

GREIF INC
Form DEF 14A
January 09, 2009

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
 Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

GREIF, INC.

(Name of Registrant as Specified in Its Charter)

NOT APPLICABLE

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**GREIF, INC.
425 Winter Road
Delaware, Ohio 43015**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Greif, Inc.:

Notice is hereby given that the Annual Meeting of Stockholders of Greif, Inc. (the Company) will be held at its principal executive offices, 425 Winter Road, Delaware, Ohio 43015, on February 23, 2009, at 10:00 A.M., Eastern time, for the following purposes:

1. To elect nine directors to serve for a one-year term; and
 2. To transact such other business as may properly come before the meeting or any and all adjournments.
- Only stockholders of record of the Class B Common Stock at the close of business on December 26, 2008, will be entitled to vote.

Whether or not you plan to attend this meeting, we hope that Class B stockholders will sign the enclosed proxy(s) and return them promptly in the enclosed envelope or vote by internet at www.proxyvote.com or by phone at +1 800 690 6903. If you are able to attend the meeting and wish to vote in person, at your request we will cancel your proxy.

/s/ Gary R. Martz

Gary R. Martz
Secretary

January 9, 2009

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GREIF, INC.
425 Winter Road
Delaware, Ohio 43015

PROXY STATEMENT

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD FEBRUARY 23, 2009

To the Stockholders of Greif, Inc.:

This Proxy Statement is being furnished to all stockholders of Greif, Inc., a Delaware corporation (the Company), in connection with the Company's Annual Meeting of Stockholders scheduled to be held on February 23, 2009, at 10:00 A.M., Eastern time, at the Company's principal executive offices, 425 Winter Road, Delaware, Ohio 43015. It is anticipated that this Proxy Statement and form of proxy will first be sent to the stockholders on or about January 12, 2009.

PROXIES AND VOTING

This Proxy Statement is being furnished to Class B stockholders of the Company, the only class of stockholders entitled to vote at the Annual Meeting of Stockholders, in connection with the solicitation by management of proxies that will be used at the Annual Meeting of Stockholders. Class A stockholders are not entitled to vote at the Annual Meeting of Stockholders. Therefore, this Proxy Statement is being furnished to Class A stockholders for informational purposes only and no proxy is being solicited from them.

At the Annual Meeting of Stockholders, the Class B stockholders will vote upon: (1) the election of nine directors; and (2) such other business as may properly come before the meeting or any and all adjournments.

The nine nominees receiving the highest number of votes will be elected as directors. Class B stockholders do not have the right to cumulate their votes in the election of directors.

Shares of Class B Common Stock represented by properly executed proxies will be voted at the Annual Meeting of Stockholders in accordance with the choices indicated on the proxy. If no choices are indicated on a proxy, the shares represented by that proxy will be voted in favor of the nine nominees described in this Proxy Statement. Any proxy may be revoked at any time prior to its exercise by delivering to the Company a subsequently dated proxy or by giving notice of revocation to the Company in writing or in open meeting. A Class B stockholder's presence at the Annual Meeting of Stockholders does not by itself revoke the proxy.

Abstentions will be considered as shares of Class B Common Stock present at the Annual Meeting of Stockholders and will be counted for purposes of determining whether a quorum is present. Abstentions will not be counted in the votes cast for the election of directors and will not have a positive or negative effect on the outcome of that election.

If your Class B Common Stock is held in street name, you will need to instruct your broker regarding how to vote your Class B Common Stock.

If you do not provide your broker with voting instructions regarding the election of directors, your broker will nevertheless have the discretion to vote your shares of Class B Common Stock for the

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election of directors. There are certain other matters, however, over which your broker does not have discretion to vote your Class B Common Stock without your instructions these situations are referred to as broker non-votes.

This Proxy Statement, the form of proxy and the Company's Annual Report are available at www.proxyvote.com.

The close of business on December 26, 2008, has been fixed as the record date for the determination of Class B stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders and any adjournment thereof. On the record date, there were outstanding and entitled to vote 22,462,266 shares of Class B Common Stock. Each share of the Class B Common Stock is entitled to one vote in respect of the proposal or proposals to which such shares are entitled to vote.

PROPOSAL NO. 1 ELECTION OF DIRECTORS

At the Annual Meeting of Stockholders, shares of the Class B Common Stock represented by the proxies, unless otherwise specified, will be voted to elect as directors for one-year terms Michael J. Gasser, Vicki L. Avril, Michael H. Dempsey, Bruce A. Edwards, Mark A. Emkes, John F. Finn, Daniel J. Gunsett, Judith D. Hook, and Patrick J.

Norton, the nine persons recommended by the Nominating and Corporate Governance Committee of the Board of Directors, all of whom are currently directors of the Company. Each of the nominees has consented to being named in this Proxy Statement and to serve if elected. In the event that any nominee named above is unable to serve (which is not anticipated), the persons named in the proxy may vote it for another nominee of their choice.

Proxies cannot be voted at the Annual Meeting of Stockholders for a number of persons greater than the number of nominees named in this Proxy Statement.

Biographies of Director Nominees

Michael J. Gasser, 57, has been a director since 1991. He has been Chairman of the Board of Directors and Chief Executive Officer of the Company since 1994. From November of 2006 until October of 2007, he also served as the President of the Company. Mr. Gasser has been an executive officer of the Company since 1988. He is a member of the Executive and Stock Repurchase Committees. He is also a director for Bob Evans Farms, Inc., a restaurant and food products company.

Vicki L. Avril, 54, has been a director since 2004. Since June 2008, Ms. Avril has served as the Chief Executive Officer and President of TMK IPSCO, a manufacturer of steel and tubular products. She has been an executive officer of IPSCO since 2004, including serving as IPSCO's Chief Financial Officer. From 2001 until its sale in 2003, Ms. Avril was Senior Vice President and Chief Financial Officer of Wallace Computer Services, Inc., a print management company. She is a member of the Audit Committee.

Michael H. Dempsey, 52, has been a director since 1996. He has been an investor since 1997. Prior to 1997, Mr. Dempsey was the President of Kuschall of America, a wheelchair manufacturing company. He is a member of the Executive and Nominating and Corporate Governance Committees. Mr. Dempsey is the brother of Judith D. Hook.

Bruce A. Edwards, 53, has been a director since 2006. For the past three years, he has served as the Global Chief Executive Officer for DHL Supply Chain, DHL's supply chain services division and a member of the board of management for DPWN, DHL's parent company. Prior to that time, he was Chief Executive Officer for Exel Americas, a supply chain services company. Mr. Edwards also serves as a director of The Ashtead Group, a UK listed global equipment rental company. He is a member of the Audit Committee.

Mark A. Emkes, 56, has been a director since 2008. For more than five years, he has been the Chairman and Chief Executive Officer of Bridgestone Firestone North America Tire LLC and since 2004, the Chairman and Chief Executive Officer of Bridgestone Americas Holdings, Inc., the world's largest tire and rubber manufacturing company and effective January 1, 2009, also President. He is a member of the Compensation Committee.

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John F. Finn, 58, has been a director since 2007. For more than five years, he has been the President and Chief Executive Officer of Gardner, Inc., a wholesale distributor to the outdoor power equipment industry. Mr. Finn also serves as a director of Cardinal Health, Inc., a health-care services company. He is a member of the Audit Committee.

Daniel J. Gunsett, 60, has been a director since 1996. For more than five years, he has been a partner with the law firm of Baker & Hostetler LLP. He is a member of the Compensation, Executive, Nominating and Corporate Governance, and Stock Repurchase Committees.

Judith D. Hook, 55, has been a director since 2003. Ms. Hook has been an investor for more than five years. She is a member of the Compensation and Stock Repurchase Committees. Ms. Hook is the sister of Michael H. Dempsey.

