence of the external auditors has been maintained, having regard to any non-audit related services;
- reviewing and monitoring the policy on the engagement of the external auditors to supply non-audit services (set out in the Charter of Audit Independence, a copy of which can be found at www.brambles.com), taking into account relevant legal and ethical guidance regarding the provision of non-audit services by the external auditors; and
- reporting to the Board, identifying any matters relating to the above in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

4.2 STRUCTURE OF THE AUDIT COMMITTEE

4.2.1. Composition of the Audit Committee

The Audit Committee has three members and is chaired by Stephen Johns, an independent Director.

4.2.2. Importance of independence

The Audit Committee is comprised entirely of Non-executive Directors, all of whom the Board considers to be independent.

4.2.3. Technical expertise

The Board considers that each of the members of the Audit Committee has recent and relevant financial and accounting

experience and an understanding of accounting and financial issues relevant to the industries in which Brambles operates.

The members of the Audit Committee, including details of their relevant qualifications, are as follows:

- Stephen Johns had a long executive career with Westfield where he held a number of senior positions including that of Finance Director from 1985 to 2002. He is currently the Chairman of Leighton Holdings Limited and Spark Infrastructure Group and a non-executive director of John Holland Group Pty Limited and the Westfield Group. He holds a Bachelor of Economics degree from the University of Sydney and is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors.
- Carolyn Kay is a director of CBA, Infrastructure New South Wales and an External Board Member of Allens Arthur Robinson. She has had over 25 years of experience in the finance sector and worked as an executive in international finance at Morgan Stanley in London and Melbourne, JP Morgan in New York and Melbourne and as a finance lawyer at Linklaters & Paines in London. Carolyn holds Bachelor degrees in Law and Arts from the University of Melbourne and a Graduate Diploma in Management from the AGSM. She is a Fellow of the Australian Institute of Company Directors.
- Brian Schwartz is the Chairman and a non-executive director of Insurance Australia Group Limited and Deputy Chairman of the Westfield Group. He had a long career at Ernst & Young, holding a number of senior positions including that of CEO Ernst & Young Australia from 1998 to 2004. He is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors.

Stephen Johns, Carolyn Kay and Brian Schwartz were members of the Audit Committee throughout the Year.

4.3 AUDIT COMMITTEE CHARTER

4.3.1. Charter

The Audit Committee has a Charter which includes its duties and responsibilities, composition, structure, membership requirements, authority, access rights and sets out a procedure for inviting non-members to attend its meetings. The Charter requires the Audit Committee to meet with internal and external auditors at least once a year without executive management being present. A copy of the Audit Committee's Charter, which is reviewed annually, can be found at www.brambles.com.

4.3.2. Responsibilities

The Audit Committee discharges its responsibilities by meeting regularly throughout the year and, among other matters:

- reviewing, and challenging where necessary, the actions and judgment of management in relation to full year and half year financial reports and other announcements relating to those reports prepared for release to the ASX, regulators and the public, before making appropriate recommendations to the Board;
- reviewing the audit plans of the internal auditors, including the scope and materiality level of their audits; monitoring compliance with, and the effectiveness of, the audit plans of the internal auditors; reviewing reports from the internal auditors on their audit findings, management responses and action plans in relation to those findings, and reports from the internal auditors on the implementation of those action plans; and facilitating an open avenue of communication between the internal auditors, the external auditors and the Board;
- reviewing the audit plans of the external auditors, including the nature, scope, materiality level and procedures of their audits; monitoring compliance with, and the quality and effectiveness of, the audit plans of the external auditors; and reviewing reports from the external auditors in relation to their major audit findings, management responses and action plans in relation to

those findings, and reports from the external auditors on the implementation of those action plans; and

- reviewing and recommending to the Board the fees payable to the external auditors, monitoring compliance with the Charter of Audit Independence and pre-approving the performance by the external auditors of any non-audit related work and any proposed fees to be paid to the external auditors for that work, for which its approval is required by the Charter of Audit Independence. The Charter divides non-audit work into three categories: work which must be approved by the Chief Financial Officer (if fees will fall below specified limits); work which must be approved by the Audit Committee; and work which is prohibited. Prior consultation with, and approval of the Chief Financial Officer or Audit Committee, as prescribed by the Charter, is required whenever management recommends that the external auditors undertake non-audit work. Internal accounting, valuation services, actuarial services and internal audit services must not be performed by the external auditors.

