

DIRECTORS' REPORT - REMUNERATION REPORT

REMUNERATION COMMITTEE CHAIRMAN'S NOTE

In May 2014, I took the opportunity to meet with a number of our largest domestic and international institutional shareholders, the Group's three largest superannuation fund investors and the four leading proxy advisory firms. It was pleasing that the overall feedback was that investors and corporate governance firms are supportive of Brambles' remuneration policy. There is also an appreciation for the strong alignment of incentive structures with business strategy.

Remuneration for senior executives in FY14 reflected another year of strong Brambles results, as shown below:

Financial measure	FY14 result (US\$M)	Change from FY13 (constant FX)
Sales revenue	5,404.5	7%
Operating profit	929.5	5%
Profit after tax	584.5	4%
Total shareholder return (3 years to 30 June 2014):		58.5% ¹

Where roles remained unchanged, salary increases in the Year for the ELT were between 0% and 3%, with the exception of one executive, who received a 5% increase. Annual Short-Term Incentive (STI) cash awards for continuing Executive Leadership Team (ELT) executives ranged from 50% to 60% of base salary. These STI outcomes were driven by Brambles' financial performance and by executives' achievement of specific personal objectives. Brambles' performance over the three years to FY14 triggered 51.6% of Long Term Incentive (LTI) awards granted in FY12 to vest.

Although total salaries and benefits remained largely constant year on year, there was an increase in the number of share awards that vested in FY14. The reasons for this were as follows:

- There was a change in the vesting period for deferred STI share awards from three years to two years as approved by Brambles' shareholders at the 2011 annual general meeting (AGM). This resulted in a one-off situation whereby the STI share awards granted during FY11 and FY12 both vested during FY14.
- Shares granted to IFCO senior executives at the time of the acquisition of IFCO in FY11 vested on 30 June 2014.
- Two tranches of sign-on share rights granted to Chief Financial Officer Zlatko Todorovski vested during FY14.
- A higher level of share vesting of LTI share rights for other executives reflected the Brambles' relative total shareholder return (TSR) over the three-year period. Over the same three-year period, Brambles' share price increased from \$6.75 to \$9.63.

There were some changes to the ELT in 2014. Following completion of the Recall demerger in December 2013, Group President, Recall, Doug Pertz, was no longer employed by Brambles. Karl Pohler, Group President, RPCs retired in September 2013 and was replaced by Wolfgang Orgeldinger, the former Chief Operating Officer of RPCs. On 1 June 2014, Jason Rabbino's role expanded to include responsibility for Group Strategy. His new role is Group President, Containers and Head, Group Strategy. His salary was reviewed with effect from 1 June 2014 to reflect his additional responsibilities.

The Board Chairman's fee and other Non-Executive Director base fees increased by 3% as a result of an annual fee review conducted in January 2014. There was no increase to Committee fees for the Audit and Remuneration Committees and no changes to travel allowances in the Year.

During the Year, the Remuneration Committee carried out its annual review of the Brambles' remuneration strategy, structure and policy including share-based incentive plans. The Committee concluded that the current approach continues to strongly align executives' interests with those of the Company and its shareholders. Therefore, no changes to Brambles' remuneration policy are proposed in the coming year.

Tony Froggatt

Non-Executive Director & Chairman of the Remuneration Committee

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1. BACKGROUND

The Remuneration Report provides information on Brambles' remuneration policy, the link between that policy and the performance of Brambles, and remuneration information about Brambles' Key Management Personnel. Brambles' Key Management Personnel are:

- a) Its Non-Executive Directors;
- b) Its Executive Directors; and
- c) Other Group executives who have authority and responsibility for planning, directing and controlling the Group's activities. This has been defined as those who, for some or all of the year ended 30 June 2014 (the Year), were members of the ELT.

In this report, executives coming within paragraphs 1(b) and 1(c) above are called Disclosable Executives.

This report includes all disclosures required by the Corporations Act 2001 (Cth) (the Act), regulations made under the 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 and the Group.

2. REMUNERATION COMMITTEE

The Remuneration Committee (the 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 Disclosable Executives and the Company Secretary; and
- Reviewing the remuneration policy and individual arrangements for other senior executives.

During the Year, members of the Committee were Luke Mayhew (Committee Chairman until the 2013 AGM), Tony Froggatt (Committee Chairman from the 2013 AGM), Graham Kraehe, Tahira Hassan and Brian Schwartz, with Christine Cross joining the Committee on 1 April 2014. Other individuals are invited to attend Committee meetings as required by the Committee. This includes members of Brambles' management team including the CEO, Group Senior Vice President of Human Resources, Group Company Secretary and Group Vice President of Remuneration & Benefits, as well as Brambles' external remuneration advisor, Ernst & Young.

During the Year, the Committee held six meetings. Details of the Committee's Charter and the rules of Brambles' executive and employee share plans can be found under Charters & Related Documents in the Corporate Governance section of Brambles' website.

¹ For the purposes of remuneration, Brambles uses Orient Capital, an independent third party, to calculate total shareholder return. Orient Capital makes adjustments to take account of changes to capital structure during a performance period. In FY14, these adjustments served to ensure that Brambles' Key Management Personnel were not remunerated on the basis of the performance of Recall Holdings Limited after the demerger in December 2013.

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

3. REMUNERATION POLICY & STRUCTURE

The Board has adopted a remuneration policy for the Group. This policy requires remuneration to be consistent with Brambles' strategic business objectives, attract and retain high-calibre executives, align executive rewards with the creation of shareholder value, and motivate executives to achieve challenging performance targets. During FY14, the Committee reviewed the remuneration policy against these objectives and concluded that it remained effective and appropriate.

When setting and reviewing remuneration levels for Disclosable Executives, the Committee considers the experience, responsibilities and performance of the individual while also taking into account data relevant to the individual's role and location as well as Brambles' size, geographic scale and complexity. The Group's remuneration policy is to set pay around the median level of remuneration (of the peer group referred to in Section 3.1) but with upper-quartile total potential rewards for outstanding performance and proven capability.

3.1. FIXED & AT RISK REMUNERATION

Remuneration is divided into those components not directly linked to performance (Fixed Remuneration) and those components which are variable and directly linked to Brambles' financial performance and the delivery of personal strategic objectives (At Risk Remuneration).

Fixed Remuneration generally consists of base salary and benefits and superannuation contributions. Fixed Remuneration for most Disclosable Executives increased by 0% to 3% during the Year.

