

# DIRECTORS' REPORT - REMUNERATION REPORT

Brambles has maintained a prudent approach to remuneration during 2010/11, reflecting the continued focus on both cost control and appropriate reward for good performance:

- salary increases across the company, including the Executive Leadership Team, were relatively modest at an overall 3%;
- short term bonuses were around target level; and
- the element of the 2008 long term incentive award which is based on Total Shareholder Return will partially vest in 2011.

During the year, Karl Pohler (Chief Executive Officer, IFCO) joined the Brambles Executive Leadership Team as a result of the IFCO acquisition. One senior executive, Jim Infinger, Chief Information Officer, left the business. His departure was managed under the provisions of his employment contract and within the existing executive termination legislation.

Following last year's restructuring into local currency, a market rate increase of 4% was applied to Non-executive Directors' fees, including the Chairman's fees.

During the year we revisited Brambles' remuneration strategy to ensure that there continues to be a close alignment between executive reward and the delivery of key business objectives, and that effective incentives and rewards were in place for executives for the delivery of strong sustainable returns to shareholders.

The review confirmed that our current remuneration strategy is strongly aligned with our business strategy. As a result we are not putting forward any fundamental changes to our approach to remuneration. However, Brambles will be seeking shareholder approval for some changes to our executive and global employee share plan rules. The proposed changes to our executive share plan would bring it into line with market practice, with the addition of the introduction of the discretion to "clawback" unvested shares in exceptional circumstances. The proposed change to our global employee share plan rules is designed to provide Brambles with more flexibility to support increased employee share ownership across our business. Details of the planned rule changes are outlined in section 3.5 of this Report.

Finally we have continued to simplify the Remuneration Report while ensuring that it still informs shareholders and includes all formally required disclosures. We have introduced a table detailing actual remuneration received by our Executive Leadership Team during the financial year. This is to provide greater transparency and understanding to shareholders.



Luke Mayhew  
Non-executive Director and  
Chairman of the Remuneration Committee

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## 1. BACKGROUND

This Remuneration Report includes information on Brambles' Executive Directors, Non-executive Directors, and other Group executives whose remuneration details are required to be disclosed (Disclosable Executives).

Disclosable Executives include those persons having authority and responsibility for planning, directing and controlling the activities of the Group, and who, for some or all of the year ending 30 June 2011 (Year), have been a member of the Executive Leadership Team (ELT) of Brambles (Key Management Personnel).

This report includes all disclosures required by the Corporations Act 2001 (Cth) (Act), regulations made under that Act and Australian Accounting Standard AASB 124: Related Party Disclosures. The disclosures required by section 300A of the Act have been audited. Disclosures required by the Act cover both Brambles Limited (Company) and the Group.

## 2. REMUNERATION COMMITTEE

The Remuneration Committee (Committee) operates under delegated authority from Brambles' Board. The Committee's responsibilities include recommending overall remuneration policy to the Board, approving the remuneration arrangements for the Executive Directors, the ELT and the Company Secretary and reviewing the remuneration policy and individual arrangements for other executives.

Details of the Committee's Charter, Advisers and the rules of Brambles' executive and employee share plans can be found on [www.brambles.com](http://www.brambles.com) under "Corporate Governance", "Committees of the Board", "Remuneration Committee".

## 3. REMUNERATION POLICY AND STRUCTURE

The Board has adopted a remuneration policy for the Group which is consistent with its business objectives and designed to attract and retain high calibre executives, align executive rewards with the creation of shareholder value, and motivate executives to achieve challenging performance levels.

When setting and reviewing remuneration levels for the Executive Directors and other members of the ELT, the Committee considers the experience, responsibilities and performance of the individual and takes into account market data relevant to the individual's role and location, as well as Brambles' size, geographic spread and complexity. The Group's remuneration policy is to pay at the median level of remuneration for target capability and performance and to provide upper quartile rewards for outstanding capability and performance. The benchmarks used for setting fixed remuneration in relation to the year ending 30 June 2011 were major listed companies in the US, Australia and Europe, with market capitalisation and revenue levels that were between 50% and 200% of Brambles' 12 month average market capitalisation and revenue as of June 2010.

The structure of Brambles' current incentive arrangements was approved by shareholders at the 2008 Annual General Meeting (AGM). There was a minor amendment to the Brambles Limited 2006 Performance Share Plan (2006 Share Plan) rules in 2009. This change means that executives who leave the Company under certain circumstances, such as retirement or redundancy, do not receive accelerated vesting of their short term incentive (STI) share awards and instead, need to wait until the completion of the performance period to receive any awards.

Remuneration is divided into those components which are not directly linked to performance (that is, they are “Fixed”), and those components which are variable and are directly linked to Brambles’ financial performance and the delivery of personal and safety objectives (that is, they are “At Risk”).

### 3.1 FIXED REMUNERATION

Fixed remuneration generally consists of base salary and benefits. However, as is common elsewhere, the Chief Executive Officer, who is based in Australia, has been provided with an annual Total Fixed Remuneration (TFR) amount and has flexibility as to the precise mixture of cash and benefits he receives within that amount. Benefits may include pension contributions, motor vehicles, club memberships and disability and life insurance. Executives who are not covered by TFR may receive similar benefits in addition to their base salary.

As a global group, Brambles operates an international mobility policy which can include the provision of housing, payment of relocation costs and other location adjustment expenses where appropriate.

### 3.2 AT RISK REMUNERATION

In addition to those elements of remuneration which are Fixed, a significant element of executives’ total potential reward is required to be At Risk. This means that an individual’s maximum potential remuneration will be achieved only in circumstances where they have met challenging objectives in terms of Brambles’ overall financial performance and sustainable returns for all shareholders. The proportion of executives’ remuneration packages At Risk is illustrated in section 3.3.

At Risk remuneration is provided to Brambles’ executives through annual STI and long term incentive (LTI) arrangements. All the incentive plans under which awards to Executive Directors and the Disclosable Executives are still to vest or be exercised are summarised in sections 7.2 and 7.3.

Brambles’ At Risk remuneration includes three different types of award, an STI cash award, STI share award and an LTI share award, the key features of which are illustrated in the following diagram.

Definitions of the Brambles Value Added (BVA), Total Shareholder Return (TSR) and Compound Annual Growth Rate (CAGR) measurements and the methods by which they are calculated are included in the Glossary on pages 132 to 133.

The manner in which the awards operate is summarised below.

The market value at the date of grant of all equity awards made to any person in any financial year should not normally (and did not during the Year) exceed two times their TFR or equivalent.

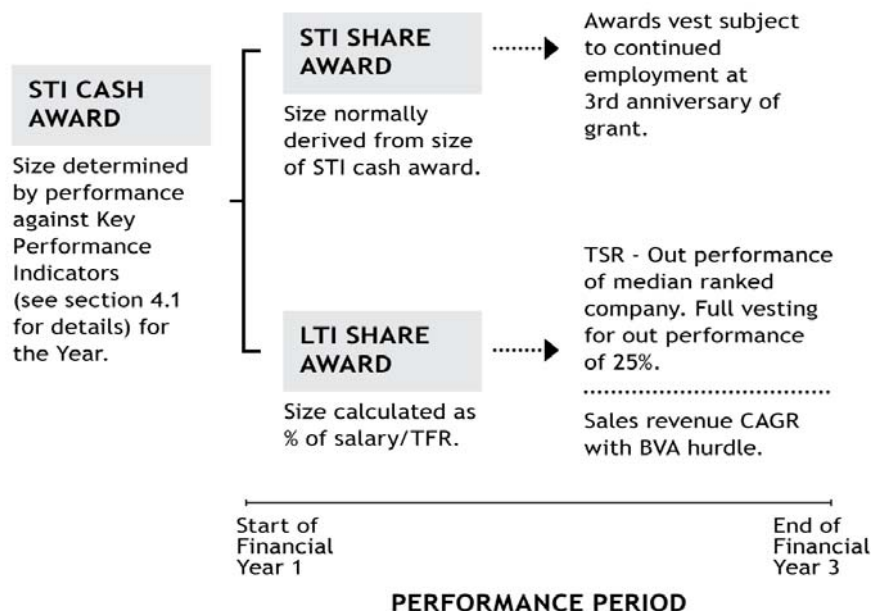
Brambles’ Securities Trading Policy applies to awards granted under the incentive arrangements described above. That policy prohibits designated persons from acquiring financial products or entering into arrangements which have the effect of limiting exposure to the risk of price movements of Brambles securities. It is a term of senior executives’ employment contracts that they are required to comply with all Brambles policies (including the Securities Trading Policy). Management declarations are obtained twice yearly and include a statement that all policies have been complied with.