The Audit Committee is also responsible for monitoring the Brambles Speaking Up Policy, that it is communicated properly and complied with throughout Brambles, and for monitoring that appropriate protection against victimisation and dismissal is given to Brambles employees who make certain disclosures in the public interest.

4.3.3. Meetings

Details of the number of Audit Committee meetings held during the Year, and attendance at those meetings, are set out in the Directors' Report - Other Information on page 57. Audit Committee papers are provided to all Directors and minutes of meetings are included in the papers for subsequent Board meetings. There is also an open invitation for all Directors to attend Audit Committee meetings.

4.3.4. Reporting

The Chairman of the Audit Committee reports to the Board on the Committee's proceedings and on all matters relevant to the Committee's duties and responsibilities.

4.4 EXTERNAL AUDITOR

PricewaterhouseCoopers has been engaged by the Board to act as external auditors to Brambles since the 2002 financial year. Under the terms of engagement, the Australian audit engagement partners will rotate every five years.

The Audit Committee is responsible for making recommendations on the selection, appointment, evaluation and removal of external auditors, setting fees and ensuring that the external auditors' engagement partners are rotated at appropriate intervals.

PRINCIPLE 5: MAKE TIMELY & BALANCED DISCLOSURE

5.1 ESTABLISH A CONTINUOUS DISCLOSURE POLICY

Brambles is committed to the promotion of investor confidence by taking steps within its power to ensure that trading in its securities occurs in an efficient and informed market. Brambles recognises the importance of effective communication as a key part of building shareholder value, and that to prosper and grow, it must earn the trust of shareholders, employees, customers, suppliers and communities, by being open in its communications and consistently delivering on its commitments.

The Board has adopted a Continuous Disclosure & Communications Policy to:

- reinforce Brambles' commitment to the continuous disclosure obligations imposed by law and to describe the processes Brambles implements to ensure compliance;
- outline Brambles' corporate governance standards and related processes and ensure that timely and accurate information about Brambles is provided equally to all shareholders and market participants; and

- outline Brambles' commitment to communicating effectively with shareholders and encouraging shareholder participation in shareholder meetings.

To achieve the above objectives and satisfy regulatory requirements, the Board provides information to shareholders and other market participants in several ways:

- Brambles releases significant announcements directly via the ASX and immediately places copies on www.brambles.com;
- Brambles conducts investor and analyst briefings as a part of its investor relations programme. No new materials or price sensitive information is provided at those briefings unless it has been previously or is simultaneously released to the market. Brambles posts all presentation materials on www.brambles.com; and
- www.brambles.com contains further information about Brambles and its activities, including copies of recent interim and annual reports and recordings of recent presentations to analysts.

During the Year, Brambles reviewed and updated the Continuous Disclosure & Communications Policy. The Continuous Disclosure & Communications Policy takes into account the matters listed in Box 5.1 of the CGPR. A copy can be found at www.brambles.com.

5.1.1. Commentary on financial results

The Audit Committee Charter requires the Committee to review the clarity of financial reports.

A review of operations and activities for the Year is included on pages 4 to 11. Brambles makes presentations of the full and half year results to the investment community immediately after the public release of those results. Brambles webcasts these presentations live and posts copies of the associated presentation materials on www.brambles.com.

5.1.2. Eliminating surprise on termination entitlements

Details of the termination entitlements of Brambles' Chief Executive Officer, Chief Financial Officer and other Key Management Personnel are disclosed on page 46 of the Directors' Report - Remuneration Report.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Shareholders play an important role in the governance of Brambles by electing the Board, whose task it is to govern on their behalf.

