



**ASX & Media Release**  
**28 October 2008**

## **CEO and Directors Remuneration**

Globe International Limited (ASX code: GLB) today responded to a shareholder query raised at the Company's annual general meeting on Wednesday 22 Oct 2008 in relation to the CEO's and the Chairman's remuneration.

### **Chief Executive Officer ("CEO")**

Matt Hill was appointed as the CEO in September 2004 and his base salary was set at US \$432,000 per annum. Since this time, the CEO's base salary has been reviewed once only. This was during FY 2006 when his base salary was increased to USD 535,000 per annum effective 16 September 2005. Since then there have been no increases to the CEO's base salary.

Bonuses received by the CEO have been primarily related to two significant transactions, which resulted in the successful sale of company assets and returns of capital to shareholders totaling \$40.6 million during FY 2007 and FY 2008.

For FY 2008, the CEO did not receive a discretionary performance bonus. The bonus payment referred to in the FY 2008 Annual Report relates to the sale of the World Industries trademark at the end of FY 2007 and the related return of capital in FY 2008.

The CEO's bonus is determined on each anniversary of his appointment i.e. 16 September based on an annual review of his performance for the previous twelve months. The bonus thus determined is then paid after the completion of the annual review.

A summary of the CEO's cash remuneration is as follows:

<b>Year</b>	<b>Base salary (USD)</b>	<b>Bonus (USD)</b>	<b>Details</b>
FY 2005	337,760	Nil	Nine months only
FY 2006	493,042	75,000	Performance related bonus
FY 2007	535,000	400,000	Sale of Streetwear ( <i>Note 1</i> )
FY 2008	535,000 ( <i>Note 4</i> )	300,000	Sale of World Industries ( <i>Note 2</i> ) ( <i>Note 3</i> )

## Notes

1. In October 2006, Globe International sold its Streetwear Division to Pacific Brands for a consideration of \$41.2 million. As a result, in June 2007 directors approved a return of capital to shareholders of \$32.0 million.
2. At the end of June 2007 Globe International sold its wholly owned World Industries trademark to i.e. distribution for a profit of \$8.6 million. As a result, in January 2008, directors approved a return of capital to shareholders of \$8.6 million.
3. No bonus was due or payable for FY 2008 due to the performance of the company
4. During September 2008, prior to the AGM, the CEO volunteered a reduction in his base salary of US \$85,000 due to the performance of the Company and the expected impacts of difficult international trading conditions. The new base salary of US \$450,000 is effective from 1 October 2008.

In summary, the CEO's base salary was established in 2004 and bonus payments have been directly linked to shareholder benefit. When returns to shareholders have been unacceptable, a bonus has not been paid, as was the case in FY 2008.

## **The Chairman**

Paul Isherwood was appointed as a director of the Company and Chairman of the Audit Committee in 2001. In March 2003 Mr Isherwood accepted the position of Chairman of the Board.

The details of the Chairman's remuneration and positions held are as follows:

<b><u>Year</u></b>	<b><u>Amount</u></b>	<b><u>Positions held</u></b>
FY 2001	27,000	(Director/Chairman Audit Committee)
FY 2002	65,000	(Director /Chairman Audit Committee)
FY 2003	85,838	(Chairman 3 months and Director/Chairman Audit Committee 9 months)
FY 2004	130,800	(Chairman)
FY 2005	130,800	(Chairman)
FY 2006	130,800	(Chairman)
FY 2007	137,427	(Chairman)
FY 2008	150,000	(Chairman) ( <i>Note</i> )

## Note

During September 2008, prior to the AGM, Mr. Isherwood had voluntarily proffered that his annual fees be reduced from \$ 150,000 to \$ 125,000 effective 1 October 2008.

## Non Executive Directors Remuneration

The total maximum remuneration set for all non-executive directors per annum is \$400,000. This was set in the prospectus lodged with the ASX in April 2001. The board of Globe International Limited has always ensured that the total annual remuneration paid to all non executive directors, since the listing of the Company in 2001, is well below this limit as shown in the table below.

Total non-executive director remuneration for the period since the IPO in May 2001 is:

FY 2001	\$135,000 (Part year only)
FY 2002	\$218,589
FY 2003	\$261,141
FY 2004	\$261,650
FY 2005	\$261,650
FY 2006	\$261,650
FY 2007	\$237,021
FY 2008	\$250,000

Mr. Richard Alcock, as was the case with the Chairman, prior to the AGM, proffered to reduce his annual fees from \$ 100,000 to \$ 85,000. This reduced level is now operative.

## Executive Directors Remuneration

The two executive directors Peter and Stephen Hill have elected to date not to be paid any remuneration since August 2002. The details of their remuneration since the IPO is as follows:

	<u>P. Hill</u>	<u>S. Hill</u>
FY 2001	\$42,553	\$42,553
FY 2002	Nil	Nil
FY 2003	\$ 3,579	\$ 3,125
FY 2004	Nil	Nil
FY 2005	Nil	Nil
FY 2006	Nil	Nil
FY 2007	Nil	Nil
FY 2008	Nil	Nil

## Summary

Based on the details provided above, the Company believes that the remuneration paid to its Chairman, Non Executive Director, Executive Directors and CEO are commensurate with the size of the Company and the complexities of the environment in which it operates. Additionally, the remuneration is competitive and reasonable.

Ends

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