Patrick J. Norton, 58, has been a director since 2003. Mr. Norton retired as Executive Vice President and Chief Financial Officer of The Scotts Company, a consumer lawn and garden products company, in January 2003. Mr. Norton served as Executive Vice President and Chief Financial Officer of The Scotts Company from May 2000 until his retirement. Mr. Norton also serves as a director of The Scotts Company. He is a member of the Compensation and Executive Committees.

Directors Attendance at Annual Meeting of Stockholders

Under the Company's Corporate Governance Guidelines, directors are expected to attend the Company's Annual Meeting of Stockholders. All of the director nominees attended last year's Annual Meeting of Stockholders.

BOARD OF DIRECTORS AND COMMITTEES

Board Meetings

The Company's Board of Directors (the Board) held five meetings during the 2008 fiscal year. Each of the directors attended at least 75% of the meetings held by the Board and committees on which he or she served during the 2008 fiscal year. The Board has affirmatively determined that a majority of the Company's directors meet the categorical standards of independence adopted by the Board and are independent directors as defined in the listing standards of the New York Stock Exchange (NYSE). See Corporate Governance Director Independence.

Board Committees and Committee Meetings

The Board has established an Executive Committee, a Compensation Committee, an Audit Committee, a Stock Repurchase Committee and a Nominating and Corporate Governance Committee. The Board has affirmatively determined that each of the members of the Compensation, Audit and Nominating and Corporate Governance Committees meet the categorical standards of independence adopted by the Board and are independent directors as defined in the NYSE listing standards. See Corporate Governance Director Independence.

The Board has adopted written charters for the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Copies of these charters are available on the Company's website (<http://www.greif.com>). See Corporate Governance Availability of Corporate Governance Documents.

The Executive Committee, whose current members are Messrs. Gasser, Dempsey, Gunsett and Norton, has the same authority, subject to certain limitations, as the Board during intervals between meetings of the Board. The Executive Committee held eight meetings during the 2008 fiscal year.

The Compensation Committee, whose current members are Messrs. Gunsett, Emkes and Norton and Ms. Hook, is responsible, among other matters, for discharging the Board's responsibility relating to the compensation of executive officers and directors. This is accomplished by evaluating the compensation, fringe benefits and perquisites provided to the Company's executive officers and adopting compensation policies applicable to the Company's executive officers, including the specific relationship of corporate performance to executive compensation and the factors and criteria upon

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which the compensation of the Company's Chief Executive Officer and other Named Executive Officers should be based. The Compensation Committee held six meetings during the 2008 fiscal year.

The Audit Committee, whose current members are Ms. Avril and Messrs. Edwards and Finn, is responsible, among other matters, for engaging and, when appropriate, replacing the Company's independent auditors, reviewing with such auditors the scope and results of their audit, reviewing the Company's accounting functions, operations and management, and considering the adequacy and effectiveness of the internal accounting controls and internal auditing methods, policies and procedures of the Company. The Company's Board of Directors has determined that Ms. Avril is an audit committee financial expert, as that term is defined by applicable SEC regulations. No member of the Audit Committee may simultaneously serve on the audit committee of more than two other publicly traded companies. The Audit Committee held six meetings during the 2008 fiscal year.

The Stock Repurchase Committee, whose current members are Messrs. Gasser and Gunsett and Ms. Hook, is responsible for administering the Company's Stock Repurchase Program. The Stock Repurchase Committee held five meetings during the 2008 fiscal year.

The Company's Nominating and Corporate Governance Committee (the Nominating Committee), whose current members are Messrs. Dempsey and Gunsett, is responsible, among other matters, for recommending to the Board a slate of director nominees for election at each annual meeting of the Company's stockholders and director nominees for election at any other stockholder meeting held for the election of one or more directors. The Board then acts on the Nominating Committee's recommendations and is responsible for (1) recommending to stockholders a slate of director nominees for election at each annual meeting of the Company's stockholders and director nominees for election at any other stockholder meeting held for the election of one or more directors and (2) nominating at such meetings those

persons it has recommended as director nominees. The Nominating Committee held one meeting during the 2008 fiscal year.

CORPORATE GOVERNANCE

Communications with the Board

The Board believes it is important for stockholders to have a process to send communications to the Board.

Accordingly, any stockholder or other interested party who desires to make his or her concerns known to the non-management directors or to the entire Board may do so by communicating with the chairperson of the Audit Committee by e-mail to *audit.committee@greif.com* or in writing to Audit Committee Chairperson, Greif, Inc., 425 Winter Road, Delaware, Ohio 43015. All such communications will be forwarded to the non-management directors or the entire Board as requested in the communication.

Executive Sessions of Non-Management Directors

The non-management directors of the Company meet without the Company's management at least four times each year, and during at least one of those meetings, the non-management directors schedule an executive session that includes only independent directors. These meetings are typically held in conjunction with a regularly scheduled

Board meeting and at such other times as necessary or appropriate. The chairpersons of the Company's Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee rotate as chairperson of meetings of the non-management directors.

Director Independence

The Board has adopted categorical standards to assist it in making its determination of director independence. Under these standards, a director of the Company will be considered independent unless:

- (a) within the preceding three years, (i) the director was employed by the Company, or (ii) an immediate family member of the director was employed by the Company as an executive officer;

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- (b) within the preceding three years, the director or an immediate family member of the director received more than \$100,000, during any twelve-month period, in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

- (c) the director or an immediate family member of the director is a current partner of a firm that is the Company's present internal or external auditor; the director is a current employee of a firm that is the Company's present internal or external auditor; an immediate family member of the director is a current employee of the Company's present internal or external auditor and participates in that firm's audit, assurance or tax compliance practice (excluding tax planning); or the director or an immediate family member of the director was within the preceding three years, but is no longer, a partner or employee of a firm that is the Company's present internal or external auditor and personally worked on the Company's audit within that time;

(d) the director or an immediate family member of the director is, or has been within the preceding three years, employed as an executive officer of another company for which any of the Company's present executive officers at the same time serves or served on that company's compensation committee;

(e) the director is an employee, executive officer, partner (other than a limited partner) or significant equity holder of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1.0 million or 2% of such other company's consolidated gross revenues, or an immediate family member of the director is a current executive officer of another company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1.0 million or 2% of such other company's consolidated gross revenues;

(f) the director is an executive officer, partner or significant equity holder of another organization that is indebted to the Company, or to which the Company is indebted, and the total amount of indebtedness exceeds 2% of the total consolidated assets of such organization; or

(g) within the preceding three years, the director was an executive officer, trustee or director of a foundation, university or other non-profit or charitable organization receiving grants, endowments or other contributions from the Company, in any single fiscal year, which exceeded the greater of \$1.0 million or 2% of such charitable organization's consolidated gross revenues.

For purposes of the above standards: (i) compensation received by an immediate family member of a director for service as a non-executive employee of the Company shall not be considered in determining independence under (b) above; (ii) in applying the test under (e) above, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year and the look-back provisions shall apply solely to the financial relationship between the Company and the director or immediate family member's current employer and not to former employment of the director or immediate family member; (iii) an immediate family member includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home, but in applying any lookback provisions, the Company will not consider individuals who are no longer immediate family members as a result of legal separation or divorce or those who have died or become incapacitated; and (iv) a significant equity holder of an organization will normally be considered a stockholder, limited partner or member owning 10% or more of the voting or equity interests in that organization. These categorical standards are also set forth on the Company's website. See Availability of Corporate Governance Documents.