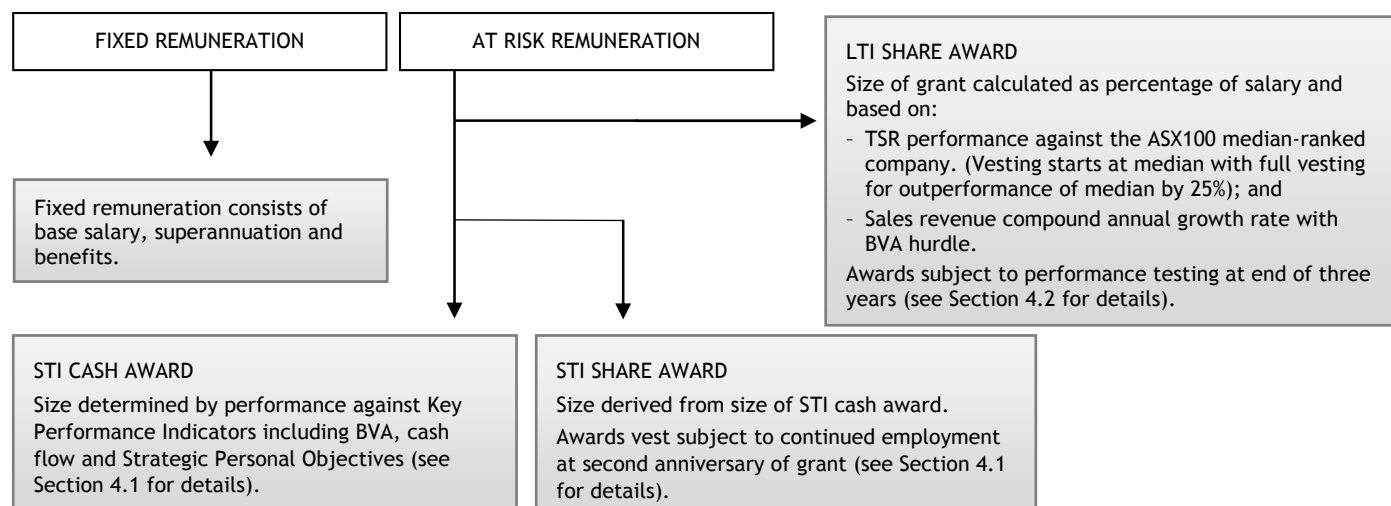
Brambles' remuneration framework is underpinned by its banding structure. This classifies roles into specific bands, each incorporating roles with broadly equivalent work value. Pay ranges for each band are determined under the same framework globally and are based on the local market rates for the roles falling within each band. Where benchmarking was needed, the comparative companies considered were major listed companies in the USA, Australia, UK and Germany, with sales revenue and market capitalisation between 50% and 200% of Brambles' 12-month average at 30 June 2014. This approach provides a sound basis for delivering a non-discriminatory pay structure for all Group employees.

Given the global scope of its operations, Brambles operates an international mobility policy, which can include the provision of housing, payment of relocation costs and other location adjustment expenses where appropriate.

A significant element of Disclosable Executives' total potential reward is required to be At Risk.

This means an individual will achieve maximum potential remuneration only when they meet challenging objectives in terms of Brambles' overall financial performance, returns for shareholders and strategic objectives. The proportion of Disclosable Executives' comprising At Risk Remuneration is illustrated in Section 3.3.

3.1.1. Features of Fixed & At Risk Remuneration



Brambles' At Risk Remuneration is provided by way of three types of annual incentive awards: an STI cash award, an STI share award (the number of shares in which is determined by the size of the STI cash award) and an LTI share award. The market value at the date of grant of all STI and LTI share awards made to any person in any financial year should not normally exceed two times their base salary. The remuneration structure and the key features of Fixed and At Risk Remuneration are summarised in Diagram 3.1 below. The application of the At Risk element of remuneration is further described in Section 4.

3.2. REMUNERATION & THE LINK TO BUSINESS STRATEGY

Brambles' business strategy is set out in the Operating & Financial Review on Pages 3 and 4. The remuneration policy supports the delivery of this strategy by:

- **Focusing business performance on profitable growth, the efficient use of capital and the generation of cash:** Profitable growth is emphasised by both the use of Brambles Value Added (BVA) as a key performance condition in STI cash awards and the use of compound annual growth rate (CAGR) sales revenue targets with BVA hurdles as the performance conditions that must be satisfied for half of all LTI share awards to vest. The generation of cash and the effective use of capital are reinforced through the setting of cash flow targets for STI cash awards.
- **Recruiting and retaining high-calibre executives:** Remuneration packages for executives are designed to be competitive to assist Brambles in attracting talented managers and to reward strong performance. The award of a significant proportion of executives' STI awards as shares, which do not vest for two years, helps retain key executives.
- **Setting goals linked to implementation of the growth strategy:** Each year, a part of an executive's STI cash award is subject to the achievement of specific personal objectives. These include objectives focussed on the delivery of Brambles' strategy such as safety performance, development of new markets, customer satisfaction, product and service innovation, employee engagement, productivity improvements and development of future potential senior executives.
- **Achieving sustainable returns for shareholders:** Each of the above three elements support the delivery of sustainable returns to shareholders. In addition, there is a direct alignment of executive rewards to the creation of shareholder value through the use of relative total shareholder return (TSR) performance conditions, to which the vesting of half of all LTI share awards granted are subject.

Full details of the link between senior executives' remuneration and Brambles' performance in terms of financial outcome, creation of shareholder value and the delivery of the Group's strategy are set out in Section 4.

Definitions of BVA, TSR and CAGR measurements and the methods by which they are calculated are included in the Glossary beginning on Page 126.

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3.3. REMUNERATION MIX FOR DISCLOSABLE EXECUTIVES

Brambles' executive remuneration mix is strongly linked to performance. At Risk Remuneration represents 71% to 76% of Disclosable Executives' maximum potential remuneration.

Chart 3.3.1 below illustrates the level of actual remuneration received by Disclosable Executives compared with maximum potential remuneration. Maximum potential remuneration is the Disclosable Executive's base salary plus his or her STI cash and STI share awards assuming the maximum level of performance (see Section 4.1) and full vesting of all LTI share awards.

The respective columns of Chart 3.3.1 labelled Actual comprise:

- Base salary: this is fixed remuneration for FY14;
- STI cash: this represents the STI cash award received in respect to FY14 performance (see Section 4.1);
- STI shares: this is the STI share award earned in respect to FY14 performance, the vesting of which is deferred until FY16 (see Section 4.1); and
- LTI shares: this shows the proportion of the FY12-FY14 LTI share awards that will vest in respect to the 3-year LTI performance period to 30 June 2014 (see Section 4.2).

The Potential column represents the maximum value of each element of remuneration for FY14 that could have been received in each case by the individual Disclosable Executive.

3.4. SECURITIES TRADING POLICY & INCENTIVE AWARDS

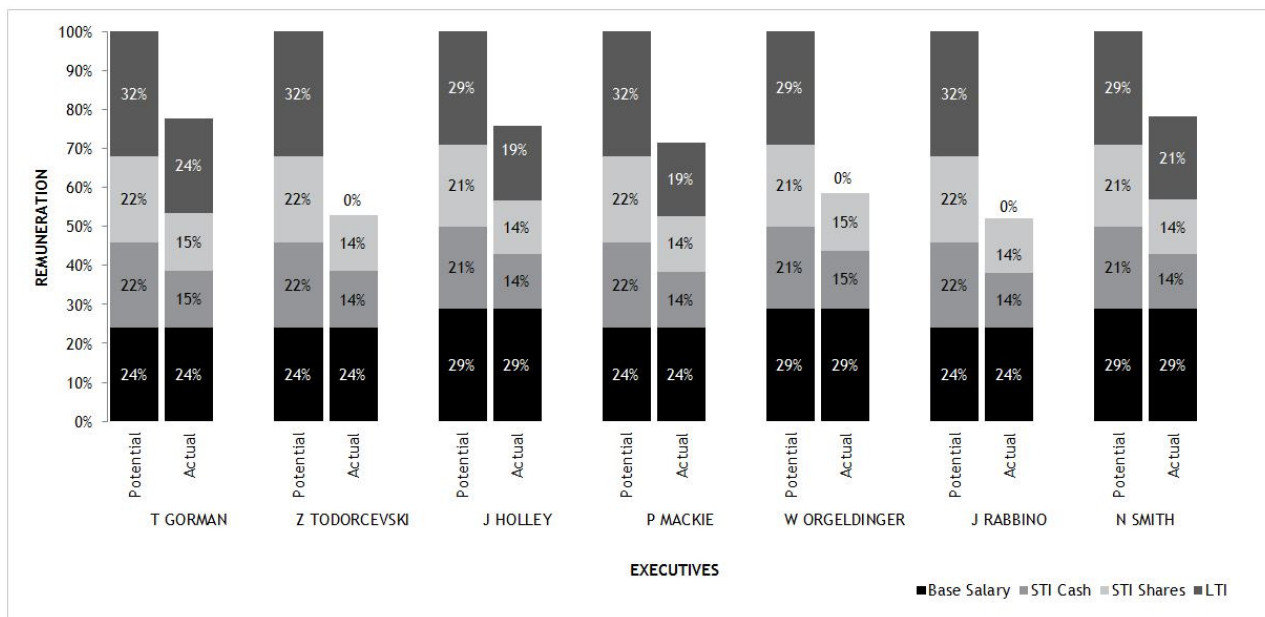
Brambles' Securities Trading Policy applies to awards granted under the incentive arrangements described above. That policy prohibits designated persons (including all Disclosable Executives) from acquiring financial products or entering into arrangements that have the effect of limiting exposure to 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 executives have complied with all policies.

