

## Governance

Brambles Limited has a primary listing on the Australian Securities Exchange (ASX) under the code 'BXB', with a secondary listing on the London Stock Exchange.

Brambles fully complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd ed).

Brambles' Board has overall responsibility for overseeing the effective management and control of the Brambles Group on behalf of Brambles' shareholders and supervising executive management's conduct of its affairs within a control and authority framework which is designed to enable risk to be prudently and effectively assessed and monitored. Brambles' Chairman is an independent Non-executive Director. Brambles currently has nine Directors, eight of whom are independent Non-executive Directors. From 1 December 2009, Brambles will have ten Directors, eight of whom will be independent Non-executive Directors.

Non-executive Directors are required to hold Brambles' shares equal to their annual fees after tax within three years of their appointment. Individual average share ownership of the Non-executive Directors was worth approximately A\$182,000 as at 20 August 2009.

The Board is regularly updated on sustainability issues, including detailed information on operational activities, objectives and external feedback on Brambles' performance in this area.

The Board is responsible for the establishment and review of the effectiveness of the Group's system of internal control and risk management. This includes consideration of climate change risks and sustainability issues.

The Chief Executive Officer, who is also a member of the Board, has operational responsibility for sustainability issues.

Sustainability is overseen by a Sustainability Committee, which is a management committee. The committee members include the Senior Vice President – Human Resources (Chair of the committee, who reports to the CEO and is a member of the Executive Leadership Team), Senior Vice President - Strategic Development, Group Vice President Risk and Audit, Group Company Secretary and a business representative from each of the business units: CHEP Americas, CHEP EMEA, CHEP Asia-Pacific and Recall.

The committee's remit is, on behalf of the Executive Leadership Team, to:

- Develop and implement Brambles' sustainability strategy;
- Co-ordinate all sustainability activities across the Group, ensuring that best practice is evaluated, shared and implemented; and
- Provide Group-wide resources to assist the development of sustainability activities in each business unit.

The committee meets at least four times a year.

The Brambles Executive Leadership Team helps to formulate sustainability policies (including climate change) and is responsible for implementing sustainability policies across the organisation.

Remuneration of Board members and senior management is a formal Board responsibility, overseen by the Remuneration Committee. All members of this committee are non-executives. The Remuneration of Directors is disclosed individually within the Remuneration Report of the Annual Report.

A copy of the Remuneration Committee's Charter giving full details of its duties and responsibilities is available on the website. Details of Brambles' Remuneration Policy can be found in the Remuneration Report of the Annual Report.

Selection and nomination of Board members is a formal Board responsibility, overseen by the Nominations Committee. All members of this committee are Non-executive Directors. A copy of the Nominations Committee's Charter is available on the website.

The Nominations Committee is also responsible for reviewing the structure, size and composition (including the balance of skills, knowledge and experience) of the Board and the effectiveness of the Board as a whole. This committee reviews the executive and non-executive leadership needs of Brambles.

The approval of financial statements and the establishment and monitoring of Brambles' systems of internal control and risk management is a formal Board responsibility. The Board has established an Audit Committee to, amongst other things, monitor and review the integrity of financial statements and internal financial controls.

For further details on Board and management committees, please refer to the Corporate Governance Statement in the Annual Report.

Brambles has processes in place for the Board to monitor potential conflicts of interest. For further details please refer to the Corporate Governance Statement in the Annual Report.

## **RISK MANAGEMENT**

Brambles' strong risk management culture and corporate governance underpin the company's performance. Brambles uses a risk analysis framework that is fully compliant with Australian Standards/New Zealand Standards AS/NZS 4360 Risk Management. Brambles does not explicitly reference the precautionary approach in its risk management framework. Brambles employs sound risk management practices. Risk management processes and key business risks are disclosed in the Annual Report and on the website.

Brambles has a Group Risk Committee that assists the Board in fulfilling its corporate governance and oversight responsibilities by establishing, monitoring and reviewing internal control and risk management systems. The committee also regularly reports to the Board. Further information on the Group Risk Committee and its Charter can be found on the website.