The Board has determined that Ms. Avril, Mr. Dempsey, Mr. Edwards, Mr. Emkes, Mr. Finn, Mr. Gunsett, Ms. Hook and Mr. Norton, a majority of the Company's directors, are independent under the above categorical standards. These directors are also independent directors as defined in the

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listing standards of the New York Stock Exchange (NYSE). Mr. Gasser, who is an employee of the Company, is not an independent director under the above categorical standards or the NYSE listing standards. The Board has determined that Mr. Gunsett is independent because legal fees paid to Baker & Hostetler LLP, where Mr. Gunsett is a partner, are not material to the Company and that the nature of the relationship has been properly disclosed to the Board. The Company does not anticipate that legal fees paid to Baker & Hostetler LLP will be material in the 2009 fiscal year.

Nomination of Directors

The Nominating Committee will consider individuals recommended by stockholders for membership on the Board. If a stockholder desires to recommend an individual for membership on the Board, then that stockholder must provide a written notice to the Secretary of the Company at 425 Winter Road, Delaware, Ohio 43015 (the Recommendation Notice). In order for a recommendation to be considered by the Nominating Committee, the Recommendation Notice must contain, at a minimum, the following: the name and address, as they appear on the Company's books, and telephone number of the stockholder making the recommendation, including information on the number of shares and class of stock owned, and if such person is not a stockholder of record or if such shares are owned by an entity, reasonable evidence of such person's ownership of such shares or such person's authority to act on behalf of such entity; the full legal name, address and telephone number of the individual being recommended, together with a reasonably detailed description of the background, experience and qualifications of that individual; a written acknowledgement by the individual being recommended that he or she has consented to that recommendation and consents to the Company's undertaking of an investigation into that individual's background, experience and qualifications in the event that the Nominating Committee desires to do so; the disclosure of any relationship of the individual being recommended with the Company or any of its subsidiaries or affiliates, whether direct or indirect; and, if known to the stockholder, any material interest of such stockholder or individual being recommended in any proposals or other business to be presented at the Company's next Annual Meeting of Stockholders (or a statement to the effect that no material interest is known to such stockholder).

Except for the director nominees recommended by the Nominating Committee to the Board, no person may be nominated for election as a director of the Company during any stockholder meeting unless such person was first recommended by a stockholder for Board membership in accordance with the procedures set forth in the preceding paragraph and the Recommendation Notice was received by the Company not less than 60 days nor more than 90 days prior to the date of such meeting; provided, however, if less than 75 days notice or prior public disclosure of the date of a stockholders' meeting is given or made to stockholders, then, in order to be timely received, the Recommendation Notice must be received by the Company no later than the close of business on the 10th day following the day on which such notice of the date of the stockholders' meeting was mailed or such public disclosure was made.

The Nominating Committee's Charter sets forth certain specific, minimum qualifications that must be met by a Nominating Committee-recommended nominee for a position on the Board, as well as qualities and skills that Board members possess. The Nominating Committee determines, and reviews with the Board on an annual basis, the desired skills and characteristics for directors as well as the composition of the Board as a whole. This assessment considers director's qualification as independent, as well as diversity, age, skill and experience in the context of the needs of the Board. At a minimum, directors should share the values of the Company and should possess the following characteristics: high personal and professional integrity; the ability to exercise sound business judgment; an inquiring mind; and the time available to devote to Board activities and the willingness to do so. Ultimately, the Nominating Committee will select prospective Board members who the Nominating Committee believes will be effective, in conjunction with the other members of the Board, in collectively serving the long-term interests of the stockholders.

In the event that the Nominating Committee, the Board or the Chairman/Chief Executive Officer identifies the need to fill a vacancy or to add a new member to fill a newly created position on the Board with specific criteria, the Nominating Committee initiates a search process and keeps the

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Board apprised of progress. The Nominating Committee may seek input from members of the Board, the Chairman/Chief Executive Officer and other management or hire a search firm when appropriate. In addition, as a

matter of policy, the Nominating Committee will consider candidates for Board membership recommended by stockholders. The initial candidate or candidates, including anyone recommended by a stockholder, who satisfy the specific criteria for Board membership and otherwise qualify for membership on the Board, are then reviewed and evaluated by the Nominating Committee; the evaluation process for candidates recommended by stockholders is not to be different. The Nominating Committee is to maintain and update a list of candidates recommended from all sources.

The Nominating Committee will then determine the Nominating Committee member or Board member or other person involved in the process (such as a search firm) who will make the initial contact with the prospective candidate or candidates. The Chairman/Chief Executive Officer and at least one member of the Nominating Committee will interview the identified candidate or candidates. Based on the interviews and all other information available to the Nominating Committee, the Nominating Committee will meet to consider and approve a final candidate or candidates, as the case may be. The Nominating Committee then will make its recommendation to the Board.

The Company has not, as of January 9, 2009, received any recommendations from stockholders for nominees for the Board.

Availability of Corporate Governance Documents

The Board has adopted the following corporate governance documents with respect to the Company (the Corporate Governance Documents):

Corporate Governance Guidelines of the Board;
Code of Business Conduct and Ethics for directors, officers and employees (which is available in several different languages);

Code of Ethics for Senior Financial Officers;
Stock Ownership Guidelines applicable to directors, officers and other key employees;
Charter for the Audit Committee;
Charter for the Nominating and Corporate Governance Committee;
Charter for the Compensation Committee; and
Independence Standards for Directors.

Each of the Corporate Governance Documents is posted on the Company's Internet Website at www.greif.com under Investor Center Corporate Governance. Copies of each of the Corporate Governance Documents are also available in print to any stockholder of the Company, without charge, by making a written request to the Company. Requests should be directed to Greif, Inc., Attention: Secretary, 425 Winter Road, Delaware, Ohio 43015.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information, as of December 26, 2008, with respect to the only persons known by the Company to be the beneficial owners of more than 5% of the Class B Common Stock, the Company's only class of voting securities:

Name and Address	Class of Stock	Type of Ownership	Number of Shares	Percent of Class
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Michael H. Dempsey 2240 Encinitas Boulevard Suite D-403 Encinitas, California 92024	Class B	See (1) below	12,504,962	55.7 %
Marquis Trust c/o Michael H. Dempsey, Trustee 782 West Orange Road Delaware, Ohio 43015	Class B	Record and Beneficially	2,127,028	9.5 %
Patricia M. Dempsey Trust c/o Michael H. Dempsey, Trustee 782 West Orange Road Delaware, Ohio 43015	Class B	Record and Beneficially	2,127,028	9.5 %
Family Trust for the benefit of Mary T. McAlpin c/o Michael H. Dempsey, Trustee 782 West Orange Road Delaware, Ohio 43015	Class B	Record and Beneficially	2,127,028	9.5 %
Hyatts Trust c/o Michael H. Dempsey, Trustee 782 West Orange Road Delaware, Ohio 43015	Class B	Record and Beneficially	2,127,028	9.5 %
Nob Hill Trust c/o Michael H. Dempsey, Trustee 782 West Orange Road Delaware, Ohio 43015	Class B	Record and Beneficially	2,127,026	9.5 %
Robert C. Macauley 88 Hamilton Avenue Stamford, Connecticut 06902	Class B	Record and Beneficially	1,679,912	7.5 %
Virginia D. Ragan 65 East State Street Suite 2100 Columbus, Ohio 43215	Class B	See (2) below	1,268,255	5.6 %
Mary T. McAlpin 65 East State Street Suite 2100 Columbus, Ohio 43215	Class B	See (3) below	1,264,833	5.6 %

Includes shares held (A) by Mr. Dempsey as trustee under his revocable and grantor retained annuity trusts (1,013,300 shares), (B) by Mr. Dempsey as trustee of a charitable lead annuity trust and as trustee of various Dempsey family trusts, including the trusts identified in this table as the Marquis Trust, Patricia M. Dempsey (1) Trust, Family Trust for the benefit of Mary T. McAlpin, Hyatts Trust and Nob Hill Trust (10,963,668 shares), and (C) by Mr. Dempsey as president of a charitable foundation (525,140 shares). Also includes shares held by a family trust (2,854 shares) of which Mr. Dempsey's spouse is the trustee. Mr. Dempsey disclaims beneficial ownership of the shares held by this family trust.