Sections 9.2 and 9.3 summarise all the incentive plans under which awards to Disclosable Executives are still to vest or be exercised.

3.5. CLAW-BACK

The rules of Brambles' 2006 Performance Share Plan (2006 Share Plan) include a clawback provision. Under this provision, the Board may cancel any Award that has been granted but which has not vested, if the Board reasonably considers that the participant has engaged or participated in conduct that adversely affects, or is likely to adversely affect, the Company's financial position or reputation. Such conduct includes, but is not limited to, any misrepresentation, material misstatements of the Company's financial position as a result of error or omission, and negligence.

3.3.1 Actual vs. Potential Remuneration



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4. PERFORMANCE OF BRAMBLES & AT RISK REMUNERATION

Brambles' remuneration policy is directly linked to the Company's financial performance, the creation of shareholder wealth and the delivery of strategy. 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 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 4.2.2 shows the level of vesting of LTI share awards triggered by performance over those periods.

4.1. STI KEY PERFORMANCE INDICATORS

As outlined in Section 3.1, Disclosable Executives have the opportunity to receive annual STI cash and share awards based on performance against KPIs. Fifty per cent of overall STI incentives are STI share awards, which vest two years after the award is made. Disclosable Executives' KPIs comprise both financial and non-financial KPIs.

4.1.1. Financial KPIs

Financial KPIs are chosen to link executives' rewards with the financial performance of the Group, the pursuit of profitable growth and the efficient use of capital and generation of cash.

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

STI financial KPIs chosen for the Year were BVA and Cash Flow from Operations plus for the Chief Executive Officer and Chief Financial Officer, profit after tax (PAT). For the Group President, Pallets, the Group President, RPCs (appointed in October 2013), KPIs were Brambles' and the respective operating segment's BVA and Cash Flow from Operations. The Group President, Containers, had the same KPIs except that Containers' sales revenue growth replaced that segment's BVA. The STI incentives for the former Group President, RPCs, Karl Pohler, were based on the IFCO STI plan in place at the time Brambles acquired IFCO. This provided him with the opportunity to obtain an STI cash award based on performance against the following KPIs: IFCO's EBITDA (70% of total STI opportunity); and IFCO's free cash flow (30% of the total STI opportunity). He did not participate in Brambles' STI share award incentives. The Group President, Recall, did not participate in Brambles' STI or LTI share awards for the Year. His STI plan was based on EBITDA (55% of total STI opportunity) and Cash Flow (25% of total STI opportunity). The remaining 20% of his total STI opportunity was based on Non-financial KPIs including Safety and Customer metrics.

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 (when performance targets have been met); and
- Maximum (when targets have been significantly exceeded and the related rewards have reached their upper limit).

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

KPIs ²	Level of performance achieved during the Year ³
Brambles BVA	Achieved Target
Brambles PAT	Achieved Target
Brambles Cash Flow from Operations	Achieved Target
Pallets BVA	Achieved Target
Pallets Cash Flow from Operations	Achieved Target
Containers Sales	Between Threshold and Target
Containers Cash Flow from Operations	Achieved Target
IFCO BVA	Below Threshold
IFCO Cash Flow from Operations	Achieved Target

4.1.2. Non-financial KPIs

Non-financial KPIs are set to link Disclosable Executives' performance to Brambles' overall strategic objectives. These include personal objectives in areas such as safety, business strategy and growth objectives, customer satisfaction and retention, and people and talent management.

- Brambles' safety is measured by Brambles Injury Frequency Rate (BIFR)⁴. BIFR targets for each operating segment and the Group as a whole are set each Year and incorporated into Disclosable Executives' non-financial KPIs. Brambles regards the safety of its people as a major priority and, as the leaders of the Company, the ELT has Group-wide oversight of the Zero Harm policy. If a fatality occurs, then the CEO, Group Senior Vice President, Human Resources and relevant Group President(s) will have any incentive related to BIFR outcomes reduced to zero.
- Business strategy and growth objectives include the implementation of clearly specified initiatives allocated to individual ELT members: for example, new business acquisitions, product and service expansion and entry into new geographies.
- Customer satisfaction and retention are mainly measured using Net Promoter Score⁵, for which targets are set and performance is measured each year.
- People and talent management metrics relate to the development of future leaders in Brambles as well as succession planning for critical roles.

² Definitions of BVA, PAT, Cash flow from Operations and EBITDA measurements and the methods by which they are calculated are included in the Glossary beginning on Page 126.

³ Financial targets set for FY15 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.

⁴ A definition of BIFR is included in the Glossary on Page 126. Reporting of the Group's BIFR performance is included in the Safety section of the Operating & Financial Review on Page 6.

⁵ An explanation of the Group's use of Net Promoter Score is included in the 2014 Sustainability Review, which will be published on Brambles' website in October 2014.

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The following table summarises the components and weighting of KPIs for STI cash awards for Disclosable Executives other than former Group President, RPCs, Karl Pohler, and former Group President of Recall, Doug Pertz:

Disclosable Executive	Financial KPIs					Non-Financial KPIs
	Group BVA	Segment BVA/sales	Group PAT	Group cash flow	Segment cash flow	
CEO, CFO	30%	-	20%	20%	-	30%
Group Presidents: Pallets, RPCs, Containers	25%	25%	-	-	20%	30%
Other Disclosable Executives	50%	-	-	20%	-	30%

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 Disclosable Executive in the following table:

4.1.3. Actual STI Cash Payable & Forfeited for FY14

Name	% of maximum STI cash payable	% of maximum STI cash forfeited
DISCLOSABLE EXECUTIVES		
T Gorman	67%	33%
Z Todorcevski	66%	34%
J Holley	66%	34%
P Mackie	65%	35%
W Orgeldinger	59%	41%
J Rabbino	64%	36%
N Smith	66%	34%
FORMER DISCLOSABLE EXECUTIVES		
D Pertz	N/A	N/A
K Pohler ⁶	8%	92%

⁶ Karl Pohler's remuneration mix and bonus calculations reflect his existing incentive arrangements from IFCO.