The Chairman regularly meets major investors to understand their issues and concerns and discuss particular matters relating to Brambles' governance and strategy. The Chief Executive Officer, Chief Financial Officer and other senior executives regularly meet investors and other market participants to understand their issues and concerns and discuss Company performance and strategy. No new material or price sensitive information is provided at such meetings. Other Non-executive Directors may attend meetings with major investors and will attend them if requested. The Chairman reports to the Board on the matters discussed at meetings with major investors and copies of relevant correspondence are included in the Board papers. Executive management provides information on shareholder activity and trading to the Board, along with shareholder feedback and copies of analysts' reports.

6.1 ESTABLISH A COMMUNICATIONS POLICY

As disclosed in section 5.1, the Board has adopted a Continuous Disclosure & Communications Policy, which outlines Brambles' commitment to communicating effectively with shareholders and encouraging shareholder participation in shareholder meetings.

A copy can be found at www.brambles.com.

CORPORATE GOVERNANCE STATEMENT - CONTINUED

6.1.1. Electronic communication

Brambles takes all of the measures to make effective use of electronic communication that are outlined in Box 6.1 of the CGPR.

Brambles posts a copy of all announcements made to the ASX on www.brambles.com. On release, significant announcements are highlighted in the "Latest News" area on the home page of www.brambles.com.

Presentations to investors, analysts or media during briefings and copies of speeches and presentations made by the Chairman and Chief Executive Officer at general meetings are released as regulatory announcements and posted on www.brambles.com after release. Briefings and general meetings are also webcast live, via www.brambles.com. All of the ASX regulatory releases and notices of meetings that Brambles Limited has published since it was listed in December 2006 are available on www.brambles.com, as are several years' history of such documents relating to BIL, prior to Unification.

Shareholders are encouraged to provide an email address to Brambles' share registry so that they can be sent an electronic notification when a communication is available on www.brambles.com, rather than a hard copy. Brambles believes shareholders benefit from electronic communication as they receive information promptly and have the convenience and security of electronic delivery. Electronic communication is also environmentally friendly and generates cost savings. Shareholders who do not specify a preferred method of communication are posted a printed notification of availability of the annual report and hard copies of all other communications.

Shareholders may electronically appoint proxies and lodge proxy instructions for items of business to be considered at general meetings, or have the option of lodging direct votes.

A newsletter on the half year results and the acquisition of IFCO was electronically distributed to shareholders who had provided an email address in April 2011, and distributed in hard copy to other shareholders with their interim dividend statements.

6.1.2. Meetings

AGMs provide an opportunity for the Board to communicate with investors, through presentations on Brambles' businesses and current trading. Shareholders are encouraged to attend AGMs and to participate and use the opportunity to ask questions on any matter.

To make better use of the limited time available, shareholders are invited to register questions and issues of concern prior to AGMs. This can be done either by completing the relevant form accompanying the notices convening the meetings or by emailing Brambles at shareholderquestions@brambles.com. Answers to frequently asked questions are given during presentations to AGMs. Shareholders may also ask questions at AGMs without having registered their questions in this manner.

6.1.3. Communication with beneficial owners

Beneficial owners of shares, investors or members of the public are encouraged to register for free email alerts, so that they may stay up to date on major news announcements made by Brambles. There is a link to the Email Alerts registration area of the website on the home page of www.brambles.com. Users of the Email Alerts service may customise the types of announcements that they receive.

6.1.4. Website

As noted in sections 6.1.1. and 6.1.3., Brambles communicates with shareholders via electronic methods, including via www.brambles.com. Brambles has also established a new shareholder results micro-site, which contains the financial results for the Year as well as more detailed information about Brambles' business operations. The micro-site can be accessed directly at www.brambles.com/2011review.

6.1.5. Briefings

Brambles follows a calendar of regular disclosure of its financial and operational results. The calendar, which is posted on the website, includes advance notice of the dates for the release of half year and full year results, other financial information, shareholder meetings, major analyst and investor briefings and Brambles' involvement in major investment conferences. Where possible, Brambles webcasts these significant briefings.