(2) Includes shares held by Ms. Ragan as trustee under her revocable and grantor retained annuity trusts.

(3) Includes shares held by Ms. McAlpin as trustee under her revocable and grantor retained annuity trusts.

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The following table sets forth certain information, as of December 26, 2008, with respect to the Class A Common Stock and Class B Common Stock (the only equity securities of the Company) beneficially owned, directly or indirectly, by each director, nominee for director and each Named Executive Officer:

Name	Title and Percent of Class ⁽¹⁾⁽²⁾	
	Class A	%
Vicki L. Avril	7,468	*
Ronald L. Brown	25,962	*
Michael H. Dempsey	37,914 ⁽³⁾	*
Bruce A. Edwards	4,468	*
Mark A. Emkes	1,958	*
John F. Finn	958	*
David B. Fischer	8,635	*
Michael J. Gasser	313,617	1.3 %
Daniel J. Gunsett	27,468	*
Judith D. Hook	22,336	*
Donald S. Huml	37,583	*
Gary R. Martz	47,295	*
Patrick J. Norton	15,468	*
Michael C. Patton	3,476	*

Name	Title and Percent of Class ⁽¹⁾	
	Class B	%
Vicki L. Avril		*
Ronald L. Brown	1,400	*
Michael H. Dempsey	12,504,962 ⁽⁴⁾	55.7 %
Bruce A. Edwards		*
Mark A. Emkes		*
John F. Finn		*
David B. Fischer		*
Michael J. Gasser	23,796	*
Daniel J. Gunsett	3,000	*
Judith D. Hook	778,282 ⁽⁵⁾	3.5 %
Donald S. Huml		*
Gary R. Martz	600	*
Patrick J. Norton		*
Michael C. Patton		*

* Less than one percent.

Except as otherwise indicated below, the persons named in the table (and their spouses, if applicable) have sole voting and investment power with respect to all shares of Class A Common Stock or Class B Common Stock, as the case may be, owned by them. This table includes shares for Class A Common Stock subject to currently exercisable options, or options exercisable within 60 days of December 26, 2008, granted by the Company under certain stock option plans, for the following directors and Named Executive Officers: Ms. Avril 4,000; Mr. Brown 0; Mr. Dempsey 28,000; Mr. Edwards 0; Mr. Emkes 0; Mr. Finn 0; Mr. Fischer 0; Mr. Gasser 281,000; Mr. Gunsett 24,000; Ms. Hook 8,000; Mr. Huml 0; Mr. Martz 33,136; Mr. Norton 8,000; and Mr. Patton 0.

(2)

This table includes restricted shares of Class A Common Stock which have been awarded to directors under the Company's 2005 Outside Directors Equity Award Plan, including shares the

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receipt of which has been deferred at the director's election under the terms of the Directors Deferred Compensation Plan. If deferral is elected, restricted shares are issued to the trustee of a rabbi trust established in connection with the Directors Deferred Compensation Plan. The total number of restricted shares of Class A Common Stock which have been deferred by each director as of December 26, 2008, is as follows: Ms. Avril 3,468 shares; Mr. Dempsey 3,468 shares; Mr. Edwards 3,468 shares; Mr. Emkes 958 shares; Mr. Finn 958 shares; Mr. Gunsett 3,468 shares; Ms. Hook 3,468 shares; Mr. Norton 3,468 shares.

(3) Includes shares of Class A Common Stock (A) held individually by Mr. Dempsey and as trustee under his revocable and grantor retained annuity trusts (5,216 shares), (B) held by Mr. Dempsey as trustee of various family trusts (4,698 shares), and (C) which may be acquired upon Mr. Dempsey's exercise of the stock options as set forth in footnote (1) of this table.

(4) Includes shares of Class B Common Stock held (A) individually by Mr. Dempsey and as trustee under his revocable and grantor retained annuity trusts (1,013,300 shares), (B) by Mr. Dempsey as trustee of a charitable lead annuity trust and as trustee of various Dempsey family trusts, including the trusts identified in the prior table as the Marquis Trust, Patricia M. Dempsey Trust, Family Trust for the benefit of Mary T. McAlpin, Hyatts Trust and Nob Hill Trust (10,963,668 shares), and (C) by Mr. Dempsey as president of a charitable foundation (525,140 shares).

Also includes shares held by a family trust (2,854 shares) of which Mr. Dempsey's spouse is the trustee. Mr. Dempsey disclaims beneficial ownership of the shares held by this family trust.

(5) Includes shares held by Ms. Hook as trustee under her revocable and grantor retained annuity trusts. The Class A Common Stock has no voting power, except when four quarterly cumulative dividends upon the Class A Common Stock are in arrears and in certain other limited circumstances.

The following table sets forth the equity securities owned or controlled by all directors and executive officers as a group (19 persons) as of December 26, 2008:

Title of Class of Stock	Amount Beneficially Owned	Percent of Class
Class A Common Stock ⁽¹⁾	593,395	2.5 %
Class B Common Stock	13,312,640	59.3 %

(1) Includes 416,136 shares subject to currently exercisable options or options exercisable within 60 days of December 26, 2008, granted by the Company under certain stock option plans.

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EXECUTIVE OFFICERS OF THE COMPANY

The following information relates to executive officers of the Company (elected annually):

Name	Age ⁽¹⁾	Positions and Offices	Year First Became
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			Executive Officer
Michael J. Gasser	57	Chairman of the Board of Directors and Chief Executive Officer	1988
Donald S. Huml	62	Executive Vice President and Chief Financial Officer	2002
David B. Fischer	46	President and Chief Operating Officer	2004
Ronald L. Brown	61	Senior Vice President, Global Sourcing and Supply Chain	2004
Karen P. Lane	60	Senior Vice President, People Services and Talent Development	2007
Gary R. Martz	50	Senior Vice President, General Counsel and Secretary, and President, Soterra LLC (subsidiary company)	2002
Michael C. Patton	47	Senior Vice President and Divisional President, Greif Packaging North America	2004
Ivan Signorelli	56	Senior Vice President and Divisional President, Industrial Packaging & Services Europe, Middle East and Africa	2005
Kenneth B. Andre, III	43	Vice President, Corporate Controller and Chief Information Officer	2006
John K. Dieker	45	Vice President and Treasurer	1996
Sharon R. Maxwell	59	Assistant Secretary	1997

(1) As of the Annual Meeting of Stockholders of the Company, February 23, 2009.

Michael J. Gasser has served as Chairman of the Board and Chief Executive Officer since 1994. From November of 2006 until October of 2007, he also served as President. He has been an executive officer of our company since 1988, and joined our company in 1979.

Donald S. Huml has served as Executive Vice President since 2006 and as Chief Financial Officer since joining our company in 2002.

David B. Fischer has served as President and Chief Operating Officer since 2007. From 2004 to 2007, Mr. Fischer served as Senior Vice President and Divisional President, Industrial Packaging & Services Americas, which included responsibility for Africa. He assumed responsibility for Australia and Asia in 2005 and 2006. Prior to that time, and for more than five years, Mr. Fischer worked for The Dow Chemical Company, a global science and technology-based company, most recently serving as Business Vice President for the polyurethane business.

Ronald L. Brown has served as Senior Vice President, Global Sourcing and Supply Chain since 2004. From 2001 to 2004, Mr. Brown served as Vice President, Industrial Packaging & Services North America. Prior to that time and since 1997, he served as Vice President, Sales and Marketing for the Industrial Packaging & Services segment.