4.2. LTI SHARE AWARDS

As outlined in Section 3.1, Disclosable Executives have the opportunity to receive equity in the form of LTI share awards. Vesting occurs three years from the date of award and is subject to satisfaction of performance conditions (explained in Section 4.2.1) over a three-year performance period (Performance Period). If awards vest, they are exercisable for up to six years from the date of grant.

The table in Section 4.2.2 illustrates the relationship between Brambles' remuneration policy and performance, showing the level of vesting of LTI share awards during the Year and the previous four financial years.

Details of the LTI share awards granted to Disclosable Executives and the performance hurdles that apply to each of the awards are set out in Sections 9.2 and 9.3.

The awards are governed by the 2006 Share 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 2006 Share Plan rules. Under the "good leaver" provisions of those rules, there is no accelerated vesting in the case of terminations (except where a portion is deemed to vest early to satisfy a tax liability on share awards which arises as a consequence of termination) and all unvested LTI share awards are forfeited in the case of resignations or terminations for cause.

4.2.1. LTI Share Award Performance Conditions

LTI performance conditions are set both to align executive remuneration with the creation of shareholder value and to support Brambles' objective of creating and sustaining profitable growth. To allow a focus on shareholder value and profitable growth, LTI share awards have two sets of performance conditions, each with equal weighting.

Creation of shareholder value

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.

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

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Profitable growth

Half of the LTI share award incentivises both long-term sales revenue and BVA growth. Vesting is based on achievement of sales revenue targets with three-year performance targets 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.

Each year, a sales revenue CAGR/BVA matrix is set by the Committee and approved by the Board for each LTI share award. The matrix is published in the subsequent Remuneration Report. This allows the Board to set targets for each LTI share award that reward strong performance in the light of the prevailing and forecast economic and trading conditions.

The table below is the sales revenue CAGR/BVA matrix for LTI share awards made during the Year. It should be noted that the LTI performance matrix shown encompasses the entire Brambles Group, excluding Recall, which was demerged on 18 December 2013.

As indicated in Brambles' 2013 Remuneration Report, the Committee has restated the FY14-FY16 LTI performance matrix by excluding sales revenue and BVA performance targets ascribed to Recall in establishing the original LTI performance matrix.

As a policy principle, the Committee takes into account major acquisitions or divestments during a Performance Period in determining the final outcome of the CAGR/BVA matrix for that period. Where there are acquisitions or divestments that are not material to the overall outcome, these are excluded from any performance assessment.

4.2.2. CAGR/BVA LTI performance matrix for FY14 to FY16

Vesting %	Cumulative three-year BVA at fixed 30 June 2013 FX rates (US\$M)		
	800	1,000	1,200
Sales revenue CAGR ⁷			
4%	-	20%	40%
5%	20%	40%	60%
6%	40%	60%	80%
7%	60%	80%	100%
8%	80%	100%	100%
9%	100%	100%	100%

The sales revenue CAGR provides for half-point vesting between the percentages shown if the sales revenue outcome is more than halfway between the vesting levels. For example, a sales revenue CAGR of 6.7% and a BVA outcome of US\$1,000 million would provide vesting of 70%. There is no half point vesting scale between the respective BVA hurdles.

4.2.3. Performance of LTI Share Awards under the 2006 Share Plan

The tables on the next page detail actual performance against the applicable performance condition for LTI share awards made during the five financial years indicated.

As outlined in Section 4.2.1 LTI share awards have two sets of performance conditions, each with equal weighting. The tables on the next page show the level of performance and vesting for each of the two components, which each comprise half of the LTI Award.

⁷ Three-year CAGR over base year is used.

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Level of vesting of LTI share awards based on TSR performance

Awards made during	Performance condition	Start of performance period	Out-performance of median company's TSR ⁸	Vesting triggered (% of original award): period prior to 30 June 2013
FY10	Relative TSR	1 July 2009	6.3 percentage points	55.1% LTI TSR Award
FY11	Relative TSR	1 July 2010	30.3 percentage points	100% LTI TSR Award
FY12	Relative TSR	1 July 2011	18.0 percentage points	83.3% LTI TSR Award

The following table provides similar details for awards that have yet to be tested. The proportion of these shares which vest, if any, will depend on Brambles' TSR performance for the applicable performance period:

Awards made during	Performance condition	Start of performance period	Out-performance of median company's TSR ⁸ (%)	Period to 30 June 2014: vesting if current performance is maintained until earliest testing date (% of original award)
FY13	Relative TSR	1 July 2012	14.9 percentage points	75.83% LTI TSR awards
FY14	Relative TSR	1 July 2013	3.0 percentage points	47.25% LTI TSR awards

Level of vesting of LTI share awards based on sales revenue CAGR and BVA performance

The following table provides details for the actual performance of LTI share awards against the applicable sales revenue CAGR/BVA matrix for those awards granted in 2010 and 2011 that have been tested.

Awards made during	Performance condition	Start of performance period	Vesting triggered (% of original award): prior period and period to 30 June 2013	Vesting triggered (% of original award): period to 30 June 2014
FY10	Sales revenue CAGR/BVA	1 July 2009	30.0% LTI sales revenue CAGR/BVA awards	N/A
FY11	Sales revenue CAGR/BVA	1 July 2010	30.0% LTI sales revenue CAGR/BVA awards	N/A
FY12	Sales revenue CAGR/BVA	1 July 2011	N/A	20.0% of LTI sales revenue CAGR/BVA awards

The following table provides similar details for LTI share awards the performance period of which has not yet expired. The proportion of these shares which vest, if any, will depend on Brambles' CAGR and BVA performance for the applicable performance period:

Awards made during	Performance condition	Start of performance period	Period to 30 June 2014 vesting if current performance is maintained until earliest testing date (% of original award)
FY13	Sales revenue CAGR/BVA	1 July 2012	30.0% LTI sales revenue CAGR/BVA awards
FY14	Sales revenue CAGR/BVA	1 July 2013	40.0% LTI sales revenue CAGR/BVA awards

Total level of vesting of LTI share awards

The combined vesting of the two LTI components for 2012, 2013 and 2014 is shown below.

Awards made during	Start of performance period	End of performance period	Total vesting (TSR and sales revenue CAGR/BVA combined)
FY10	1 July 2009	30 June 2012	42.6%
FY11	1 July 2010	30 June 2013	65.0%
FY12	1 July 2011	30 June 2014	51.6%

⁸ Percentage out-performance of the median company's TSR against the S&P/ASX100 Index.

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5. EMPLOYEE SHARE PLAN

MyShare was launched in October 2008 and was developed as a vehicle to encourage share ownership and retention across the Group. Employees may buy up to A\$5,000 of shares each year, which the Company matches on a one for one basis after a two-year qualifying period (Matching Awards).

Total share ownership of Brambles by over 3,000 MyShare participants is now 2,462,205 shares which represents 0.16% of Brambles' total share capital.

Disclosable Executives are eligible to participate in MyShare. Acquired Shares, Dividend Shares and vested Matching Awards obtained by Disclosable Executives through MyShare are included in Section 6.6. Matching Awards allocated but not yet vested are shown in Sections 6.5 and 6.7.

6. EXECUTIVE DIRECTORS & DISCLOSABLE EXECUTIVES

6.1. EXECUTIVE DIRECTOR CHANGES

There was no change to Brambles' Executive Directors during the Year.