When Brambles conducts analyst and investor briefings, a record of the briefings is maintained for internal use. This record includes a summary of the issues discussed, a record of those present (names or numbers where appropriate) and the time and place of the meeting.

PRINCIPLE 7: RECOGNISE & MANAGE RISK

7.1 ESTABLISH POLICIES FOR THE OVERSIGHT & MANAGEMENT OF MATERIAL BUSINESS RISKS

7.1.1. Risk management policies

The Board is responsible for approving and reviewing the effectiveness of the Group's system of internal control and risk management. During the Year, the Board was supported in this role by management, in particular by the Chief Executive Officer, the Audit Committee (in relation to financial reporting risks) and the Group's internal audit function. To strengthen the relationship between risk management and strategic and operational planning, the Chief Executive Officer, through the ELT (see section 1.1.1.), has principal responsibility for risk management. The Audit Committee's responsibilities are described in section 4.3.2. of this Statement.

Following a comprehensive review of the risk management and internal control system, a new risk management framework was adopted, with effect from 1 July 2010. The objectives of the new risk management framework are as follows:

- to incorporate effective risk management as part of Brambles' strategic planning process;
- to require business operating plans to address the effective management of key risks;
- to develop internal audit plans to concentrate efforts on providing assurance on the viability and value of risk mitigation/management processes;
- to embed a stronger risk management culture;
- to improve allocation of capital to reflect business risks;
- to seek competitive advantage through increased certainty of achieving agreed organisational and business objectives; and
- to continue to fulfil governance requirements for risk management.

Brambles Headquarters and each of the business units (other than IFCO) have a risk and control committee (RCC) which reports to the ELT. As part of the IFCO integration plan, IFCO will establish an RCC during FY12. The Brambles Headquarters RCC is chaired by the Chief Financial Officer and its members include key functional heads. Each RCC conducts an in-depth review of the relevant business unit's risk profile on a regular basis. The relevant Group President reviews the risk profile and accompanying mitigation plans before they are consolidated into the Group-level risk profile. The risk profiles and mitigation plans for Brambles Headquarters, the business units and the Group as a whole are evaluated by the ELT, with support from the Group Vice President, Risk. The ELT, through the Chief Executive Officer, prepares a risk report to the Board twice each year, which includes a review of the Group's risk profile, mitigation factors and emerging risks (see section 7.2). Legal obligations and the reasonable expectations of stakeholders, such as shareholders, customers, employees, subcontractors, suppliers and the community in general are taken into account when preparing and updating mitigation plans.

7.2 REPORTING ON EFFECTIVE MANAGEMENT OF MATERIAL BUSINESS RISKS

7.2.1. Risk management and internal control system

Management is responsible for the development, implementation and management of systems that:

- identify, assess and manage risks in an effective and efficient manner;
- enable decisions to be based on a comprehensive view of the reward-to-risk balance;
- provide greater certainty of the delivery of objectives; and
- satisfy the Group's corporate governance requirements.

These systems are designed to limit the risk of failure to achieve business objectives. It must be recognised, however, that internal control and risk management systems can provide only reasonable, and not absolute, assurance against the risk of material loss.

Key elements of Brambles' internal control systems include:

- a Code of Conduct that sets out an ethical and legal framework for all employees in the conduct of Brambles' business;
- financial systems to provide timely, relevant and reliable information to management and to the Board;
- appropriate formalised delegations and limits of authority consistent with Brambles' objectives;
- biannual management declarations at country, regional and global levels confirming, among other matters, the adequacy of internal control procedures, the effectiveness of risk management systems and compliance with the Code of Conduct and all regulatory and statutory requirements;
- an internal audit function, described in section 7.2.2. of this Statement;
- a risk management function;
- RCCs for each of Brambles Headquarters and the business units; and
- other sources of independent assurance, such as environmental audits, occupational health and safety audits and reports from the external auditors.