Karen P. Lane has served as Senior Vice President, People Services and Talent Development since 2007. Prior to that, and for more than five years, she served as the President of Lane Leadership, LLC, an executive coaching and succession planning firm located in Columbus, Ohio.

Gary R. Martz has served as Senior Vice President, General Counsel and Secretary since joining our company in 2002. Since 2005, Mr. Martz also has served as President of Soterra LLC (subsidiary company). Prior to 2002, and for more than five years, he served as a partner in the law firm of Baker & Hostetler LLP.

Michael C. Patton has served as Divisional President Greif Packaging North America since 2007. From 2005 to 2007, Mr. Patton served as Senior Vice President, Paper, Packaging. In 2006 he assumed responsibility for Closures. From 2004 to early 2006, Mr. Patton served as Senior Vice President, Transformation Worldwide. Earlier in 2004, he had served as Vice President and General Manager, Midwest (North America). From 2002 to 2004, he served as Vice President, Steel (North America) and from 2000 to 2002 he served as Vice President and General Manager, Multiwall.

Ivan Signorelli has served as Divisional President, Industrial Packaging and Services Europe, Middle East, and Africa, since 2007. From 2005 to 2007, Mr. Signorelli served as Senior Vice President, Industrial Packaging Europe. From 1997 to 2005, Mr. Signorelli served as the Strategic Business Unit Manager of Latin America for Industrial Packaging & Services, adding Africa to his responsibilities in 2003.

Kenneth B. Andre, III has served as Corporate Controller since 2006, and in that capacity is the chief accounting officer of the Company. He also has served as Chief Information Officer since 2003. He served as Director of IT Applications for Industrial Packaging & Services North America business from 2002 to 2003. Prior to 2002, he served as the Company's Director of International IT at the Greif Coordination Center in Belgium.

John K. Dieker has served as Vice President and Treasurer since 2006. Prior to that time, and for more than five years, he served as Vice President and Corporate Controller, and in that capacity, was chief accounting officer of the Company through 2005.

Sharon R. Maxwell has served as the Assistant Secretary of the Company and Executive Assistant to Michael J. Gasser for more than five years.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons owning more than 10% of a registered class of the Company's equity securities, to file reports of ownership with the Securities and Exchange Commission. Officers, directors and greater than 10% stockholders are required by the Securities and Exchange Commission's regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely on a review of the copies of such forms furnished to the Company, the Company believes that during its 2008 fiscal year all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% stockholders were complied with by such persons, except that Daniel J. Gunsett, a director of the Company, had one Form 4 filing that was one day late during the 2008 fiscal year and Sharon R. Maxwell, Assistant Secretary of the Company, had one Form 4 filing that was late during the 2008 fiscal year.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Daniel J. Gunsett, Mark A. Emkes, Judith D. Hook, and Patrick J. Norton served as members of the Company's Compensation Committee for the 2008 fiscal year. During the 2008 fiscal year, the Company retained the law firm of Baker & Hostetler LLP to perform certain legal services on its behalf, and it anticipates retaining such firm in 2009. Mr. Gunsett is a partner of Baker & Hostetler LLP.

No executive officer of the Company served during the 2008 fiscal year as a member of a compensation committee or as a director of any entity of which any of the Company's directors served as an executive officer.

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COMPENSATION COMMITTEE

During 2008, the Compensation Committee members were Daniel J. Gunsett chairperson, Mark A. Emkes, Judith D. Hook and Patrick J. Norton.

The Compensation Committee's responsibilities include, among other matters, the following:

reviewing and approving the compensation of the Chief Executive Officer and the Company's other executive officers to ensure that their compensation is consistent with the Company's compensation policies and philosophies;
reviewing, approving and overseeing the administration of the Company's equity-based compensation plans;
reviewing and discussing with management and, based upon this review and discussion, recommending to the Board of Directors whether the Compensation Discussion and Analysis be included in the Company's proxy statement; and
reviewing and approving compensation programs limited to executive officers and other key employees.
See Compensation Discussion and Analysis for Chief Executive Officer's role in executive compensation determination.

The Compensation Committee also has a Special Subcommittee on Incentive Compensation (the Special Subcommittee) that administers the Company's Short Term Incentive Plan and the Long Term Incentive Plan. The members of the Special Subcommittee are Patrick J. Norton chairperson, Mark A. Emkes and Judith D. Hook. These plans, both of which have received stockholder approval, are intended to provide participants with incentive compensation that is not subject to the deduction limitation rules prescribed under Section 162(m) of the Internal Revenue Code. All of the members of the Special Subcommittee are outside directors as that term is defined in Section 162(m) of the Internal Revenue Code.

The Special Subcommittee's responsibilities for the Short Term Incentive Plan and the Long Term Incentive Plan include, among other matters, the following:

selecting participants from among the Company's executive officers and key employees;
at the beginning of a performance period, establishing the performance goals to be achieved and the target amount of the awards to be earned by participants based upon the level of achievement of such performance goals; and
after the end of the performance period, certifying the extent to which the performance goals have been achieved and determining the amount of the awards that are payable to participants.

See Compensation Discussion and Analysis Elements of Compensation Short Term Incentive Plan and Long Term Incentive Plan below for a more detailed discussion of these plans. In addition, for a discussion of the role of our Chief Executive Officer, Michael J. Gasser, in determining or recommending the amounts or forms of compensation paid to our executive officers, as well as our limited use of Watson Wyatt Worldwide, Inc. (Watson Wyatt) and Towers Perrin (Towers), outside compensation consultants, with respect to 2008 compensation paid to our executive officers, see the Compensation Discussion and Analysis below.

The Board has adopted a written charter for the Compensation Committee available on the Company's Internet website located at www.greif.com. All of the members of the Compensation Committee are independent directors as defined in the NYSE listing standards and meet the categorical standards of independence adopted by the Board. The Compensation Committee and the Special Subcommittee have the authority to hire their own attorneys and other

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis below with the Company's management and, based on this review and discussion, has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company's Annual Report on Form 10-K for its 2008 fiscal year (the 2008 Form 10-K).

Submitted by the Compensation Committee of the Board of Directors.

Daniel J. Gunsett, Committee Chairperson
Mark A. Emkes
Judith D. Hook
Patrick J. Norton

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COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis section is to discuss and analyze the objectives and implementation of our executive compensation programs with respect to our Named Executive Officers set forth in the Summary Compensation Table below. This analysis should be read in conjunction with the compensation related tables that immediately follow this discussion and analysis, as well as with our 2008 Form 10-K. This discussion and analysis was prepared in cooperation with the Company's Compensation Committee, the members of which have reviewed and conferred with the Company's management regarding this discussion and analysis.

Compensation Policies and Philosophies

The Company's compensation policies and philosophies are designed to align compensation with business objectives, performance and stockholder value, while enabling the Company to attract, retain, incentivize and reward individuals who contribute to the long-term success of the Company. As a manufacturer of industrial packaging products, the Company recruits and hires executives from other major manufacturing companies and Fortune 500 companies, and thus we believe our executive compensation program must be competitive in order to attract and retain our executives, including each of the Named Executive Officers. The Company attempts to achieve its policies and philosophies by establishing performance objectives for its executive officers and by linking compensation to financial performance goals, which may include, but are not limited to, targets for operating profit margins, return on net assets, selling, general and administrative expenses in comparison to net sales, and operating working capital.