6.2. OTHER DISCLOSABLE EXECUTIVE CHANGES

Following the completion of the demerger of Recall on 18 December 2013, Doug Pertz, Group President, Recall, ceased to be employed by the Group. Karl Pohler, Group President, RPCs, retired on 30 September 2013. He was replaced on 1 October 2013 by Wolfgang Orgeldinger, formerly Chief Operating Officer, RPCs. On 1 July 2014, Jason Rabbino's role expanded to include responsibility for Group strategy. His new title is Group President, Containers and Head, Group Strategy.

6.3. SERVICE CONTRACTS

Disclosable Executives 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 annual base salary. 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 Mackie⁹, executives remunerated on a base salary approach receive pension contributions of 15% of base salary. Pension amounts in excess of the tax threshold can be taken as a cash allowance which is reported under 'Cash/Salary/Fees' in Table 6.4.

All terminations during the Year were in accordance with the terms and conditions of individual employees' contracts.

Under his employment contract, Zlatko Todorcevski, who commenced employment on 8 October 2012, received a sign-on grant of 214,213 Brambles share rights. This was an amount equal in value to the share rights he forfeited on leaving his former employer. These rights vest in five tranches between January 2013 and January 2015. During the Year, 95,750 of those rights vested. Vesting of these share rights is subject to Mr Todorcevski's continuing employment with Brambles.

On 30 June 2014, Mr Orgeldinger's Brambles share grant of 195,389 shares vested. These shares were granted to him in March 2011 as part of the IFCO acquisition.

6.3.1. Contract Terms for Disclosable Executives

Name and role(s)	Base salary at 30 June 2014 unless indicated
DISCLOSABLE EXECUTIVES	
T Gorman, CEO	A\$2,122,000
Z Todorcevski, CFO	A\$1,081,500
J Holley, Chief Information Officer	US\$450,000
P Mackie, Group President, Pallets	£437,750
W Orgeldinger, Group President, RPCs (from 1 October 2013)	€630,000
J Rabbino, Group President, Containers and Head, Group Strategy	US\$675,000
N Smith, Group Senior Vice President, Human Resources	A\$654,050
FORMER DISCLOSABLE EXECUTIVES	
D Pertz, Group President, Recall (until 18 December 2013)	US\$900,000
K Pohler, Group President, RPCs (until 30 September 2013)	€850,000

⁹ Mr Mackie received employer superannuation (pension) contributions of 21% of base salary for income up to £153,700 and 15% of base salary for income above that amount.

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

6.4. TOTAL REMUNERATION & BENEFITS FOR THE YEAR

The purpose of the table below is to enable shareholders to understand the actual remuneration received by Disclosable Executives. The table provides a summary of the actual remuneration, before equity, received or receivable by the Disclosable Executives for the Year, together with prior year comparatives. 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 LTI share awards made in FY11 and STI awards made in FY11 and FY12. (Theoretical accounting values for unvested share awards are shown in Section 9.4; 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 Remuneration Report for the relevant year).

(US\$'000)	Short-term employee benefits				Post-employment benefits	Other		Actual share income		
	Year	Cash/salary/fees	Cash bonus	Non-monetary benefits ¹⁰	Super-annuation	Termination/sign-on payments/retirement benefits	Other	Total before equity	STI/LTI awards	Total
EXECUTIVE DIRECTORS										
T Gorman ¹¹	FY14	2,322	1,167	140	-	-	16	3,645	4,112 ¹²	7,757
	FY13	2,322	1,210	180	-	-	18	3,730	1,101	4,831
DISCLOSABLE EXECUTIVES										
Z Todorovski ¹¹	FY14	1,156	586	14	23	-	4	1,783	807	2,590
	FY13	955	503	10	26	306	-	1,800	674	2,474
J Holley	FY14	468	223	-	60	-	16	767	279	1,046
	FY13	454	216	152	59	-	17	898	204	1,102
P Mackie ¹¹	FY14	811	420	-	42	-	28	1,301	1,472 ¹²	2,773
	FY13	761	349	52	21	-	25	1,208	193	1,401
W Orgeldinger ¹¹	FY14	642	452	31	7	-	5	1,137	1,685	2,822
	FY13	-	-	-	-	-	-	-	-	-
J Rabbino	FY14	594	387	-	75	-	16	1,072	-	1,072
	FY13	563	268	-	53	-	15	899	-	899
N Smith ¹¹	FY14	711	297	-	23	-	2	1,033	1,346 ¹²	2,379
	FY13	778	303	-	26	-	-	1,107	359	1,466
FORMER DISCLOSABLE EXECUTIVES										
D Pertz ¹¹	FY14	464	624	15	10	-	-	1,113	-	1,113
	FY13	253	333	-	-	-	1	587	-	587
K Pohler ¹¹	FY14	289	239	9	2	583	3	1,125	2,378	3,503
	FY13	1,100	219	35	9	-	5	1,368	-	1,368
Totals	FY14	7,457	4,395	209	242	583	90	12,976	12,079	25,055
	FY13	7,185	3,402	429	192	306	82	11,597	2,530	14,127

¹⁰ Non-monetary benefits include car parking, motor vehicles, personal/spouse travel, club membership and fringe benefit tax.

¹¹ The year-on-year comparison of remuneration is affected by the movement of exchange rates from A\$1=US\$1.0212 and €1=US\$1.2939 and £1=US\$1.5667 for FY13 to A\$1=US\$0.9142, €1=US\$1.3587 and £1=US\$1.6331 respectively for FY14.

¹² At the 2011 AGM, shareholders approved a change in the vesting period for STI share awards from three years to two years. This resulted in a one-off situation whereby STI awards granted during FY11 and FY12 both vested during FY14. Therefore, the amounts shown include STI awards made in both FY11 and FY12.

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

6.5. EQUITY-BASED AWARDS

The following table shows details of equity-based awards made to Disclosable Executives during the Year. STI and LTI share awards were made under the 2006 Share Plan, the terms and conditions of which are set out in Sections 9.2 and 9.3 (see plan numbers 21 to 23). Matching Awards were made under MyShare, the terms and conditions of which are also set out in Sections 9.2 and 9.3 (plan numbers 40 to 52). In accordance with the rules of the 2006 Share Plan and the MyShare Plan, the number of unvested or vested but unexercised awards granted under those plans as at the date of the demerger of the Recall business were adjusted to reflect the diminution in value of Brambles' shares as a result of the demerger of the Recall business. These are referred to as "Demerger adjusted" in the table below.

Name	Type of award	Number	Value at grant (US\$'000) ¹³
DISCLOSABLE EXECUTIVES			
T Gorman	STI	132,151	1,109
	LTI	298,776	2,507
	MyShare Matching	610	5
	Demerger adjusted	135,868	-
	Total	567,405	3,621
Z Todorcevski	STI	52,136	438
	LTI	152,288	1,278
	MyShare Matching	539	5
	Demerger adjusted	53,266	-
	Total	258,229	1,721
J Holley	STI	25,782	216
	LTI	51,832	435
	MyShare Matching	652	5
	Demerger adjusted	22,187	-
	Total	100,453	656
P Mackie	STI	42,668	358
	LTI	105,838	888
	MyShare Matching	658	5
	Demerger adjusted	43,095	-
	Total	192,259	1,251
W Orgeldinger	STI	-	-
	LTI	50,748	426
	MyShare Matching	662	5
	Demerger adjusted	22,839	-
	Total	74,249	431
J Rabbino	STI	31,963	268
	LTI	82,874	695
	MyShare Matching	196	2
	Demerger adjusted	21,225	-
	Total	136,258	965
N Smith	STI	33,155	278
	LTI	70,844	595
	MyShare Matching	610	5
	Demerger adjusted	32,354	-
	Total	136,963	878
FORMER DISCLOSABLE EXECUTIVES			
D Pertz	STI	-	-
	LTI	-	-
	Total	-	-
K Pohler	STI	-	-
	LTI	-	-
	Demerger adjusted	25,164	-
	Total	25,164	-

¹³ The total value of the relevant equity award(s) is valued as at the date of grant using the methodology set out in Section 9. 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.