More detailed information on Brambles’ current incentive arrangements is set out in section 4, and in the relevant plan rules, which can be found on [www.brambles.com](http://www.brambles.com).

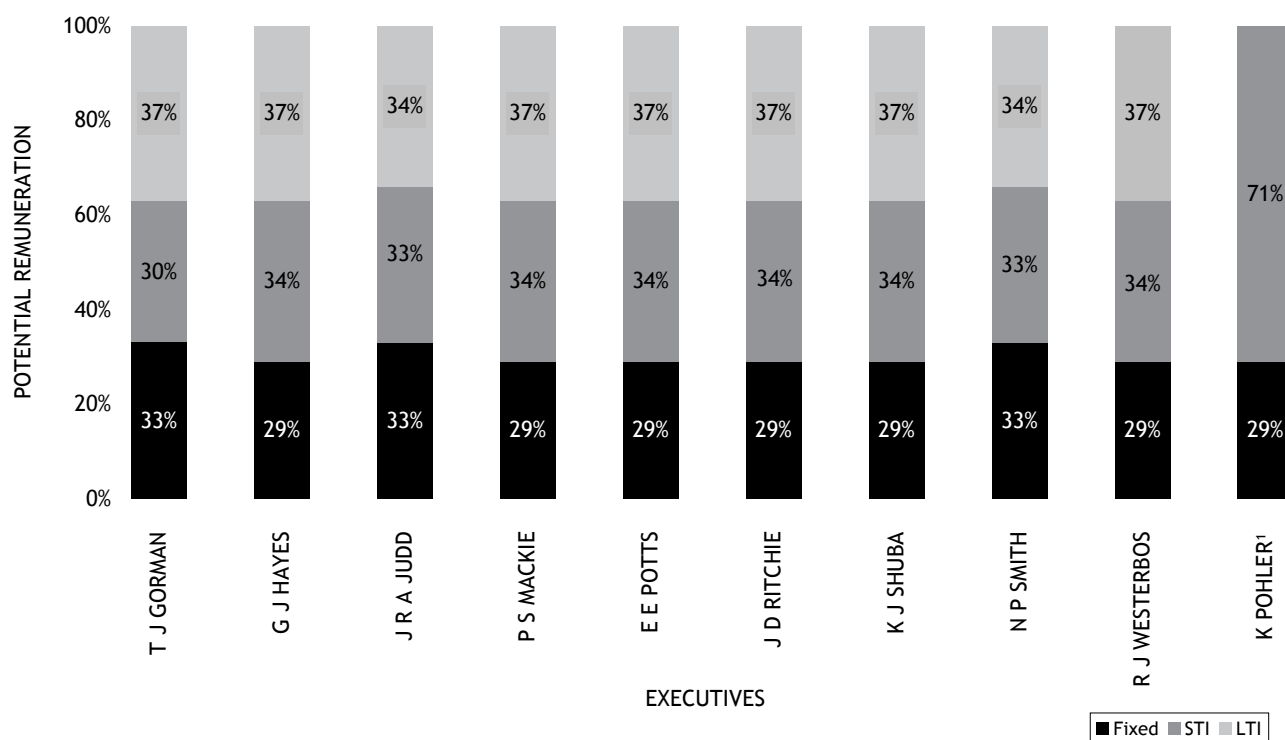
### 3.3 REMUNERATION PACKAGES - FIXED VS. AT RISK

Brambles’ executive remuneration mix is heavily tied to performance. At Risk remuneration is performance based and is made up of STIs and LTIs. It represents approximately 65-70% of the executive’s remuneration package (based on target performance for STIs and using the fair market value for share awards).

The chart on the following page illustrates the mix of Fixed, and potential STI and LTI remuneration for Disclosable Executives based on target performance.



## DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED



### 3.4 ALL EMPLOYEE SHARE PLAN

At the 2008 AGM, shareholders gave approval to an all employee share plan (MyShare), which was implemented in January 2009.

Since the initial launch, more than 25% of Brambles employees from more than 25 countries have elected to participate in MyShare. The number of shares purchased by employees (Acquired Shares) as at 30 June 2011 was 1,719,780, excluding shares received under the dividend share plan (Dividend Shares). At the end of March 2011, Brambles issued 475,318 shares to employees, being a matching number of shares (Matching Shares) to those purchased and held by employees for the two year period.

In 2012 MyShare will be offered for the first time to employees in Argentina, Austria, Chile, Finland, Greece, Hungary, Saudi Arabia, Slovakia, United Arab Emirates and Zimbabwe.

Members of the ELT are eligible to participate in MyShare. The ELT's Acquired Shares, Dividend Shares and Matching Shares are included in section 5.5. Matching share rights allocated, but not yet vested as Matching Shares (Matching Awards), are shown in section 5.6.

### 3.5 CHANGES TO EXECUTIVE AND EMPLOYEE SHARE PLAN RULES

Although the remuneration strategy review undertaken during the Year indicated that Brambles' executive and employee share plans overall were fit for purpose, a few areas of improvement were identified which will require minor amendments to the 2006 Share Plan and MyShare rules. Specifically, Brambles will be seeking shareholder approval to make the following four changes.

- Under the current 2006 Share Plan rules, 50% of ELT members' STI awards are deferred into STI share awards that vest after three years. The level of deferral will remain at 50%. However, it is proposed that the vesting period that commences after the STI share award is granted will be reduced from three years to two years, for STI share awards allocated in August 2011 onwards. The key reasons for these changes are as follows:

- In Australia the most common practice is for an STI share award vesting period of two years or less after the STI share award is granted;
  - It will balance the longer term vesting practice of Europe with the USA practice of immediate or short term vesting; and
  - The current three year STI share award vesting period is concurrent with Brambles' LTI share award vesting period. Having a staggered vesting between the two types of share award provides for better executive motivation.
- It is proposed that the "good leaver" provisions in the 2006 Share Plan rules be brought into line with market practice, so that all employees can be treated as "good leavers", other than employees who voluntarily resign and employees who are terminated for poor performance or misconduct. This will clarify the rules. All STI and LTI share awards will continue to be forfeited in the case of resignations or terminations for cause. The rules relating to the allocation of Matching Shares under MyShare will be similarly updated.
  - Brambles proposes that the Board be given discretion under the rules of the 2006 Share Plan to "clawback" unvested share awards, in the event of serious misconduct by management which undermines materially the Group's performance, financial soundness and reputation. This could include misrepresentations or material misstatements due to errors, omissions or negligence.
  - In order to encourage higher levels of participation from Brambles' general employee population, the MyShare rules will be amended to provide flexibility to occasionally increase the ratio of Matching Shares to Acquired Shares from 1:1 to a maximum of 2:1, for the first A\$1,000 worth of Acquired Shares.