The Compensation Committee further believes that a portion of each executive's compensation should be linked to the Company's short-term and long-term performance. In that regard, the Company's Short Term Incentive Plan links the annual payment of cash bonuses to the achievement of targeted return on net assets goals. The Long Term Incentive

Plan links the long-term payment of bonuses to the achievement of targeted earnings per share and free cash flow goals. The Long Term Incentive Plan aligns stockholder value with compensation by providing for a portion of the payouts in restricted shares, as well as cash. The Long Term Incentive Plan is also intended to facilitate compliance with the Company's stock ownership guidelines. See Elements of Compensation Long Term Incentive Plan and Stock Ownership Guidelines below.

In light of the current global economic conditions, the Company's management, led by Mr. Gasser, implemented certain cost-cutting measures in November 2008 in an effort to remain ahead of these economic conditions. For calendar year 2009, the Company has suspended salary increases, where legally permissible, for all employees, including the Named Executive Officers, but excluding certain production employees and employees in countries with high rates of inflation. In addition, the Company has suspended matching contributions in the Company's 401(k) plan in the United States. Furthermore, in determining the targets for the Short Term Incentive Plan for fiscal year 2009 and the three-year performance period commencing November 1, 2008 under the Long Term Incentive Plan, the Special Subcommittee used its discretion to adjust performance goals in light of the global economic situation. These changes will primarily be reflected in the Company's 2010 Proxy Statement.

CEO's Role in Executive Compensation Determinations.

Our Chief Executive Officer, Mr. Gasser, reviews the performance of each Named Executive Officer (other than himself) on an annual basis. Mr. Gasser then makes recommendations to the Compensation Committee on the amount of each such Named Executive Officer's base salary for the upcoming calendar year and on award opportunities with respect to the Short Term Incentive Plan for the upcoming fiscal year and Long Term Incentive Plan for the prospective three-year performance period. Mr. Gasser makes his recommendations based on his subjective review of pre-established categories of executive performance for each Named Executive Officer, as approved by the Compensation Committee and as discussed under 2008 Performance Reviews below. After review and discussion with Mr. Gasser of his recommendations, the Compensation Committee establishes base salaries for the Named Executive Officers, and the Special Subcommittee that administers the

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Short Term Incentive Plan and the Long Term Incentive Plan establishes award opportunity levels under those plans. See Compensation Committee above.

Peer Group Review.

As stated above, the Company understands that to accomplish its objectives, including keeping its executive talent, it needs to pay competitive compensation. As a result, the Compensation Committee periodically, but at least annually, reviews comparable positions in the market to confirm that the compensation paid to the Company's Chief Executive Officer and other Named Executive Officers remains competitive. For 2008, the Compensation Committee engaged compensation consultants, Watson Wyatt and Towers, to provide the Compensation Committee with the market information necessary for this review. Both companies provide other services to the Company. At the request of the Compensation Committee, Watson Wyatt and Towers conducted peer group and market surveys to assist the Compensation Committee in ensuring the Company's executive compensation remained commensurate with responsibilities and to provide advice on market trends and executive compensation generally. Neither Watson Wyatt nor Towers determined or recommended the amount or form of compensation paid to our executive officers, including our Named Executive Officers, during 2008.

The companies in the peer group were selected by the Compensation Committee based on the nature, composition, geographic scope, complexity and key financial data of potential peer companies in the packaging, paper, manufacturing and industrial businesses. The Compensation Committee reviews the peer group compensation in comparison with the Company's Named Executive Officer compensation levels. The Compensation Committee does not establish targets or benchmarks in assessing peer data in comparison with the Company's executive compensation, but rather uses peer and other market data to confirm that the Company's compensation awards are comparable and competitive with peer and market data. For 2008, the Company's peer group consisted of the following companies:

Owens-Illinois, Inc.	Pactiv Corp.
Crown Holdings, Inc.	Silgan Holdings, Inc.
Ball Corp.	Graphic Packaging Corp.
MeadWestvaco Corp.	Louisiana-Pacific Corp.
Avery Dennison Corp.	Packaging Corporation of America
Temple-Inland Inc.	Rock-Tenn Co.
Sealed Air Corp.	AptarGroup, Inc.
Sonoco Products Co.	Potlatch Corp.
Bemis Co. Inc.	Spartech Corp.
Bowater Inc.	Valmont Industries

Elements of Compensation

During 2008, the key elements of our compensation package were base salary, an annual short term cash bonus plan, a long term incentive plan that provides a combination of cash and restricted stock awards, a retirement plan, a deferred compensation plan and a Supplemental Executive Retirement Plan. The Company also offers annual physical health exams as a perquisite and other benefits to its Named Executive Officers, such as a 401(k) plan available to all U.S. employees that provides participants with a variety of investment choices, including a Company stock fund.

The Compensation Committee uses a tally sheet for the Chief Executive Officer and for each of the other Named Executive Officers to review total compensation and each of the elements of compensation. These tally sheets typically contain the following information: current base salary; Short Term Incentive Plan target for the current fiscal year, the payments for the preceding two fiscal years, and the anticipated payment; the Long Term Incentive Plan targets for the three-year periods for the preceding, current and next fiscal year, the payments for the preceding two fiscal years, and the anticipated payment to be made for the three-year period just ended; the current value of the Supplemental Executive Retirement Plan (as discussed under the Pension Benefits Table and accompanying narrative below); the value of the Company's minimal perquisites (discussed below);

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and the value of any unexercised stock options. Tally sheets are used by the Compensation Committee to ensure that it has access to a comprehensive summary of each Named Executive Officer's total compensation, or potential total compensation, as the Compensation Committee makes compensation decisions for the next calendar year. The Compensation Committee's final determinations regarding one element of compensation are independent of the other elements of compensation and do not affect decisions regarding those other elements of compensation, other than to the extent that awards under the Short Term Incentive Plan and the Long Term Incentive Plan are calculated by using a percentage of base salary. Further, the base salaries were also compared to the compensation levels of other executive officers having equivalent responsibility within the Company for fairness purposes.

Base Salary.

The base salary for the Chief Executive Officer and each of the other Named Executive Officers for calendar year 2008 was based on their scope of responsibility and assessments of each executive's contributions toward the Company's success. In addition, each officer's base salary was affected by the officer's performance against the criteria described below during the prior twelve-month period, as reviewed by the Compensation Committee and recommended by Mr. Gasser (for each officer other than himself). The base salaries were also compared to the compensation levels of other executive officers having equivalent responsibility at the peer group companies to confirm that the base salaries were competitive with the market. In making his base salary recommendations for 2009, Mr. Gasser noted the following factors for the performance of each of the Named Executive Officers during the prior calendar year: for Mr. Huml, through his leadership, the Company reached two of its four 2009 financial goals a year early, is well positioned to deal with the current economic conditions and has strengthened its credibility with the investing public; for Mr. Fischer, in his first full year as president and chief operating officer, he performed at a high level in managing the leaders of the Company's global businesses and was instrumental in the identification and subsequent execution of strategic acquisitions; for Mr. Martz, he was an integral part of the execution of strategic acquisitions and has demonstrated excellent leadership in the Timber business unit; for Mr. Patton, he led the North American industrial packaging and paper packaging businesses to outstanding results in the face of difficult economic conditions and continued to optimize the Greif Business System in North America; and for Mr. Brown, he was successful in achieving significant cost savings through various global sourcing initiatives and deepened relationships with critical suppliers.

In addition, the Compensation Committee noted Mr. Fischer's high level of performance in his first full year of performance as president and chief operating officer, and approved, with the concurrence of Mr. Gasser, the payment of a \$100,000 bonus to Mr. Fischer.

As discussed in Compensation Policies and Philosophies, the Company has suspended salary increases for substantially all of its employees in calendar 2009, and therefore, the Named Executive Officers' base salaries, at this time, will remain unchanged from calendar year 2008 levels. See Summary Compensation Table below.

Short Term Incentive Plan.