The biannual management declarations are collected through a web-based system, to enable the questionnaires to be completed more easily and to facilitate rigorous tracking across periods.

The key elements of Brambles' business risk management systems during the Year are set out below:

Risk control - risks to the achievement of business objectives were identified through a process of examination between the ELT, Brambles' risk management team, the business unit Group Presidents, RCCs and functional process owners. Key business risks were also identified and analysed during regular management reporting and discussions. The identified risks were assessed in terms of their underlying causes, business consequences, external variables, current internal control effectiveness, likelihood of occurrence, overall risk priority and risk mitigation status. The resulting net risk and control profiles were presented to the Board, together with a risk improvement program designed to increase the effectiveness of controls and manage the overall level of risk. This process formed part of the Board's annual review of the effectiveness of the systems of internal control.

Risk monitoring - there was regular reporting of key risk events, such as safety incidents, litigation and serious incidents (as defined in the Code of Conduct). In addition to regular monitoring by the ELT and Brambles' risk management team, risks and controls were reassessed by the RCCs on a regular basis. The outcome of those assessments and details of progress in implementing risk improvement programs were signed off by Group Presidents and reported to the Group Vice President, Risk. In addition, a report on the effectiveness of the management of business risks was provided

to the ELT and the Board. The effectiveness of specific business risk controls and risk improvement programs was also periodically reviewed by internal audit as part of the FY11 internal audit program, and the results reported to the Audit Committee.

During the Year, the Board reviewed the effectiveness of the internal control and risk management systems and will continue to do so on an ongoing basis by:

- considering and approving the budget and forward plan of each business;
- reviewing detailed monthly reports on business performance and trends;
- setting limits on delegated authority;
- receiving regular reports on Brambles' treasury activities, and reviewing treasury guidelines, limits and controls;
- receiving twice-yearly reports from the ELT on the effectiveness of internal control and risk management systems for Brambles' material business risks, being the report required by Recommendation 7.2 of the CGPR;
- receiving twice-yearly written assurances from the Chief Executive Officer and Chief Financial Officer, as described in section 7.3 of this Statement; and
- receiving reports from the Audit Committee, which has a responsibility to assist the Board in reviewing internal financial controls.

7.2.2. Internal audit function

The internal audit function is independent of the external auditor. Brambles' internal audit function carries out risk-based audits under an annual plan approved by the Audit Committee. The internal audit team makes an independent appraisal of the adequacy and effectiveness of Brambles' risk management and internal control system, to provide assurance to the Audit Committee and the Board.

The head of internal audit has direct access to the Chairman of the Audit Committee. Both the Audit Committee and the internal audit team have unrestricted access to management and the right to seek information and explanations.

7.2.3. Risk Management Committee

The roles of the Board, ELT and the RCCs in Brambles' risk management framework are described in section 7.1.1.

7.3 CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER DECLARATION

The Board receives written assurances from the Chief Executive Officer and Chief Financial Officer that the declaration provided under section 295A of the Corporations Act 2001 (Cth)(Act) is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. The Board received these assurances in advance of approving both the annual and interim financial statements for the Year.

PRINCIPLE 8: REMUNERATE FAIRLY & RESPONSIBLY

8.1 ESTABLISH A REMUNERATION COMMITTEE

8.1.1. Purpose of the Remuneration Committee

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

- enable Brambles to attract and retain executives and Directors who will create value for shareholders;
- fairly and responsibly reward executives having regard to the performance of Brambles, the performance of the executive and the general remuneration environment; and
- comply with the provisions of the ASX Listing Rules and the Act.

CORPORATE GOVERNANCE STATEMENT - CONTINUED

8.1.2. Charter

The Remuneration Committee has a Charter which includes its duties and responsibilities, composition, structure, membership requirements, authority, access rights and sets out a procedure for inviting non-members to attend its meetings. During the Year, the Charter was amended to provide that the Committee's responsibilities would include reviewing and making recommendations to the Board on remuneration by gender. A copy of the Remuneration Committee's Charter, which is reviewed annually, can be found at www.brambles.com.