The Board believes these amendments would provide valuable enhancements to the remuneration policy.

<sup>1</sup> Karl Pohler's remuneration mix and bonus calculations reflect his existing incentive arrangements from IFCO.

#### 4. PERFORMANCE OF BRAMBLES

Brambles' remuneration policy is directly linked to its performance, both in terms of financial performance and the creation of shareholder wealth. This link is achieved in the following ways:

- by placing a significant portion of executives' remuneration At Risk;
- by selecting appropriate Key Performance Indicators (KPIs) for annual STI cash awards and performance conditions for LTI share awards; and
- by requiring those KPIs or performance conditions to be met in order for the At Risk component of remuneration to be awarded or to vest.

The relationship between Brambles' remuneration policy and its performance over the Year and the previous four financial years is set out in section 4.2. The tables in section 4.2.1 show the level of vesting of awards triggered by performance over those periods.

##### 4.1 STI KEY PERFORMANCE INDICATORS

As outlined in section 3.2, executives have the opportunity to receive annual STI cash and share awards based on performance against KPIs. An STI award currently vests three years after the award is made. The ELT's KPIs are comprised of 60-70% financial KPIs and 30-40% of personal non-financial KPIs.

##### Financial KPIs

The STI financial KPIs chosen for the Year were BVA and Cash flow from operations (Cash Flow), plus (for the Chief Executive Officer and the Chief Financial Officer) Profit After Tax (PAT). For CHEP and Recall Group Presidents, KPIs included Brambles BVA and their respective business unit (CHEP or Recall) BVA and Cash Flow.

A focus on BVA helps ensure the efficient use of capital within Brambles. PAT captures interest and tax charges which are not directly incorporated in BVA. Cash Flow is used as a measure to ensure a strong focus on the generation of cash for the Group.

The key levels of performance possible against each of the financial KPIs relevant to the STI awards for the Year were: Threshold (the minimum necessary to qualify for the awards); Target (where the performance targets have been met); and Maximum (where the targets have been significantly exceeded, and the related rewards have reached their upper limit).

Karl Pohler, Chief Executive Officer, IFCO, had his incentive based on his existing IFCO STI plan KPIs, being EBITDA and Free cash flow.

Definitions of the Cash flow from operations, EBITDA and Free cash flow measurements and the methods by which they are calculated are included in the Glossary on pages 132 to 133.

The actual levels of performance achieved for the Year against the financial KPIs are summarised in the following table.

##### Performance against financial KPIs in 2011

KPIs	Level of performance achieved during the Year <sup>2</sup>
Brambles BVA	Between Target and Maximum
Brambles PAT	Between Target and Maximum
Brambles Cash Flow	Achieved Target
CHEP Americas BVA	Between Threshold and Target
CHEP Americas Cash Flow	Failed Target
CHEP EMEA BVA	Between Threshold and Target
CHEP EMEA Cash Flow	Achieved 50% of Target <sup>3</sup>
CHEP Asia-Pacific BVA	Between Target and Maximum
CHEP Asia-Pacific Cash Flow	Achieved Target
Recall BVA	Between Threshold and Target
Recall Cash Flow	Failed Target
IFCO EBITDA	Achieved Target
IFCO Cash Flow	Achieved Target

##### Non-financial KPIs

Non-financial KPIs include personal strategic objectives in areas such as safety, business strategy, growth, customer satisfaction and retention, and people and talent management.

- Brambles safety is measured by Brambles Injury Frequency Rate (BIFR). A definition of BIFR is included in the Glossary on page 132 and reporting of the Group's BIFR performance is included in the Sustainability Review on page 21. Brambles regards the safety of its people as a major priority and the ELT has Group-wide oversight of the Zero Harm environment. This means that all ELT members will lose any STI entitlement under their safety objective if a fatality occurs anywhere in the Brambles Group.
- Business strategy and growth includes the implementation of clearly specified strategic initiatives allocated to individual ELT members, for example further new business acquisitions.
- Customer satisfaction and retention is mainly measured using the Net Promoter Score (NPS) system. An explanation of the Group's use of NPS is included in the Sustainability Review on page 16.
- People and talent management metrics relate to the development of future leaders in Brambles as well as succession planning for critical roles.

Details of the STI cash award payable to Disclosable Executives and the STI cash award forfeited, as a percentage of the maximum potential STI cash award in respect to performance during the Year, are shown for each ELT member in the following table.

<sup>2</sup> Financial targets set for the forthcoming financial year under Brambles' incentive plans will not constitute profit forecasts and the Board is conscious that their publication may therefore be misleading. Accordingly Brambles does not publish in advance the coming year's financial targets for incentive purposes. Brambles' BVA performance for the Year is however, set out on page 11.

<sup>3</sup> Achieved mid year at target but failed to meet full year target.

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Actual STI cash payable and forfeited for year ended  
30 June 2011

Name	% of maximum STI cash payable for year ended 30 June 2011	% of maximum STI cash forfeited for year ended 30 June 2011
<b>EXECUTIVE DIRECTORS</b>		
T J Gorman	78%	22%
G J Hayes	79%	21%
<b>CURRENT KEY MANAGEMENT PERSONNEL</b>		
J R A Judd	69%	31%
P S Mackie	70%	30%
K Pohler <sup>1</sup>	48%	52%
E E Potts	48%	52%
J D Ritchie	50%	50%
K J Shuba	55%	45%
N P Smith	73%	27%
R J Westerbos	53%	47%
<b>FORMER KEY MANAGEMENT PERSONNEL</b>		
J L Infinger	0%	100%

### 4.2 LTI SHARE AWARD PERFORMANCE CONDITIONS

As outlined in section 3.3, Key Management Personnel also have the opportunity to receive equity awards in the form of LTI share awards. Vesting only occurs three years from the date of award and depends on Brambles' TSR performance relative to the S&P/ASX100 Index over a three year performance period (Performance Period), as well as, in the most recent awards, Brambles' performance against sales revenue growth and BVA hurdles, as set out in section 4.2.2. Once awards vest, they are exercisable for up to six years from the date of grant.

TSR measures the returns that a company has provided for its shareholders, reflecting share price movements and reinvestment of dividends over a specified period.

A relative TSR performance condition helps ensure that value is only delivered to participants if the investment return actually received by Brambles' shareholders is sufficiently high relative to the return they could have received by investing in a portfolio of alternative stocks over the same period of time.

Details of the LTI share awards granted to Disclosable Executives and the performance hurdles which apply to each of the awards are set out in section 7.2. The table in section 4.2.1 illustrates the relationship between Brambles' remuneration policy and performance, showing the level of vesting of equity awards triggered by TSR performance over various periods to 30 June 2010 and to 30 June 2011.

Equity awards only vest to the extent that performance conditions are met. The awards are governed by plan rules, which have been approved by shareholders. Any Board discretion, such as vesting in the event of a change of control, is clearly prescribed under the plan rules. Under the leaver provisions, there is no accelerated vesting in the case of terminations and all unvested awards are forfeited in the case of resignations or terminations for cause.

#### 4.2.1 PERFORMANCE AWARDS UNDER THE 2004 AND 2006 PERFORMANCE SHARE PLANS

Awards under the above Performance Share Plans are subject to performance hurdles based on relative TSR. The following table details, for awards made during the five financial years indicated, the performance against the applicable hurdle. The first table also contains data on the level of vesting of "Enhanced STI share awards", which were granted under the 2006 Share Plan prior to its amendment in November 2008 and apply to all Key Management Personnel.