The Company has an annual cash incentive bonus plan (the Short Term Incentive Plan) that is intended to provide short-term incentive compensation to participants, which, consistent with our compensation objectives, is linked to the profitability of the Company's businesses during each fiscal year. This Short Term Incentive Plan, which has received stockholder approval, is intended to provide participants with incentive compensation that is not subject to the deduction limitation rules prescribed under Section 162(m) of the Internal Revenue Code. See Tax Considerations Affecting Compensation Decisions below.

The Special Subcommittee administers the Short Term Incentive Plan. Among other matters, the Special Subcommittee approves participants for the Short Term Incentive Plan from among the Company's executive employees and determines the performance goals, target amounts, award opportunities and other terms and conditions of awards under the Short Term Incentive Plan. Awards

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under the Short Term Incentive Plan consist of cash amounts payable upon the achievement, during a specified performance period, of specified objective performance goals. At the beginning of a performance period for a given award, the Special Subcommittee establishes the performance goals, award opportunity and the target amount of the

award which will be earned by the Named Executive Officers if the performance goals are achieved in full, together with any lesser or greater amount that will be earned if the performance goals are only partially achieved or exceeded. After the end of the performance period, the Special Subcommittee certifies the extent to which the performance goals are achieved and determines the amount of the award that is payable.

Consistent with prior years, the Short Term Incentive Plan's 2008 financial performance goals were based, and its 2009 financial performance measures will be based, upon the achievement of targeted measures of return on net assets (RONA), subject to such adjustments that the Special Subcommittee determines to be necessary to reflect accurately the RONA of the Company, and/or one or more operating groups of the Company, on the award date. The Special Subcommittee originally chose RONA as the measure for the Short Term Incentive Plan because it believed this metric to be the best measure of current profitability supporting growth. For fiscal 2008, and consistent with the preceding year, the targeted measure of RONA for the following two Named Executive Officers was based 50% on corporate performance and 50% on the performance of the area of responsibility indicated for that individual: Mr. Patton was responsible for Industrial Packaging and Paper Packaging in North America; and Mr. Brown was responsible for global sourcing and supply chain.

No incentive bonus is paid if the RONA calculation is below the threshold established for that specific performance period, using the formula for the calculation as stated in the plan (see the Summary Compensation Table and Grants of Plan-Based Awards Table below for information on the plan formula). For fiscal years 2007 and 2008 the threshold RONA calculation was 16% and 18%, respectively, which would have resulted in a 70% and 60%, respectively, payout of each individual Named Executive Officer's award potential. For Mr. Gasser the award potential was 100% of his base salary, for Mr. Huml the award potential was 55% of his base salary, for Mr. Fischer the award potential was 75% of his base salary, and for each of Messrs. Brown, Martz and Patton the award potential was 50% of his base salary. For fiscal year 2009 the threshold RONA calculation is 13%, which could result in a 60% payout of each individual Named Executive Officer's award potential. Under the Short Term Incentive Plan, a target RONA calculation is established for each performance period. The target RONA calculation results in a 100% payout of each individual Named Executive Officer's award potential. For fiscal years 2007 and 2008, the target RONA calculation was 19% and 20%, respectively. For fiscal year 2009, the target RONA calculation will be 14%. Conversely under the plan, no additional incentive bonus is paid beyond an established maximum for each performance period. For fiscal years 2007 and 2008, the established maximum RONA calculation was 21% and 22.5%, respectively, which resulted in a 120% and 150%, respectively, payout of each individual Named Executive Officer's award potential. For fiscal year 2009, the maximum award will be based on a 19% RONA calculation, which could result in a 150% payout of each individual Named Executive Officer's award potential. No additional incentive bonus may be paid beyond the established maximum. Under the Short Term Incentive Plan, the maximum payment that could be paid to any participant is \$1.5 million. The Special Subcommittee establishes the threshold number as being realistic and the maximum as being aggressive for each performance period.

Long Term Incentive Plan.

The Company has a long-term incentive plan (the Long Term Incentive Plan) that is intended to focus management on the key measures that drive superior performance over the longer-term. This Long Term Incentive Plan, which has received stockholder approval, is intended to provide participants with incentive compensation that is not subject to the deduction limitation rules prescribed under Section 162(m) of the Internal Revenue Code. See Tax Considerations Affecting Compensation Decisions below.

The Special Subcommittee administers the Long Term Incentive Plan. Employees of the Company who are designated by the Special Subcommittee as key employees are eligible to

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participate and receive awards under the Long Term Incentive Plan. Specifically, the Long Term Incentive Plan is based on three-year performance periods that commence at the start of every fiscal year. At the beginning of each three-year performance period, the Special Subcommittee selects and establishes the award opportunity for each Named Executive Officer based on the Special Subcommittee's subjective review and reasoned business judgment, based in part on Mr. Gasser's recommendation, of his or her scope of responsibility and historical performance and the performance goals for that three-year performance period which, if met, will entitle the executive to the payment of the incentive compensation award.

For the three-year performance periods commencing in fiscal 2008 and 2009, the performance goals are based in equal parts on targeted levels of earnings per share and free cash flow. These two metrics were chosen by the Special Subcommittee because it believed that in the aggregate they best measured long-term growth and the creation of shareholder value. For the purposes of the Long Term Incentive Plan, earnings per share, for the performance period are subject to such adjustments that the Special Subcommittee determines are necessary to reflect accurately the earnings per share of the Company at the award date. For the purposes of the Long Term Incentive Plan, free cash flow, means the Company's net cash provided by operating activities for the performance period, subject to such adjustments that the Special Subcommittee determines are necessary to reflect accurately the free cash flows of the Company at the grant date. For the three-year performance period ending in fiscal year 2008 and for each performance period thereafter, participants are to be paid 50% in cash and 50% in restricted shares of the Company's Class A and/or Class B Common Stock, as determined by the Special Subcommittee, with the number of restricted shares awarded being based on the average closing price of such restricted shares during the 90 day period preceding the day that the performance criteria for the applicable three-year performance period was established. The Special Subcommittee believes that this arrangement better aligns the interests of the Executive Officers and other key employees with the interests of the Company's stockholders and facilitates compliance with the stock ownership guidelines by participants. See Stock Ownership Guidelines below. All restricted stock issued pursuant to the Long Term Incentive Plan is fully vested on the date of issuance, with a restriction on the sale or transfer of the restricted shares within a prescribed time period determined by the Special Subcommittee (typically one year and one day from the date of issuance).

The Special Subcommittee may establish a range of performance goals which correspond to, and will entitle participants to receive, various levels of awards based on percentage multiples of the target incentive award, which is the incentive compensation amount to be paid to participants when the performance criteria designated as the 100% award level is met. The Special Subcommittee establishes the target incentive award for each participant based on a percentage of that participant's average base salary (exclusive of any bonus and other benefits) during the three-year performance period. Under the Long Term Incentive Plan, each range of performance goals may include levels of performance above and below the 100% performance level, ranging from a minimum of 0% to a maximum of 150% of the target incentive award. The Special Subcommittee may also establish a minimum level of performance goal achievement below which no awards are paid to any participant. For the three-year performance periods commencing in fiscal years 2008 and 2009, the minimum level of performance goal achievement is 33% of the target award.

After the performance goals are established, the Special Subcommittee aligns the achievement of the performance goals with the award opportunities, such that the level of achievement of the pre-established performance goals at the end of the performance period determines the final awards (i.e., the actual incentive compensation earned during the performance period by the participant). The established award opportunities vary in relation to the scope of responsibilities of each participant and historical performance.