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

6.6. SHAREHOLDINGS

The following table 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 their base salary before tax. In circumstances where executives wish to sell shares, they will require the approval of the Chairman (in the case of the CEO) or the CEO (in the case of all other ELT members), under Brambles' Securities Trading Policy.

Ordinary shares	Balance at the start of the Year	Net changes during the Year	Balance at the end of the Year ¹⁴
DISCLOSABLE EXECUTIVES			
T Gorman	209,148	58,006	267,154 ¹⁵
Z Todorcevski	78,591	96,289	174,880 ¹⁵¹⁶
J Holley	24,825	22,902	47,727 ¹⁷
P Mackie	15,055	70,853	85,908 ¹⁷
W Orgeldinger	836	991	1,827 ¹⁷
J Rabbino ¹⁷	19	197	216 ¹⁷
N Smith	75,491	(4,687)	70,804 ¹⁵¹⁸
FORMER DISCLOSABLE EXECUTIVES			
D Pertz	-	-	-
K Pohler	-	276,801	276,801

¹⁴ On 31 July 2014, the following Disclosable Executives acquired ordinary shares under MyShare, which are held by AET Structured Finance Services Pty Limited: Tom Gorman (45), Zlatko Todorcevski (45), Jean Holley (41), Peter Mackie (48), Wolfgang Orgeldinger (45), Jason Rabbino (35) and Nick Smith (45).

¹⁵ Of which AET Structured Finance Services Pty Limited holds 2,233 shares for Tom Gorman, 724 shares for Zlatko Todorcevski and 804 shares for Nick Smith.

¹⁶ Of which 77,906 shares were held by Zlatko Todorcevski and Robert Todorcevski, 96,250 shares were held by Tentwentyfive Pty Ltd and 724 are held by AET Structured Finance Services Pty Limited.

¹⁷ All of these shares are held by AET Structured Finance Services Pty Limited.

¹⁸ Of which 70,000 held by Lisa Smith.

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

6.7. INTERESTS IN SHARE RIGHTS¹⁹

The following table shows details of rights over Brambles Limited ordinary shares in which the Disclosable Executives held relevant interests: share rights, being awards made on 24 November 2010, 31 March 2011, 6 September 2011, 25 September 2012, 12 October 2012 and 25 September 2013 under the 2006 Share Plan; and Matching Awards, being conditional rights awarded during the Year under MyShare. In November 2011 Brambles' shareholders approved a change in the vesting period for Brambles' STI shares from three years to two years. This resulted in a one-off situation whereby both the FY11 and FY12 STI shares vested in FY14.

	Balance at the start of the Year		Granted during the Year		Exercised during the Year ²⁰		Lapsed during the Year		Balance at the end of the year ²¹	Vested and exercisable at the end of the year
	Number	Number ²²	Value at grant US\$'000	Number	Value at exercise US\$'000	Number	Value at lapse ²³ US\$'000	Number	Number	
DISCLOSABLE EXECUTIVES										
T Gorman	1,525,383	567,405	3,621	482,435	4,112	115,115	971	1,495,238	-	
Z Todorcevski	328,392	258,229	1,721	95,750	807	-	-	490,871	-	
J Holley	177,427	100,453	656	33,069	279	-	-	244,811	-	
P Mackie	493,483	192,259	1,251	172,658	1,472	38,309	323	474,775	-	
W Orgeldinger	178,446	74,249	431	697	1,685	-	-	251,998	195,389	
J Rabbino	97,419	136,258	965	-	-	-	-	233,677	-	
N Smith	410,068	136,963	878	157,845	1,346	29,748	263	359,438	-	
FORMER DISCLOSABLE EXECUTIVES										
D Pertz	-	-	-	-	-	-	-	-	-	
K Pohler	251,637	25,164	-	276,801	2,378	-	-	-	-	

¹⁹ Of the awards detailed in Section 9.3, the following plan numbers are relevant to Disclosable Executives: Tom Gorman, Peter Mackie and Nick Smith (3 to 5, 8 to 10, 13 to 15, 21 to 23 and 24 to 52); Zlatko Todorcevski (16 to 23 and 24 to 52); Jean Holley (7, 9 to 10, 13 to 15, 21 to 23 and 24 to 52); Wolfgang Orgeldinger (6, 22 to 23 and 24 to 52); Jason Rabbino (14 to 15, 21 to 23 and 24 to 52). Lapses occurred for Tom Gorman, Peter Mackie and Nick Smith (4 and 5). Exercises occurred for Tom Gorman, Peter Mackie and Nick Smith (3 to 5, 8, and 24 to 35); Zlatko Todorcevski (16 to 17); and Jean Holley (7 and 24 to 35).

²⁰ Of the 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.

²¹ On 31 July 2014, the following Disclosable Executives received Matching Awards under MyShare: Tom Gorman (45), Zlatko Todorcevski (45), Jean Holley (41), Peter Mackie (48), Wolfgang Orgeldinger (45), Nick Smith (45) and Jason Rabbino (35).

²² During the Year, 3,378,872 performance share rights were granted under the 2006 Share Plan, of which 566,795 were granted to Tom Gorman and 257,690 were granted to Zlatko Todorcevski. 817,442 Matching Awards were granted under MyShare during the Year, of which 610 were granted to Tom Gorman and 539 were granted to Zlatko Todorcevski. Approval for Tom Gorman's issues of securities was obtained under ASX Listing Rule 10.14 at the AGM held on 10 November 2011.

²³ "Lapse" in this context means that the Award was forfeited due to either the applicable service or performance conditions not being met.

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

7. NON-EXECUTIVE DIRECTORS' DISCLOSURES

7.1. 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 Director. In setting the fees, advice is sought from external remuneration advisors 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.

Brambles' base fees for Non-Executive Directors are set with reference to the peer group referred to in Section 3.1, which is consistent with Brambles' policy on executive pay.

A review of Non-Executive Director and Board Chairman fees was undertaken in FY14 to ensure the fees remained in line with the Australian market practice, resulting in an increase of 3%.

The review established the following fees for the Chairman and Non-Executive Directors:

- Chairman: A\$623,000; and
- Non-Executive Directors: A\$199,000.

The following travel allowances and Committee membership fees were not increased during the Year:

- Supplement for Audit Committee Chairman: A\$50,000;
- Supplement for Remuneration Committee Chairman: A\$40,000;
- Supplement for Audit and Remuneration Committee membership: A\$10,000;

(The above supplemental Committee fees do not apply to the Board Chairman.)

- Travel allowance per long-haul flight: A\$5,000.

The next fee review will take effect from 1 January 2015.

7.2. 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 (see Pages 21 and 22).

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

Non-Executive Directors do not participate in Brambles' 2006 Share Plan or MyShare plan.

7.3. NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR

Fees and other benefits provided to Non-Executive Directors during the Year and the prior year are set out in Table 7.3 on Page 46 in US dollars. 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.

As Brian Long's appointment as a Non-Executive Director took effect on 1 July 2014, he did not receive any remuneration for the Year.