8.1.3. Responsibilities of the Remuneration Committee

The Remuneration Committee discharges its responsibilities by meeting regularly throughout the year and, among other matters:

- determining and agreeing with the Board the broad policy for the remuneration of the Chairman of the Board, the Chief Executive Officer and other members of the senior executive team, and reviewing the ongoing appropriateness and relevance of the executive remuneration policy;
- determining the remuneration for the Executive Directors and the Company Secretary, reviewing the proposed remuneration for the senior executive team, ensuring 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, in determining such packages and arrangements, giving due regard to all relevant regulations and associated guidance;
- insofar as they impact on the Executive Directors and the senior executive team, approving the design of, and determining targets for, all cash-based executive incentive plans, and approving the total proposed payments from all such plans;
- keeping all equity-based plans under review in the light of legislative, regulatory and market developments, determining each year whether awards will be made under such plans and whether there are exceptional circumstances which allow awards at other times, approving total proposed awards under each plan, approving awards to Executive Directors and reviewing awards made to the senior executive team;
- annually reviewing and taking account of the remuneration trends across Brambles in its main markets, reviewing and making recommendations to the Board on remuneration by gender and advising on any major changes in employee benefit structures throughout Brambles;
- reviewing the funding and performance of Brambles' retirement plans and reporting to the Board;
- selecting, appointing and setting the terms of reference for external remuneration consultants who advise the Committee in respect of the remuneration of the Executive Directors; and
- review and make recommendations to the Board on remuneration by gender.

8.1.4. Remuneration policy

Details of Brambles' remuneration policy can be found in the Directors' Report - Remuneration Report on pages 40, 41, 42 and 50.

The remuneration of the Chairman of Brambles is determined by the Remuneration Committee. The remuneration of the other Non-executive Directors is determined by the Executive Directors, following consultation with the Chairman of Brambles, with the Non-executive Directors taking no part in the discussion or decision relating to their remuneration. In setting remuneration, advice is sought from external remuneration consultants.

During the Year, the Remuneration Committee and the Board monitored the progress of legislative changes to the Act concerning director and executive remuneration, and, where not already in place, made preparations to comply with the new rules on voting, disclosure, engagement of remuneration consultants and hedging of remuneration which take effect in FY12.

8.2 STRUCTURE OF THE REMUNERATION COMMITTEE

The Remuneration Committee is comprised entirely of Non-executive Directors, all of whom are independent. Luke Mayhew (Committee Chairman), Tony Froggatt and Graham Kraehe were members of the Remuneration Committee throughout the Year; John Mullen, a former independent Non-executive Director of Brambles, was a member of the Remuneration Committee during the Year until his resignation on 7 February 2011. The Remuneration Committee meets at least three times a year. Details of the number of Remuneration Committee meetings held during the Year and attendance at those meetings, are set out in the Directors' Report - Other Information on page 57.

The Remuneration Committee may seek input from certain members of executive management on remuneration, but no member of executive management is directly involved in deciding their own remuneration.

8.3 COMPARISON OF REMUNERATION STRUCTURES

There is a clear distinction between the structure of Non-executive Directors' remuneration and that of the Executive Directors and executive management. Brambles has taken account of the guidelines for executive remuneration packages in Box 8.1 of the CGPR and the guidelines for non-executive director remuneration in Box 8.2 of the CGPR. Further details can be found in the Directors' Report - Remuneration Report on pages 40, 41, 42 and 50.

The following checklist summarises Brambles' compliance with the CGPR and contains cross references to the sections of this Statement and to the exact location of information disclosed at www.brambles.com.