Level of vesting of LTI and Enhanced STI share awards based on TSR performance

				Period to 30 June 2010	Period to 30 June 2011
Awards made during financial year	Performance condition	Start of Performance Period	Ranking (out of 100)/ Out-performance of median company's TSR return (%)	Vesting triggered (% of original award)	Vesting triggered (% of original award)
2007 <sup>4</sup>	Relative TSR <sup>5</sup>	21 February 2007	81 <sup>5</sup>	0% Enhanced STI awards 0% LTI awards	N/A
2008 <sup>4</sup>	Relative TSR <sup>5</sup>	1 July 2007	68 <sup>5</sup>	0% Enhanced STI awards 0% LTI awards	N/A
2009 <sup>6</sup>	Relative TSR <sup>7</sup>	1 July 2008	6.30 <sup>7</sup>	N/A	57.8% LTI awards

<sup>4</sup> These performance share rights were granted under the 2006 Share Plan prior to its amendment in November 2008. Rights under this Plan vest on the third anniversary of their grant date subject to meeting a relative TSR performance condition. If the performance condition is not met the rights will lapse.

<sup>5</sup> The average ranking of the Company's TSR against the S&P/ASX100 Index.

<sup>6</sup> These performance share rights were granted under the 2006 Share Plan. Rights under this Plan vest on the third anniversary of their grant date. 50% of the award will vest subject to meeting a relative TSR performance condition. The balance of the award will vest subject to sales revenue CAGR and BVA performance. The vesting matrix for this component of the award made in November 2010 is detailed at section 4.2.2.

<sup>7</sup> Percentage out-performance of the median company's TSR return against the S&P/ASX100 Index.

The following table provides similar details for awards which have yet to be tested.

				Period to 30 June 2011
Awards made during financial year	Performance condition	Start of Performance Period	Out-performance of median company's TSR return (%)	Vesting if current performance is maintained until earliest testing date (% of original award)
2010 <sup>6</sup>	Relative TSR <sup>7</sup>	1 July 2009	1.05 <sup>7</sup>	41.9% LTI Awards
2011 <sup>6</sup>	Relative TSR <sup>7</sup>	1 July 2010	4.77 <sup>7</sup>	51.0% LTI Awards

#### 4.2.2 LTI share award vesting conditions

In November 2008, shareholders approved changes to the 2006 Share Plan, to introduce two sets of performance hurdles, each with equal weighting.

Half of the LTI share awards are measured by the following relative TSR condition: 40% of LTI share awards will vest if the Company's relative TSR performance over the Performance Period equals the TSR of the median ranked ASX100 company; 100% will vest for out-performance of the TSR of the median ranked ASX100 company by 25% over the Performance Period; and if Brambles' TSR performance is between these two levels, vesting will be on a pro-rata straight line basis.

The other half of the LTI share award is measured against the achievement of profitable growth objectives. The growth element of the LTI share award is designed to incentivise both long term revenue and BVA growth. Vesting is based on achievement of sales revenue with three year performance hurdles set on a CAGR basis. The sales revenue growth targets are underpinned by BVA hurdles. This is designed to drive profitable business growth, to ensure quality of earnings is maintained at a strong level and to deliver increased shareholder value.

Both sales revenue CAGR and BVA are measured in constant currency.

The target matrix is set by the Remuneration Committee and approved by the Board for each LTI share award and published in the subsequent Remuneration Report and Financial Statements. This allows the Board to set targets for each LTI share award which reward strong performance in the light of the prevailing and forecast economic and trading conditions.

LTI share awards for the 2009 to 2011 performance period failed to vest as both the sales revenue CAGR and BVA results were below the target levels required for vesting, as published in the 2009 Remuneration Report. Based on performance to date, the LTI share awards for the 2010 to 2012 years will not vest.

The following table provides the vesting framework for the relevant awards made during the Year. If current performance is maintained until the performance hurdles are assessed, the awards will vest in 2013.

#### LTI performance matrix for financial years 2011 to 2013

Vesting % <sup>6</sup>			
Cumulative three year BVA US\$M at fixed June 2010 FX rates			
Sales revenue CAGR*	900	1,100	1,300
4%	-	30%	50%
5%	30%	50%	70%
6%	50%	70%	90%
7%	70%	90%	100%
8%	90%	100%	100%
9%	100%	100%	100%

\*Three year CAGR over base year

# DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

## 5. EXECUTIVE DIRECTORS AND DISCLOSABLE EXECUTIVES

### 5.1 EXECUTIVE DIRECTOR CHANGES

During 2011 there were no changes to Brambles' Executive Directors.

### 5.2 SERVICE CONTRACTS

Current Executive Directors and Key Management Personnel are on continuing contracts which may be terminated without cause by the employer giving 12 months' notice, or by the employee giving six months' notice, with payments in lieu of notice calculated by reference to TFR/annual base salary. The termination provisions for Jim Ritchie, Kevin Shuba and Elton Potts include payments in lieu of notice calculated by reference to annual base salary and health insurance benefits. These standard service contracts state that any termination payments made would be reduced by any value to be received under any new employment.

Other than Peter Mackie<sup>8</sup>, executives remunerated on a base salary approach receive pension contributions of 15% of base salary.

Jim Infinger ceased employment in accordance with the terms and conditions of his contract.

### Contract terms for executives

Name and role(s)	Salary/TFR as at 30 June 2011 unless indicated
<b>EXECUTIVE DIRECTORS</b>	
T J Gorman Chief Executive Officer	TFR (including pension contributions) of A\$1,926,000
G J Hayes Chief Financial Officer	Base salary of A\$1,400,000
<b>CURRENT KEY MANAGEMENT PERSONNEL</b>	
J R A Judd Group Senior Vice President & Head of Innovation	Base salary of A\$515,000
P S Mackie <sup>8</sup> Group President, CHEP Asia-Pacific	Base salary of A\$567,000
K Pohler Chief Executive Officer, IFCO from its acquisition by Brambles on 31 March 2011	Base salary of €850,000
E E Potts Group President & Chief Operating Officer, Recall	Base salary of US\$550,000
J D Ritchie Group President, CHEP Americas	Base salary of US\$550,000
K J Shuba Group Senior Vice President & Customer Development Officer	Base salary of US\$530,000
N P Smith Group Senior Vice President, Human Resources	Base salary of A\$600,000
R J Westerbos Group President CHEP Europe, Middle East & Africa	Base salary of €410,000
<b>FORMER KEY MANAGEMENT PERSONNEL</b>	
J L Infinger Group Senior Vice President & Chief Information Officer until 2 November 2010	Base salary of US\$425,000

<sup>8</sup> Peter Mackie receives employer superannuation (pension) contributions of 21% of base salary for income up to £153,700 and 15% of base salary for any amount above £153,700.

### 5.3 TOTAL REMUNERATION AND BENEFITS FOR THE YEAR

The table below provides a summary of the actual remuneration received by the Disclosable Executives for the Year, together with prior year comparatives. The purpose of this table is to enable shareholders to better understand the actual remuneration received by Disclosable Executives. The TFR amount shown for Tom Gorman is that to which he is entitled for the Year, and which he may elect to receive in a combination of cash salary payments, pension contributions and motor vehicle benefits. Income derived from the vesting of shares during the year has been included below as "Actual share income". The value shown is the market value at the time the income became available to the executive. These awards were granted in prior financial years. The values shown relate to STI and LTI share awards made in 2008. Theoretical accounting values for unvested share awards are shown in section 7.4; those values are a statutory disclosure requirement. Unvested share awards may result in "Actual share income" in future years and, if so, the income will be reported in the table below in the Annual Report for the relevant year.