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

7.4. 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 Non-Executive Directors held relevant interests, being issued shares held by them and their related parties:

Ordinary shares	Balance at start of Year	Changes during Year	Balance at end of Year
CURRENT NON-EXECUTIVE DIRECTORS			
C Cross	-	-	-
D Duncan	-	-	-
T Froggatt	14,890	-	14,890 ²⁴
D Gosnell	22,910	-	22,910 ²⁵
T Hassan	8,000	-	8,000 ²⁶
S Johns	47,500	-	47,500 ²⁷
C Kay	14,877	-	14,877 ²⁸
G Kraehe AO	66,965	-	66,965 ²⁹
B Long ³⁰	-	4,000	4,000 ³¹
FORMER NON-EXECUTIVE DIRECTORS			
L Mayhew	16,500	-	16,500 ³²
B Schwartz AM	21,681	-	21,681 ³³

²⁴ Of which 7,000 shares were held by Christine Joanne Froggatt and 7,890 shares were held by Anthony Grant Froggatt.

²⁵ Held by Charles Stanley & Co Australia in the name of Susan Gosnell.

²⁶ Held by RBC Dexia Custodian on behalf of Tahira Hassan.

²⁷ Of which 27,500 shares were held by Canzak Pty Ltd, and 20,000 shares were held by Caran Pty Limited.

²⁸ Of which 9,977 held by the Carolyn Kay Superannuation Fund.

²⁹ Held by Invia Custodians as trustee for the Graham John Kraehe Self-Managed Superannuation Fund.

³⁰ On 1 July 2014, Brian was appointed to be a Brambles Non-Executive Director.

³¹ Held by BJ & VG Long Investments Pty Limited ATF BJ Long Super Fund A/C.

³² Held by HSBC Bank of Australia Limited on behalf of Luke Mayhew.

³³ Held by Brian Martin Schwartz & Arlene Schwartz as trustee for the Schwartz Superannuation Fund.

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

Table 7.3: Non-Executive Directors' Remuneration for the Year

(US\$'000)		Short-term employee benefits	Post-employment benefits		
Name	Year	Directors' fees	Superannuation	Other ³⁴	Total ³⁵
CONTINUING NON-EXECUTIVE DIRECTORS					
C Cross	FY14	82	4	-	86
	FY13	-	-	-	-
D Duncan	FY14	209	9	2	220
	FY13	207	9	7	223
T Froggatt ³⁶	FY14	202	19	-	221
	FY13	190	17	16	223
D Gosnell	FY14	206	9	2	217
	FY13	181	8	2	191
T Hassan	FY14	199	9	7	215
	FY13	209	9	5	223
S Johns ³⁶	FY14	218	20	-	238
	FY13	238	8	28	274
C Kay ³⁶	FY14	185	17	-	202
	FY13	190	17	17	224
G Kraehe AO ³⁶	FY14	525	32	18	575
	FY13	611	26	35	672
FORMER NON-EXECUTIVE DIRECTORS					
L Mayhew ³⁶	FY14	216	10	2	228
	FY13	212	10	4	226
B Schwartz AM ³⁶	FY14	185	17	-	202
	FY13	190	17	33	240
Totals	FY14	2,227	146	30	2,404
	FY13	2,228	121	147	2,496

8. REMUNERATION ADVISOR

The Committee has appointed Ernst & Young as Brambles' remuneration advisor to assist the Company with Non-Executive Director and executive remuneration matters. In performing its role, the Committee directly requests and receives information and advice from Ernst & Young.

During the Year, no remuneration recommendations, as defined by the Act (Recommendations), were provided by Ernst & Young. Ernst & Young also provided taxation, internal audit, share rights valuation and project-related services, as well as general employee advice services, to Brambles during the Year. These services did not include a Recommendation.

During the Year, the Committee reviewed the arrangement relating to the engagement of its independent, external advisor. As a result, Brambles has made arrangements to ensure that the making of any Recommendations would be free from undue influence by the Disclosable Executives to whom a Recommendation may relate.

The engagement letter entered into by Brambles and Ernst & Young contains an agreed set of engagement protocols, which apply to the provision of Recommendations to Brambles. These include:

- An agreed set of pre-approved services Ernst & Young may provide Brambles' management, which excludes Recommendations;
- Any requests to Ernst & Young from Brambles management that might constitute a Recommendation are to be referred by Ernst & Young to the Committee for its consideration and direction;
- Ernst & Young is not permitted to provide Recommendations to Brambles' management;
- If Ernst & Young provides a Recommendation, it would include with it a declaration that it has not been unduly influenced by the Disclosable Executive subject to the Recommendation;
- Representatives of Ernst & Young attend all Committee meetings;
- Except for the CEO and Group Senior Vice President, Human Resources, Disclosable Executives do not attend Committee meetings;
- The CEO and Group Senior Vice President, Human Resources do not attend those parts of any Committee meeting when their remuneration is being reviewed or discussed; and
- The Committee meets with Ernst & Young without management being present, during which time any issues or questions relating to Disclosable Executives' remuneration which are not appropriate to discuss with management present, may be discussed.

³⁴ "Other" includes personal/spouse travel, meals and fringe benefits tax.

³⁵ 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.

³⁶ The year-on-year comparison of remuneration is affected by the movement of exchange rates from A\$1=US\$1.0212 and €1=US\$1.2939 and £1=US\$1.5667 for FY13 to A\$1=US\$0.9142, €1=US\$1.3587 and £1=US\$1.6331 respectively for FY14.

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

9. APPENDICES

9.1. BASIS OF VALUATION OF EQUITY-BASED AWARDS

Unless otherwise specified, the fair values of the options and share rights included in the tables in this report have 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 of the Financial Report on Pages 98 and 99.

9.2. SUMMARY OF 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 that could affect remuneration in this or future reporting periods. The plans in bold relate to the Plans and targets which were relevant to vesting during the Year.

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.	Two years	Maximum 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 six years
2006 Share Plan (FY12-FY14 BVA LTI)	Share rights	% of salary/TFR	Time and sales revenue CAGR and BVA performance	20% vesting occurs if CAGR is 6% and BVA is US\$850M over three-year period. 100% vesting occurs if CAGR is 8% and BVA is US\$1,250M over three year period.	Three years	Maximum six years
2006 Share Plan (FY13-FY15 BVA LTI)	Share rights	% of salary/TFR	Time and sales revenue CAGR and BVA performance	20% vesting occurs if CAGR is 5% and BVA is US\$950M over three-year period. 100% vesting occurs if CAGR is 7% and BVA is US\$1,350M over three-year period.	Three years	Maximum six years
2006 Share Plan (FY14-FY16 BVA LTI)	Share rights	% of salary/TFR	Time and sales revenue CAGR and BVA performance	20% vesting occurs if CAGR is 5% and BVA is US\$800M over three-year period. 100% vesting occurs if CAGR is 7% and BVA is US\$1,200M over three-year period.	Three years	Maximum 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

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

9.3. 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 do not have an exercise price and carry no dividend or voting rights.

