



Company	Brambles Limited
Code	BXB
Meeting	AGM
Date	23 October 2018
Venue	Westin Hotel Martin Place Sydney
Monitor	Mary Curran

Number attendees at meeting	71 shareholders plus 46 visitors (117)
Number of holdings represented by ASA	264
Value of proxies	\$12,564,000
Number of shares represented by ASA	1.2million
Market capitalisation	\$16,578 million
Were proxies voted?	Yes, on a poll
Pre-AGM Meeting?	Yes, with Chair Stephen Johns

New pace, new face, new place

After more than a decade, a new venue for the Brambles AGM. From the Wesley Centre to the Westin Hotel, but sadly no water available on arrival. The Chair, Stephen Johns, took the initiative and became the de facto water person which was much appreciated by shareholders.

At the start a video was shown demonstrating the sustainable business model of Brambles with the continuous sharing and reusing of assets i.e. pallets and crates.

Both the Chair's and CEO's address were informative. The Chair will be stepping down in 2020 and a search is already underway. The CEO, Mr Chipchase, said Brambles is a pioneer of the sharing economy and he is continuing to monitor costs and send the share price into more positive territory. He notes that the company faces cost pressures and these are being offset by increased costs to customers.

The Chair made mention of Jack Tilburn who passed recently and commented that he was a long-time loyal shareholder who enlivened the meetings and that the board would miss him.

We asked two questions and made one comment. We reiterated our concern about Mr. Chipchase's second role (as Director at Astra Zeneca). The Chair took some time to give his views. He believes this is advantageous. Our questions were about the locations of pallets, vis-à-vis Brexit, Trump tariffs and Korea and whether the target return on capital invested (ROCI) would be reinstated. The Chair commented that it was difficult to answer questions about the global economy but that Brambles is very well prepared for all eventualities of Brexit.

A shareholder expressed concern about the IFCO demerger and if it would continue to be listed on the ASX (the plan is a dual listing in Europe as well). The Chair replied that the plan is to continue to have a listed Australian entity but as yet it is not clear whether it may indeed be sold to private equity. If this was the case, most likely there would be a return of capital to shareholders and further capital invested in the CHEP business.

With regard to remuneration, we thanked the Remuneration Committee for some good changes eg clawback provisions and deferral of vesting. Nevertheless, the remuneration report did not get our vote due to long term incentives being only three years, payment of long-term incentives (LTIs) too much too quickly and should total shareholder return (TSR) be negative, LTI is still payable. This year the remuneration approval vote sailed past at 96.54%. The previous year it had been a near strike of more than 23% (25% is a strike).

A shareholder was also not happy with the incentive scheme for the CEO and CFO which received the largest percentage vote against, i.e. 13.35%. We also voted against.

Both Elizabeth Fagan and Scott Perkins spoke to their election/re-election and were comfortably elected with 98.45% for.

Following the formal closing of the meeting, the CEO came over and spoke to us. He reiterated that his second job was not detracting from his time on Brambles. Also said that they would not reinstate the ROCI. Brexit is an issue due to the pallets having to be heat treated and he feels getting pallets back from Pyongyang may be a problem. He also mentioned that it was his idea about the share retention once executives leave and that remuneration is a global issue generally.