Name	Year	Short term employee benefits			Post employment benefits	Other			Total before equity US\$'000	Actual share income STI / LTI awards US\$'000	Total US\$'000
		Cash/salary/TFR/fees US\$'000	Cash bonus US\$'000	Non-monetary benefits <sup>9</sup> US\$'000	Super-annuation US\$'000	Termination/sign-on payments/retirement benefits US\$'000	Other US\$'000				
<b>EXECUTIVE DIRECTORS</b>											
T J Gorman <sup>10 11</sup>	2011	1,730	1,000	238	-	-	19	2,987	260	3,247	
	2010	1,408	692	191	27	-	48	2,366	-	2,366	
G J Hayes <sup>10 11</sup>	2011	1,339	993	5	204	-	-	2,541	-	2,541	
	2010	709	349	1	95	-	-	1,154	-	1,154	
Totals	2011	3,069	1,993	243	204	-	19	5,528	260	5,788	
	2010	2,117	1,041	192	122	-	48	3,520	-	3,520	
<b>CURRENT KEY MANAGEMENT PERSONNEL</b>											
J R A Judd <sup>11</sup>	2011	603	266	6	76	-	-	951	88	1,039	
	2010	592	252	4	66	-	-	914	95	1,009	
P S Mackie <sup>10 11</sup>	2011	749	394	142	114	-	10	1,409	54	1,463	
	2010	443	276	136	69	-	17	941	40	981	
E E Potts	2011	566	249	-	77	-	18	910	59	969	
	2010	513	278	-	67	-	18	876	66	942	
K Pohler	2011	292	254	10	2	-	1	559	-	559	
	2010	-	-	-	-	-	-	-	-	-	
J D Ritchie <sup>10</sup>	2011	566	248	6	80	-	17	917	208	1,125	
	2010	509	164	56	66	217	13	1,025	291	1,316	
K J Shuba	2011	562	255	141	73	-	18	1,049	78	1,127	
	2010	563	184	8	75	-	19	849	70 <sup>12</sup>	919	
N P Smith <sup>11</sup>	2011	624	326	2	89	-	-	1,041	6	1,047	
	2010	544	296	1	76	-	-	917	-	917	
R J Westerbos <sup>10</sup>	2011	575	268	87	81	400	-	1,411	-	1,411	
	2010	146	65	3	16	445	1	676	N/A	676	
<b>FORMER KEY MANAGEMENT PERSONNEL</b>											
J L Infinger	2011	167	-	-	-	276	3	446	-	446	
	2010	301	99	375	37	-	10	822	-	822	
Totals	2011	4,704	2,260	394	592	676	67	8,693	493	9,186	
	2010	3,611	1,614	583	472	662	78	7,020	562	7,582	

<sup>9</sup> Non-monetary benefits include car parking, personal/spouse travel, club membership, motor vehicles, relocation and storage costs and fringe benefits tax.

<sup>10</sup> These executives were appointed to their current role during the year ending 30 June 2010, as such the 2010 comparator represents part year only.

<sup>11</sup> The year-on-year comparison of remuneration is affected by the movement of exchange rates from A\$1=US\$0.8813 for 2010 to A\$1=US\$0.9973 for 2011.

<sup>12</sup> In addition Kevin Shuba received income from exercising awards which vested in previous years.



## DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

### 5.4 EQUITY-BASED AWARDS

The following table shows details of equity-based awards made to the Disclosable Executives during the Year. STI and LTI share awards were made under the 2006 Share Plan, the terms and conditions of which are available in sections 7.2 and 7.3 (see plan numbers 15-17). Matching Awards were made under MyShare, the terms and conditions of which are available in sections 7.2 and 7.3 (plan numbers 34-45).

Name	Type of award	Number	Value at grant US\$'000 <sup>13</sup>
<b>EXECUTIVE DIRECTORS</b>			
T J Gorman	STI	116,569	762
	LTI	328,902	2,150
	MyShare Matching	753	5
	<b>Total</b>	<b>446,224</b>	<b>2,917</b>
G J Hayes	STI	58,879	385
	LTI	270,262	1,767
	<b>Total</b>	<b>329,141</b>	<b>2,152</b>
<b>CURRENT KEY MANAGEMENT PERSONNEL</b>			
J R A Judd	STI	42,470	276
	LTI	76,476	500
	MyShare Matching	753	5
	<b>Total</b>	<b>119,699</b>	<b>781</b>
P S Mackie	STI	46,554	304
	LTI	109,456	715
	MyShare Matching	676	5
	<b>Total</b>	<b>156,686</b>	<b>1,024</b>
K Pohler	STI	251,637	1,811
	LTI	-	-
	<b>Total</b>	<b>251,637</b>	<b>1,811</b>
E E Potts	STI	42,456	278
	LTI	109,390	715
	MyShare Matching	692	5
	<b>Total</b>	<b>152,538</b>	<b>998</b>
J D Ritchie	STI	25,091	164
	LTI	109,390	715
	MyShare Matching	687	5
	<b>Total</b>	<b>135,168</b>	<b>884</b>
K J Shuba	STI	28,151	184
	LTI	105,412	689
	MyShare Matching	692	5
	<b>Total</b>	<b>134,255</b>	<b>878</b>
N P Smith	STI	49,895	326
	LTI	89,098	582
	MyShare Matching	753	5
	<b>Total</b>	<b>139,746</b>	<b>913</b>
R J Westerbos	STI	9,570	63
	LTI	106,864	698
	<b>Total</b>	<b>116,434</b>	<b>761</b>
<b>FORMER KEY MANAGEMENT PERSONNEL</b>			
J L Infinger	MyShare Matching	194	1
	<b>Total</b>	<b>194</b>	<b>1</b>

<sup>13</sup> The total value of the relevant equity award(s) is valued as at the date of grant using the methodology set out in section 7.1. The minimum possible future value of all awards yet to vest is zero, and is based on the performance/service conditions not being met. The maximum possible future value of awards yet to vest is equal to the value at grant.

### 5.5 SHAREHOLDINGS

The table below shows details of Brambles Limited ordinary shares in which the Disclosable Executives held relevant interests, being issued shares held by them and their related parties.

Under recently updated guidelines, members of Brambles' ELT are encouraged, over the five year period commencing from the date they joined the ELT, to achieve and maintain a shareholding equal to 100% of salary before tax. In circumstances where executives wish to sell shares, they will require the approval of the Chairman (in the case of the Chief Executive Officer) or the Chief Executive Officer (in the case of all other ELT members).

Ordinary shares	Balance at the start of the Year	Changes during the Year	Balance at the end of the Year <sup>14</sup>
<b>EXECUTIVE DIRECTORS</b>			
T J Gorman	930	40,037	40,967 <sup>15</sup>
G J Hayes	-	-	-
<b>CURRENT KEY MANAGEMENT PERSONNEL</b>			
J R A Judd	65,399	14,037	79,436 <sup>15</sup>
P S Mackie	854	107	961 <sup>16</sup>
K Pohler	-	-	-
E E Potts	58,126	8,481	66,607 <sup>15</sup>
J D Ritchie	39,941	20,383	60,324 <sup>16</sup>
K J Shuba	46,452	11,314	57,766 <sup>15</sup>
N P Smith	1,046	1,584	2,630 <sup>16</sup>
R J Westerbos	-	101,495	101,495
<b>FORMER KEY MANAGEMENT PERSONNEL</b>			
J L Infinger	135	194	329 <sup>17</sup>

<sup>14</sup> On 29 July 2011 the following Key Management Personnel acquired ordinary shares under MyShare, which are held by Computershare Nominees CI Limited: Tom Gorman (60), Jasper Judd (60), Peter Mackie (60), Elton Potts (51), Jim Ritchie (50), Kevin Shuba (51) and Nick Smith (60).