Plan	Plan number	Grant date	Expiry date	Value at grant	Status/vesting date
2006 Share Plan	1	12 April 2010	12 April 2016	A\$6.48	30% exercisable from 25 November 2013, remainder lapsed
	2	12 April 2010	12 April 2016	A\$4.26	100% vested at 25 November 2013
	3	24 November 2010 ³⁷	24 November 2016 ³⁸	A\$6.01	100% vested at 25 November 2013
	4	24 November 2010 ³⁹	24 November 2016 ³⁸	A\$3.78	100% vested at 25 November 2013
	5	24 November 2010 ⁴⁰	24 November 2016 ³⁸	A\$6.01	30% exercisable from 25 November 2013, remainder lapsed
	6	31 March 2011	30 June 2017	A\$6.35	100% vested at 30 June 2014
	7	6 September 2011	1 August 2013 ³⁸	A\$5.92	100% vested at 1 July 2013
	8	6 September 2011 ⁴¹	6 September 2017 ³⁸	A\$5.92	100% vested at 6 September 2013
	9	6 September 2011 ³⁹	6 September 2017 ³⁸	A\$3.46	6 September 2014
	10	6 September 2011 ⁴⁰	6 September 2017 ³⁸	A\$5.68	6 September 2014
	11	7 June 2012	7 June 2018	A\$6.56	100% vested at 7 June 2014
	12	16 July 2012	1 September 2014	A\$6.09	100% vested at 30 August 2013
	13	25 September 2012 ⁴¹	25 September 2018 ³⁸	A\$6.31	25 September 2014
	14	25 September 2012 ³⁹	25 September 2018 ³⁸	A\$3.41	25 September 2015
	15	25 September 2012 ⁴⁰	25 September 2018 ³⁸	A\$6.07	25 September 2015
	16	12 October 2012	12 October 2018	A\$6.48	100% vested at 31 January 2014
	17	12 October 2012	12 October 2018	A\$6.48	100% vested at 31 May 2014
	18	12 October 2012	12 October 2018	A\$6.48	31 January 2015
	19	12 October 2012	25 September 2018	A\$3.50	25 September 2015
	20	12 October 2012	25 September 2018	A\$6.23	25 September 2015
	21	25 September 2013 ⁴¹	25 September 2019 ³⁸	A\$8.45	25 September 2015
	22	25 September 2013 ³⁹	25 September 2019 ³⁸	A\$4.19	25 September 2016
	23	25 September 2013 ⁴⁰	25 September 2019 ³⁸	A\$8.16	25 September 2016

³⁷ STI awards vest on the third anniversary of their grant date, subject to continued employment.

³⁸ Awards granted to Jean Holley and Jason Rabbino expire three years earlier than the date shown, or immediately after vesting, if earlier.

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

⁴⁰ These LTI awards vest on the third anniversary of their grant date, subject to continued employment and meeting a sales revenue CAGR and BVA performance condition.

⁴¹ STI awards vest on the second anniversary of their grant date, subject to continued employment.

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

Plan	Plan number	Grant date	Expiry date	Value at grant	Status/vesting date
MyShare plan	24	30 March 2012 ⁴²	1 April 2014	A\$6.73	100% vested on 31 March 2014
	25	30 April 2012 ⁴²	1 April 2014	A\$6.97	100% vested on 31 March 2014
	26	31 May 2012 ⁴²	1 April 2014	A\$6.26	100% vested on 31 March 2014
	27	29 June 2012 ⁴²	1 April 2014	A\$5.80	100% vested on 31 March 2014
	28	31 July 2012 ⁴²	1 April 2014	A\$5.93	100% vested on 31 March 2014
	29	31 August 2012 ⁴²	1 April 2014	A\$6.55	100% vested on 31 March 2014
	30	28 September 2012 ⁴²	1 April 2014	A\$6.57	100% vested on 31 March 2014
	31	31 October 2012 ⁴²	1 April 2014	A\$6.93	100% vested on 31 March 2014
	32	30 November 2012 ⁴²	1 April 2014	A\$6.94	100% vested on 31 March 2014
	33	28 December 2012 ⁴²	1 April 2014	A\$7.17	100% vested on 31 March 2014
	34	31 January 2013 ⁴²	1 April 2014	A\$7.74	100% vested on 31 March 2014
	35	28 February 2013 ⁴²	1 April 2014	A\$8.27	100% vested on 31 March 2014
	36	29 March 2013 ⁴³	1 April 2015	A\$8.08	31 March 2015
	37	30 April 2013 ⁴³	1 April 2015	A\$8.31	31 March 2015
	38	31 May 2013 ⁴³	1 April 2015	A\$8.86	31 March 2015
	39	28 June 2013 ⁴³	1 April 2015	A\$8.92	31 March 2015
	40	31 July 2013 ⁴³	1 April 2015	A\$8.74	31 March 2015
	41	30 August 2013 ⁴³	1 April 2015	A\$8.39	31 March 2015
	42	30 September 2013 ⁴³	1 April 2015	A\$8.70	31 March 2015
	43	31 October 2013 ⁴³	1 April 2015	A\$8.84	31 March 2015
	44	29 November 2013 ⁴³	1 April 2015	A\$9.11	31 March 2015
	45	31 December 2013 ⁴³	1 April 2015	A\$8.71	31 March 2015
	46	31 January 2014 ⁴³	1 April 2015	A\$8.63	31 March 2015
	47	28 February 2014 ⁴³	1 April 2015	A\$8.95	31 March 2015
	48	31 March 2014 ⁴⁴	1 April 2016	A\$8.86	31 March 2016
	49	30 April 2014 ⁴⁴	1 April 2016	A\$8.94	31 March 2016
	50	30 May 2014 ⁴⁴	1 April 2016	A\$9.19	31 March 2016
	51	30 June 2014 ⁴⁴	1 April 2016	A\$8.74	31 March 2016
	52	31 July 2014 ⁴⁴	1 April 2016	A\$8.87	31 March 2016

⁴² These Matching Awards granted under MyShare vest on 31 March 2014, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

⁴³ These Matching Awards granted under MyShare vest on 31 March 2015, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

⁴⁴ These Matching Awards granted under MyShare vest on 31 March 2016, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

DIRECTORS' REPORT - REMUNERATION REPORT - CONTINUED

9.4. SHARE-BASED PAYMENTS: FUTURE POTENTIAL

The table below provides annual accounting values for shares granted during years 2010-2012, which have been amortised over three years. These share awards are subject to the conditions set out in Section 9.2. Remuneration will normally not be received as a result of the underlying share awards vesting until the conditions have been met.

(US\$'000)			Share based payment		
Name	Year	Total before equity	Awards	Share of FY14 total remuneration	Total
EXECUTIVE DIRECTORS					
T Gorman	FY14	3,645	2,546	41%	6,191
	FY13	3,730	1,624	30%	5,354
CURRENT DISCLOSABLE EXECUTIVES					
Z Todorcevski	FY14	1,783	980	35%	2,763
	FY13	1,800	1,054	37%	2,854
J Holley	FY14	767	369	32%	1,136
	FY13	898	335	27%	1,233
P Mackie	FY14	1,301	842	39%	2,143
	FY13	1,208	538	31%	1,746
W Orgeldinger	FY14	1,137	444	28%	1,581
	FY13	-	-	-	-
J Rabbino	FY14	1,072	299	22%	1,371
	FY13	899	79	8%	978
N Smith	FY14	1,033	656	39%	1,689
	FY13	1,107	485	30%	1,592
FORMER DISCLOSABLE EXECUTIVES					
D Pertz ⁴⁵	FY14	1,113	2,235	67%	3,348
	FY13	587	1,134	66%	1,721
K Pohler	FY14	1,125	565	33%	1,690
	FY13	1,368	512	27%	1,880
Totals	FY14	12,976	8,936	-	21,912
	FY13	11,597	5,761	-	17,358

⁴⁵ This represents the Recall Award described in Section 6.3 of Brambles' 2013 Annual Report.