Principle/Recommendation	Reference
PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT & OVERSIGHT	
Recommendation 1.1 Role of the board and management	Corporate Governance Statement: 1.1
Recommendation 1.2 Performance evaluation of senior executives	Corporate Governance Statement: 1.2
Recommendation 1.3 Companies should provide the following information in the corporate governance statement:	
- an explanation of any departures from Recommendations 1.1, 1.2 or 1.3	Not applicable
- whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed	Corporate Governance Statement: 1.2
A statement of matters reserved for the board, or the board charter or the statement of areas of delegated authority to senior executives should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section	www.brambles.com See "Corporate Governance", "Board of Directors".
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE	
Recommendation 2.1 Independent directors	Corporate Governance Statement: 2.1
Recommendation 2.2 Independent chairman	Corporate Governance Statement: 2.2
Recommendation 2.3 Roles of chairman and chief executive officer	Corporate Governance Statement: 2.3
Recommendation 2.4 Nomination committee	Corporate Governance Statement: 2.4
Recommendation 2.5 Process for evaluating the performance of the board, its committees and directors	Corporate Governance Statement: 2.5
Recommendation 2.6 Companies should provide the following information in the corporate governance statement:	Corporate Governance Statement:
- the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report	2 and Board & Executive Leadership Team, pages 24 to 25.
- the names of the directors considered by the board to constitute independent directors and the company's materiality thresholds	2.1.2.
- the existence of any of the relationships listed in Box 2.1 and an explanation of why the board considers a director to be independent, notwithstanding the existence of those relationships	2.1.2.
- a statement as to whether there is a procedure agreed by the board for directors to take independent professional advice at the expense of the company	2.1.1.
- a statement as to the mix of skills and diversity for which the board of directors is looking to achieve in membership of the board	2.4.5.
- the period of office held by each director in office at the date of the annual report	2.1.2.
- the names of members of the nomination committee and their attendance at meetings of the committee, or where a company does not have a nomination committee, how the functions of a nomination committee are carried out	2.4.3 and Directors' Report - Other Information, page 57.
- whether a performance evaluation for the board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed	2.5
- an explanation of any departures from Recommendations 2.1, 2.2, 2.3, 2.4, 2.5 or 2.6	Not applicable
The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:	
- a description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors	www.brambles.com See "Corporate Governance", "Board of Directors", "Board Succession Planning & Renewal".

CORPORATE GOVERNANCE STATEMENT - CONTINUED

Principle/Recommendation	Reference
<ul style="list-style-type: none"> - the charter of the nomination committee or a summary of the role, rights, responsibilities and membership requirements for that committee - the board's policy for the nomination and appointment of directors 	<p>www.brambles.com See "Corporate Governance", "Committees of the Board", "Nominations Committee".</p>
PRINCIPLE 3: PROMOTE ETHICAL & RESPONSIBLE DECISION-MAKING	
Recommendation 3.1 Establish a code of conduct	Corporate Governance Statement: 3.1
Recommendation 3.2 Establish a diversity policy	Corporate Governance Statement: 3.2
Recommendation 3.3 Gender diversity objectives	Corporate Governance Statement: 3.3
Recommendation 3.4 Gender diversity reporting	Corporate Governance Statement: 3.4
Recommendation 3.5 An explanation of any departures from Recommendations 3.1, 3.2, 3.3, 3.4 or 3.5 should be included in the corporate governance statement	Not applicable
The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:	
<ul style="list-style-type: none"> - any applicable code of conduct or a summary - the diversity policy or a summary of its main provisions 	<p>www.brambles.com See "Corporate Governance", "Other", "Brambles Code of Conduct" (which incorporates the Diversity Policy as Schedule 8).</p>
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	
Recommendation 4.1 Establish an audit committee	Corporate Governance Statement: 4.1
Recommendation 4.2 Structure of the audit committee	Corporate Governance Statement: 4.2
Recommendation 4.3 Audit committee charter	Corporate Governance Statement: 4.3
Recommendation 4.4 Companies should provide the following information in the corporate governance statement:	
<ul style="list-style-type: none"> - the names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee, or, where a company does not have an audit committee, how the functions of an audit committee are carried out - the number of meetings of the audit committee 	Corporate Governance Statement: 4.2.3 and Directors' Report - Other Information, page 57.
<ul style="list-style-type: none"> - an explanation of any departures from Recommendations 4.1, 4.2, 4.3 or 4.4 	Not applicable
The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:	
<ul style="list-style-type: none"> - information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners - the audit committee charter 	Corporate Governance Statement: 4.4 and www.brambles.com See "Corporate Governance", "Committees of the Board", "Audit Committee".
PRINCIPLE 5: MAKE TIMELY & BALANCED DISCLOSURE	
Recommendation 5.1 Establish a continuous disclosure policy	Corporate Governance Statement: 5.1
Recommendation 5.2 An explanation of any departures from Recommendations 5.1 or 5.2 should be included in the corporate governance statement	Not applicable
The policies or a summary of those policies designed to guide compliance with Listing Rule disclosure requirements should be made publicly available, ideally by posting them to the company's website in a clearly marked corporate governance section	
	www.brambles.com See "Corporate Governance", "Other", "Brambles Code of Conduct" (which incorporates the Continuous Disclosure & Communications Policy as Schedule 3).
PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS	
Recommendation 6.1 Establish a communications policy	Corporate Governance Statement: 6.1
Recommendation 6.2 An explanation of any departures from Recommendations 6.1 or 6.2 should be included in the corporate governance statement	Not applicable