<sup>15</sup> Of which Computershare Nominees CI Limited holds 39,522 shares for Tom Gorman, 15,126 for Jasper Judd, 9,413 for Elton Potts and 12,246 for Kevin Shuba

<sup>16</sup> Held by Computershare Nominees CI Limited.

<sup>17</sup> Balance at the end of the Year is at cessation of employment for Jim Infinger, who ceased employment on 2 November 2010.

## 5.6 INTERESTS IN SHARE RIGHTS<sup>18</sup>

The table below shows details of rights over Brambles Limited ordinary shares in which the Disclosable Executives held relevant interests:

- share rights, being awards made before 30 June 2004 under the 2001 Share Plans, awards made on 21 October 2005 under the 2004 Share Plans, and awards made on 19 January 2007, 29 August 2007 and 27 August 2008 under the 2006 Share Plan;
- Matching Awards, being conditional rights awarded during the Year under MyShare.

Name	Balance at the start of the Year	Granted during the Year		Exercised during the Year <sup>19</sup>		Lapsed during the Year		Balance at the end of the Year <sup>20</sup>	Vested and exercisable at the end of the Year
	Number	Number <sup>21</sup>	Value at grant US\$'000	Number	Value at exercise US\$'000	Number	Value at lapse US\$'000 <sup>22</sup>	Number	Number
<b>EXECUTIVE DIRECTORS</b>									
T J Gorman	546,682	446,224	2,917	37,024	260	-	-	955,882	-
G J Hayes	405,870	329,141	2,151	-	-	-	-	735,011	-
<b>CURRENT KEY MANAGEMENT PERSONNEL</b>									
J R A Judd	219,192	119,699	782	13,284	88	28,691	136	296,916	-
P S Mackie	139,763	156,686	1,024	6,628	54	17,584	83	272,237	-
K Pohler	-	251,637	1,811	-	-	-	-	251,637	-
E E Potts	276,704	152,538	997	11,393	59	71,361	339	346,488	-
J D Ritchie	92,602	135,168	884	27,112	208	-	-	200,658	-
K J Shuba	283,396	134,255	878	14,312	73	24,245	115	379,094	-
N P Smith	195,389	139,746	912	775	6	-	-	334,360	-
R J Westerbos	-	116,434	761	-	-	-	-	116,434	-
<b>FORMER KEY MANAGEMENT PERSONNEL</b>									
J L Infinger	128,717	-	-	-	-	-	-	128,717	-

<sup>18</sup> Of the awards detailed in section 7.3 the following plan numbers are relevant to Disclosable Executives: Tom Gorman (5, 7-9 and 12-46); Greg Hayes (12-14 and 16-17); (2-4, 7-9 and 12-46) for Jasper Judd, Peter Mackie and Elton Potts; Jim Ritchie (10-17 and 30-46); Kevin Shuba (2-4, 7-9, 13-17 and 18-46); Nick Smith (7-9 and 12-46); and Jim Infinger (12-14 and 30-38). Lapses occurred for Jasper Judd, Peter Mackie, Elton Potts and Kevin Shuba (3 and 4). Exercises occurred for Jasper Judd, Peter Mackie, Elton Potts and Kevin Shuba (2 and 18-29); Tom Gorman (5 and 18-29); Jim Ritchie (11 and 18-29); and Nick Smith (18-29).

<sup>19</sup> Of the options/rights exercised during the Year, no monies were paid or payable on exercise. The shares issued on exercise of share rights are fully paid up. All of the share rights exercised during the Year vested during the Year.

<sup>20</sup> On 29 July 2011, the following Disclosable Executives received Matching Awards under MyShare: Tom Gorman (60), Jasper Judd (60), Peter Mackie (60), Elton Potts (51), Jim Ritchie (50), Kevin Shuba (51) and Nick Smith (60).

<sup>21</sup> During the Year 4,429,520 performance share rights were granted under the 2006 Share Plan, of which 445,471 were granted to Tom Gorman and 329,141 were granted to Greg Hayes. 475,318 Matching Awards were granted under MyShare during the Year, of which 659 were granted to Tom Gorman. Approval for these issues of securities was obtained under ASX Listing Rule 10.14 at the AGM held on 25 November 2010.

<sup>22</sup> "Lapse" in this context means that the award was forfeited due to either the service or performance conditions not being met.

## DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

### 6. NON-EXECUTIVE DIRECTORS' DISCLOSURES

#### 6.1 NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY

The Chairman's fees are determined by the Remuneration Committee and the other Non-executive Directors' fees are determined by the Chairman and Executive Directors. In setting the fees, advice is sought from external remuneration consultants on the appropriate level of fees, taking into account the responsibilities of Directors in dealing with the complexity and global nature of Brambles' affairs and the level of fees paid to Non-executive Directors in comparable companies.

A review of Non-executive Director and Board Chairman fees was undertaken in 2011 to ensure the fees remained in line with market practice, resulting in an increase of 4%.

The review established the following fee structure:

Chairman	A\$565,000
Australia based Non-executive Directors	A\$180,000
UK based Non-executive Directors <sup>23</sup>	£83,200
Fee supplement for Audit Committee Chairman <sup>24</sup>	A\$36,000
Fee supplement for Remuneration Committee Chairman <sup>23 24</sup>	£22,000
Travel allowance for overseas based Director	£10,000

The next fee review will be undertaken during January 2012.

#### 6.2 NON-EXECUTIVE DIRECTORS' APPOINTMENT LETTERS

Directors are appointed for an unspecified term but are subject to election by shareholders at the first AGM after their initial appointment by the Board. The Corporate Governance Statement contains details of the process for appointing and re-electing Non-executive Directors and of the years in which the Non-executive Directors are next due for re-election by shareholders.

Letters of appointment for the Non-executive Directors, which are contracts for service but not contracts of employment, have been put in place. These letters 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.

The Non-executive Directors do not participate in Brambles' short or long term incentive plans and do not receive any benefits in kind.

#### 6.3 NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR

The fees and other benefits provided to Non-executive Directors during the Year and during the prior year are set out in the table below in US\$. The full names of the Non-executive Directors and the dates of any changes in Non-executive Directors are shown in the Directors' Report - Other Information. Non-executive Directors do not receive any share-based payment.

Any contributions to personal superannuation or pension funds on behalf of the Non-executive Directors are deducted from their overall fee entitlements.

<sup>23</sup> Luke Mayhew, the Remuneration Committee Chairman, is currently the only UK based Non-executive Director.

<sup>24</sup> The fee supplement is only payable to a Committee Chairman who is not also the Board Chairman.

Table 6.3 Non-executive Directors' remuneration for the Year

Name	Year	Short term employee benefits		Post employment benefits		Total US\$'000 <sup>26</sup>
		Directors' fees US\$'000		Superannuation US\$'000	Other <sup>25</sup> US\$'000	
<b>CURRENT NON-EXECUTIVE DIRECTORS</b>						
A G Froggatt <sup>27</sup>	2011	164		12	-	176
	2010	125		8	-	133
S P Johns <sup>27</sup>	2011	211		16	1	228
	2010	155		8	-	163
S C H Kay <sup>27</sup>	2011	161		15	-	176
	2010	122		11	-	133
G J Kraehe AO <sup>27</sup>	2011	533		14	20	567
	2010	448		40	4	492
C L Mayhew	2011	167		6	3	176
	2010	138		5	1	144
B M Schwartz AM <sup>27</sup>	2011	161		15	-	176
	2010	122		11	-	133
<b>FORMER NON-EXECUTIVE DIRECTOR</b>						
J P Mullen <sup>27</sup>	2011	95		9	-	104
	2010	84		8	-	92
<b>Totals</b>	2011	<b>1,492</b>		<b>87</b>	<b>24</b>	<b>1,603</b>
	2010	<b>1,194</b>		<b>91</b>	<b>5</b>	<b>1,290</b>

#### 6.4 NON-EXECUTIVE DIRECTORS' SHAREHOLDINGS

As a guideline, Non-executive Directors are encouraged to hold shares in Brambles equal to their annual fees after tax within three years of their appointment.

The following table contains details of Brambles Limited ordinary shares in which the Non-executive Directors held relevant interests, being issued shares held by them and their related parties. The Non-executive Directors do not participate in Brambles' equity-based incentive schemes.

Ordinary shares	Balance at the start of the Year	Changes during the Year	Balance at the end of the Year
<b>CURRENT NON-EXECUTIVE DIRECTORS</b>			
A G Froggatt	14,890	10,000	24,890 <sup>28</sup>
S P Johns	47,500	-	47,500 <sup>29</sup>
S C H Kay	13,400	1,477	14,877 <sup>30</sup>
G J Kraehe AO	61,561	2,215	63,776 <sup>31</sup>
C L Mayhew	16,500	-	16,500 <sup>32</sup>
B M Schwartz AM	10,354	2,675	13,029 <sup>33</sup>
<b>FORMER NON-EXECUTIVE DIRECTOR</b>			
J P Mullen	-	-	- <sup>34</sup>

<sup>25</sup> "Other" includes personal/spouse travel and fringe benefits tax.

<sup>26</sup> None of the Non-executive Directors received rights/awards over Brambles Limited shares during the Year, so there are no relevant share-based payment amounts for disclosure.

<sup>27</sup> The year-on-year comparison of remuneration is affected by the movement of exchange rates from A\$1=US\$0.8813 for 2010 to A\$1=US\$0.9973 for 2011.

<sup>28</sup> Of which 7,000 shares were held by Christine Joanne Froggatt and 10,000 shares were held by Equity Trustees Limited as nominee for Jessie Elizabeth Froggatt (under power of attorney).

<sup>29</sup> Of which 27,500 shares were held by Canzak Pty Limited and 20,000 were held by Caran Pty Limited.

<sup>30</sup> Of which 9,977 shares were held by the Carolyn Kay Superannuation Fund.

<sup>31</sup> Held by Invia Custodians for Graham John Kraehe Private Superannuation Fund.

<sup>32</sup> Held by Worldwide Nominees Limited.

<sup>33</sup> Held by Brian Schwartz and Arlene Schwartz as trustee for the Schwartz Superannuation Fund.

<sup>34</sup> Balance at the end of the Year is at 7 February 2011 for John Mullen, being his date of resignation.

# DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

## 7. APPENDICES

### 7.1 BASIS OF VALUATION OF EQUITY-BASED AWARDS

Unless otherwise specified, the fair value of the options and share rights included in the tables in this report, has been estimated by Ernst & Young Transaction Advisory Services in accordance with the requirements of AASB 2: Share-based Payments, using a binomial model. Assumptions used in the evaluations are outlined in Note 28, page 103 of the financial accounts.

### 7.2 SUMMARY OF 2006 PLANS

The table below contains details of the 2006 Share Plan and MyShare Plan under which former or current Disclosable Executives have unvested and/or unexercised awards which could affect remuneration in this or future reporting periods.

Plan	Nature of award	Size of award	Vesting condition	Vesting schedule	Performance/ vesting period	Life of award
2006 Share Plan (STI)	Share rights	Up to 100% of size of STI cash award	Time only.	100% vesting based on continuous employment.	Three years.	Maximum of six years.
2006 Share Plan (Enhanced STI)	Share rights	Up to 50% of size of STI Share Award	Time and relative TSR hurdle (between 37th and 25th out of 100).	4% vesting if TSR is ranked 37th out of 100 companies. 100% vesting if 25th or better.	Three years.	Maximum of six years.
2006 Share Plan (TSR LTI)	Share rights	% of salary/TFR	Time and relative TSR hurdle (between 50th and 25th out of 100).	30% vesting if TSR is ranked 50th out of 100 companies. 100% vesting if 25th or better.	Three years.	Maximum of six years.
2006 Share Plan (TSR LTI)	Share rights	% of salary/TFR	Time and relative TSR hurdle.	40% vesting if TSR is equal to the median ranked company. 100% vesting if 25% above the median ranked company.	Three years.	Maximum of six years.
2006 Share Plan (FY09-FY11 BVA LTI)	Share rights	% of salary/TFR	Time and sales revenue CAGR and BVA performance.	20% vesting occurs if CAGR is 7% and BVA is US\$2,000M over three year period. 100% vesting occurs if CAGR is 11% and BVA is US\$2,200M over three year period.	Three years.	Maximum of six years.
2006 Share Plan (FY10-FY12 BVA LTI)	Share rights	% of salary/TFR	Time and sales revenue CAGR and BVA performance.	30% vesting occurs if CAGR is 3% and BVA is US\$1,000M over three year period. 100% vesting occurs if CAGR is 6% and BVA is US\$1,200M over three year period.	Three years.	Maximum of six years.
2006 Share Plan (FY11-FY13 BVA LTI)	Share rights	% of salary/TFR	Time and sales revenue CAGR and BVA performance.	30% vesting occurs if CAGR is 4% and BVA is US\$1,100M over three year period. 100% vesting occurs if CAGR is 7% and BVA is US\$1,300M over three year period.	Three years.	Maximum of six years.
MyShare	Matching Awards	1:1 Matching Awards for every Acquired Share purchased	Time and retention of Acquired Shares.	N/A	Two years from first acquisition.	Automatic exercise on second anniversary of first acquisition.

### 7.3 SHARE RIGHTS

The terms and conditions of each grant of share rights affecting remuneration in this or future reporting periods are outlined in the table below. Share rights granted under the plans carry no dividend or voting rights:

Plan	Plan number	Grant date	Expiry date	Exercise price	Value at grant	Status/vesting date
2006 Share Plans	1	19 January 2007 <sup>35</sup> <sup>36</sup>	31 August 2012	-	A\$12.60	100% vested and exercisable from 19 January 2010
	2	29 August 2007 <sup>35</sup>	30 August 2013 <sup>37</sup>	-	A\$12.64	29 August 2010
	3	29 August 2007 <sup>38</sup>	30 August 2013 <sup>37</sup>	-	A\$6.75	29 August 2010
	4	29 August 2007 <sup>39</sup>	30 August 2013 <sup>37</sup>	-	A\$8.11	29 August 2010
	5	19 March 2008 <sup>40</sup>	2 March 2014 <sup>37</sup>	-	A\$8.84	1 March 2011
	6	28 April 2008 <sup>35</sup>	29 April 2014 <sup>37</sup>	-	A\$8.01	28 April 2011
	7	27 August 2008 <sup>35</sup>	27 August 2014 <sup>37</sup>	-	A\$6.53	27 August 2011
	8	27 August 2008 <sup>39</sup>	27 August 2014 <sup>37</sup>	-	A\$5.99	27 August 2011
	9	27 August 2008 <sup>41</sup>	27 August 2014 <sup>37</sup>	-	A\$4.67	27 August 2011
	10	1 June 2009	1 July 2010	-	A\$5.75	100% vested at 1 June 2010
	11	1 June 2009	1 July 2011	-	A\$5.55	100% vested at 1 June 2011
	12	25 November 2009 <sup>35</sup>	25 November 2015 <sup>37</sup>	-	A\$5.85	25 November 2012
	13	25 November 2009 <sup>39</sup>	25 November 2015 <sup>37</sup>	-	A\$5.85	25 November 2012
	14	25 November 2009 <sup>41</sup>	25 November 2015 <sup>37</sup>	-	A\$3.84	25 November 2012
	15	24 November 2010 <sup>35</sup>	24 November 2016 <sup>37</sup>	-	A\$6.01	25 November 2013
	16	24 November 2010 <sup>39</sup>	24 November 2016 <sup>37</sup>	-	A\$6.01	25 November 2013
	17	24 November 2010 <sup>41</sup>	24 November 2016 <sup>37</sup>	-	A\$3.78	25 November 2013

<sup>35</sup> STI awards vest on the third anniversary of their grant date, subject to continued employment.