Principle/Recommendation	Reference
The company should describe how it will communicate with its shareholders publicly, ideally by posting the information on the company's website in a clearly marked corporate governance section	www.brambles.com See "Corporate Governance", "Other", "Brambles Code of Conduct" (which incorporates the Continuous Disclosure & Communications Policy as Schedule 3).
PRINCIPLE 7: RECOGNISE & MANAGE RISK	
Recommendation 7.1 Establish policies for the oversight and management of material business risks	Corporate Governance Statement: 7.1
Recommendation 7.2 Reporting on effective management of material business risks	Corporate Governance Statement: 7.2
Recommendation 7.3 Chief Executive Officer and Chief Financial Officer declaration	Corporate Governance Statement: 7.3
Recommendation 7.4 Companies should provide the following information in the corporate governance statement:	
- an explanation of any departures from Recommendations 7.1, 7.2, 7.3 or 7.4	Not applicable
- whether the board has received the report from management under Recommendation 7.2	Corporate Governance Statement: 7.2
- whether the board has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) under Recommendation 7.3	Corporate Governance Statement: 7.3
The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:	
- a summary of the company's policies on risk oversight and management of material business risks	www.brambles.com See "Corporate Governance", "Risk Management".
PRINCIPLE 8: REMUNERATE FAIRLY & RESPONSIBLY	
Recommendation 8.1 Establish a remuneration committee	Corporate Governance Statement: 8.1
Recommendation 8.2 Structure of the remuneration committee	Corporate Governance Statement: 8.2
Recommendation 8.3 Comparison of remuneration structures	Corporate Governance Statements: 8.3 and Directors' Report - Remuneration Report pages 40, 41, 42 and 50.
Recommendation 8.4 Companies should provide the following information in the corporate governance statement or a clear cross reference to the location of the material:	
- the names of the members of the remuneration committee and their attendance at meetings of the committee, or where a company does not have a remuneration committee, how the functions of a remuneration committee are carried out	Corporate Governance Statement: 8.2 and Directors' Report - Other Information, page 57.
- the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors	Not applicable
- an explanation of any departures from Recommendations 8.1, 8.2, 8.3 or 8.4	Not applicable
The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:	
- the charter of the remuneration committee or a summary of the role, rights, responsibilities and membership requirements for that committee	www.brambles.com See "Corporate Governance", "Committees of the Board", "Remuneration Committee".
- a summary of the company's policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in invested entitlements under any equity-based remuneration schemes	www.brambles.com See "Corporate Governance", "Other", "Brambles Code of Conduct" (which incorporates the Securities Trading Policy as Schedule 9).