<sup>36</sup> Awards granted on 19 January 2007 were, for pricing and vesting purposes, taken to have been granted on 30 August 2006.

<sup>37</sup> Awards granted to Elton Potts, Tom Gorman, Kevin Shuba, Jim Infinger and Jim Ritchie expire three years earlier than the date shown, or immediately after vesting, if earlier.

<sup>38</sup> Enhanced STI awards vest on the third anniversary of their grant date, subject to continued employment and meeting a TSR performance condition.

<sup>39</sup> These LTI awards vest on the third anniversary of their grant date, subject to continued employment and meeting a TSR performance condition.

<sup>40</sup> Awards granted on 19 March 2008 were, for pricing and vesting purposes, taken to have been granted on 1 March 2008.

<sup>41</sup> These LTI awards vest on the third anniversary of their grant date, subject to continuing employment and meeting a sales revenue CAGR and BVA performance condition.

## DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

Plan	Plan number	Grant date	Expiry date	Exercise price	Value at grant	Status/vesting date
MyShare	18	31 March 2009 <sup>42</sup>	1 April 2011	-	A\$5.09	100% vested on 31 March 2011
	19	30 April 2009 <sup>42</sup>	1 April 2011	-	A\$5.97	100% vested on 31 March 2011
	20	29 May 2009 <sup>42</sup>	1 April 2011	-	A\$5.91	100% vested on 31 March 2011
	21	30 June 2009 <sup>42</sup>	1 April 2011	-	A\$5.91	100% vested on 31 March 2011
	22	31 July 2009 <sup>42</sup>	1 April 2011	-	A\$5.67	100% vested on 31 March 2011
	23	31 August 2009 <sup>42</sup>	1 April 2011	-	A\$6.99	100% vested on 31 March 2011
	24	30 September 2009 <sup>42</sup>	1 April 2011	-	A\$7.79	100% vested on 31 March 2011
	25	30 October 2009 <sup>42</sup>	1 April 2011	-	A\$6.76	100% vested on 31 March 2011
	26	30 November 2009 <sup>42</sup>	1 April 2011	-	A\$6.30	100% vested on 31 March 2011
	27	31 December 2009 <sup>42</sup>	1 April 2011	-	A\$6.46	100% vested on 31 March 2011
	28	29 January 2010 <sup>42</sup>	1 April 2011	-	A\$6.23	100% vested on 31 March 2011
	29	26 February 2010 <sup>42</sup>	1 April 2011	-	A\$6.59	100% vested on 31 March 2011
	30	31 March 2010 <sup>43</sup>	1 April 2012	-	A\$7.00	31 March 2012
	31	30 April 2010 <sup>43</sup>	1 April 2012	-	A\$6.92	31 March 2012
	32	31 May 2010 <sup>43</sup>	1 April 2012	-	A\$6.31	31 March 2012
	33	30 June 2010 <sup>43</sup>	1 April 2012	-	A\$5.13	31 March 2012
	34	30 July 2010 <sup>43</sup>	1 April 2012	-	A\$5.18	31 March 2012
	35	31 August 2010 <sup>43</sup>	1 April 2012	-	A\$5.60	31 March 2012
	36	30 September 2010 <sup>43</sup>	1 April 2012	-	A\$5.91	31 March 2012
	37	29 October 2010 <sup>43</sup>	1 April 2012	-	A\$6.00	31 March 2012
	38	30 November 2010 <sup>43</sup>	1 April 2012	-	A\$6.47	31 March 2012
	39	31 December 2010 <sup>43</sup>	1 April 2012	-	A\$6.74	31 March 2012
	40	31 January 2011 <sup>43</sup>	1 April 2012	-	A\$6.80	31 March 2012
	41	28 February 2011 <sup>43</sup>	1 April 2012	-	A\$6.68	31 March 2012
	42	31 March 2011 <sup>44</sup>	1 April 2013	-	A\$6.73	31 March 2013
	43	29 April 2011 <sup>44</sup>	1 April 2013	-	A\$6.48	31 March 2013
	44	31 May 2011 <sup>44</sup>	1 April 2013	-	A\$6.94	31 March 2013
	45	30 June 2011 <sup>44</sup>	1 April 2013	-	A\$6.76	31 March 2013
	46	29 July 2011 <sup>44</sup>	1 April 2013	-	A\$6.58	31 March 2013

<sup>42</sup> These Matching Awards granted under MyShare vested on 31 March 2011, subject to continued employment and the retention of the associated Acquired Shares. On vesting they were automatically exercised.

<sup>43</sup> These Matching Awards granted under MyShare vest on 31 March 2012, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

<sup>44</sup> These Matching Awards granted under MyShare vest on 31 March 2013, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

#### 7.4 SHARE BASED PAYMENTS - FUTURE POTENTIAL

The table below provides annual accounting values for shares granted during calendar years 2008-2010 which have been amortised over three years. These share awards are subject to conditions set out in section 7.2. Remuneration will normally not be received as a result of the underlying share awards vesting until the conditions have been met.

Name	Year	Total before equity US\$'000	Share based payment		Total US\$'000
			Awards US\$'000	as % of 2011 total remuneration	
<b>EXECUTIVE DIRECTORS</b>					
T J Gorman	2011	2,987	823	22%	3,810
	2010	2,366	438	16%	2,804
G J Hayes	2011	2,541	500	16%	3,041
	2010	1,154	288	20%	1,442
Totals	2011	5,528	1,323	-	6,851
	2010	3,520	726	-	4,246
<b>CURRENT KEY MANAGEMENT PERSONNEL</b>					
J R A Judd	2011	951	269	22%	1,220
	2010	914	242	21%	1,156
P S Mackie	2011	1,409	217	13%	1,626
	2010	941	122	11%	1,063
K Pohler	2011	559	109	16%	668
	2010	-	-	-	-
E E Potts	2011	910	300	25%	1,210
	2010	876	320	27%	1,196
J D Ritchie	2011	917	394	30%	1,311
	2010	1,025	375	27%	1,400
K J Shuba	2011	1,049	304	22%	1,353
	2010	849	243	22%	1,092
N P Smith	2011	1,041	279	21%	1,320
	2010	917	120	12%	1,037
R J Westerbos	2011	1,411	80	5%	1,491
	2010	676	-	0%	676
<b>FORMER KEY MANAGEMENT PERSONNEL</b>					
J L Infinger	2011	446	83	16%	529
	2010	822	291	26%	1,113
Totals	2011	8,693	2,035	-	10,728
	2010	7,020	1,713	-	8,733

*Luke Mayhew*

Luke Mayhew  
Non-executive Director and Chairman of the Remuneration Committee  
17 August 2011