Confidentiality The Company's earnings per share and free cash flow performance goals used in the Long Term Incentive Plan are not included in this Compensation Discussion and Analysis section because the Company believes that disclosure of this information would cause the Company substantial competitive harm. In the industrial packaging segment of the Company's business, which

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accounts for approximately two-thirds of the Company's revenues, the Company's competitors are mostly privately-held companies that generally do not disclose their financial information, executive salaries and other key information to the public. Although the Company provides earnings guidance to investors, the Company attempts to incentivize key employees at levels above and below this guidance at a higher or lower percentage of their annual base salaries. The Company does not provide guidance regarding its free cash flow. Consequently, the public disclosure of the prospective targets and ranges of earnings per share and free cash flow under our Long Term Incentive Plan would cause substantial competitive harm because, among other things, the Company would be disclosing to its competitors the long-term bonus structure of its Named Executive Officers and other key employees and would be providing competitors with the Company's anticipated level of earnings and cash flow for the next three years, which could provide significant insight into the Company's corporate initiatives and activities, including merger and acquisition activities and other growth plans. Furthermore, because the Company's significant competitors in the industrial packaging segment do not make similar disclosures, the Company's detailed disclosure of targeted earnings per share and free cash flows gives a competitive advantage to its competitors.

For purposes of illustration and to provide context to our stockholders regarding the difficulty our Named Executive Officers face in achieving these performance targets, the percent of the target goal achieved for each performance target for each of the three year periods ending in the last five fiscal years is set forth below:

Fiscal Year Ending	Earnings per Share		Free Cash Flow	
	Target Goal Achieved (%)	Maximum of Target Goal Achievable (%)	Target Goal Achieved (%)	Maximum of Target Goal Achievable (%)
2008	150	150	148	150
2007	160	200	200	200
2006	200	200	200	200
2005	136	200	200	200
2004	0	200	143	200

Retirement and Deferred Compensation Plans

Pension Plan

The Greif, Inc. Pension Plan (the "Pension Plan") is a tax-qualified defined benefit plan meeting the requirements of Section 401(a) of the Internal Revenue Code. The Pension Plan is designed to provide benefits to those employees who have long and continuous service before retirement. All Named Executive Officers are eligible to participate in the 35% final average earnings benefit structure under the Pension Plan. The Pension Plan provides for a monthly benefit for the participant's lifetime upon reaching the normal retirement age under the Pension Plan, which is 65. The monthly benefit is calculated by multiplying the participant's annual average compensation (calculated using the five highest years of compensation, capped at Internal Revenue Code limits) by 35% and the number of years of service and divided by 12 months. Participants are 100% vested in the Pension Plan once they have been credited with five years of service with the Company. Thus, each of the Named Executive Officers are 100% vested in the Pension Plan, other than Mr. Fischer. Once a participant is 100% vested, the participant will have earned a nonforfeitable right to a benefit under the Pension Plan. Benefits commence at the later of age 65 or five years vested in the Pension Plan. The Pension Plan offers early retirement benefits at age 55 on a reduced basis with a required fifteen years of service for vesting.

Supplemental Executive Retirement Plan

The Supplemental Executive Retirement Plan (SERP) provides benefits for a select group of executives, including each of the Named Executive Officers that also participate in the Pension Plan. The benefit from the two plans is equal to a target percentage (ranging from 40% to 50% depending on job classification) times the executive s three year average compensation reduced for less than 20 years of continuous service. Compensation for purposes of the SERP includes base salary and

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payments under the Short Term Incentive Plan (capped at Internal Revenue Code limits), and benefits are payable quarterly under the SERP for 15 years. Vesting under the SERP requires 10 years of service or age 65 with five years service.

Defined Contribution/401(k) Plan

The Company maintains a tax-qualified defined contribution plan meeting the requirements of Section 401(k) of the Internal Revenue Code, commonly called a 401(k) plan, for substantially all of its U.S. employees. The 401(k) plan is available on the same terms to all of our U.S. employees, including our Named Executive Officers. Each participant can elect to contribute from 0% to 100% of his or her base salary to the 401(k) plan, subject to Internal Revenue Service and ERISA limitations. The deferred amount is invested in accordance with the election of the participant in a variety of investment choices, including a Company stock fund. Subject to certain limitations, the Company has the option to match a participant s contributions to the 401(k) plan, which the Company did in the 2008 fiscal year. However, as noted above, the Company has suspended matching contributions in the 401(k) plan, except as required by collective bargaining agreements. While a participant is always vested in his or her own salary reduction contributions, the right of a participant to amounts credited to his or her account as matching contributions is subject to vesting as provided by the 401(k) Plan.

Nonqualified Deferred Compensation Plan

The Company has a nonqualified deferred compensation plan for the Company s executive officers, including each of the Named Executive Officers that allows them to defer income into a nonqualified plan. This plan is compliant with the regulations promulgated by the Internal Revenue Service under Section 409A of the Internal Revenue Code and provides a vehicle for the executives to defer amounts higher than the IRS limits established for qualified plans. The Company typically provides a match on any compensation deferred by the Named Executive Officers equivalent to the match that would have been made in the qualified plan, but for such limits on the amount that could be contributed under the qualified plan. The Company can also choose to make discretionary contributions into each officer s account, which the Company to date has elected not to do. Base salary, Short Term Incentive Plan and Long Term Incentive Plan payments are all eligible for deferral into this plan. There are no limits on the amounts of compensation eligible for deferral. For example, an executive officer may defer 100% of his or her compensation.

The deferred compensation and Company match (and Company contributions, if any) are deposited into a rabbi trust to protect and segregate the funds. Deferred funds are invested in the same range of investment options as are available in the Company s qualified 401(k) plan.

Each year the Named Executive Officers make an annual election whether or not to participate in the plan and at what level he or she wishes to defer. The executive also chooses the investment fund in which he or she wants the funds to be invested. In addition, the executive chooses the schedule on which these funds are to be distributed to them or their

beneficiary upon retirement or death.

Perquisites.

In addition to the compensation described above, the Company administers a health and wellness program for its executive officers, including its Named Executive Officers, which includes yearly general physical exams. The Company offers no other perquisites to its Named Executive Officers.

Stock Ownership Guidelines.

In order to better align the interests of the executive officers and key employees of the Company and stockholders of the Company, the Board of Directors of the Company believes that executive officers and key employees should have a financial stake in the Company. In furtherance of the Company's commitment to sound corporate governance, the Board believes that the Chairman and Chief Executive Officer of the Company should own a minimum of five times his annual base salary in shares of Company common stock, each of the other executive officers of the Company should

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own a minimum of three times their annual base salary in shares of Company common stock, and each of the other key employees should own a minimum of one times their annual base salary in shares of Company common stock. Beginning the later of January 1, 2011 or five years after initial participation in the Long Term Incentive Plan, officers of the Company, including the Chief Executive Officer, are required to retain 100% of their shares of restricted stock awarded under the Long Term Incentive Plan (all of which shares are fully vested upon issuance) until such ownership thresholds have been achieved. The Board of Directors will evaluate whether exceptions should be made in the case of any employee who, due to his or her unique financial circumstances, would incur a hardship by complying with these requirements.

Tax Considerations Affecting Compensation Decisions.

Section 162(m) of the Internal Revenue Code imposes a limit on the amount of compensation that the Company may deduct in any one year with respect to certain covered employees, unless certain specific and detailed criteria are satisfied. Performance-based compensation, as defined in the Internal Revenue Code, is fully deductible if the programs are approved by stockholders and meet other requirements. Our incentive plans have both been approved by our stockholders and thus are designed to permit us to receive a federal income tax deduction for the awards made pursuant to the incentive plans. However, we seek to maintain flexibility in compensating our executives, and, as a result, our Compensation Committee has not adopted a policy requiring all compensation to be deductible.

In addition, if any of the Company's covered employees' average base salary during the three-year performance period under our Long Term Incentive Plan exceeds by more than 130% such person's base salary on the first day of the performance period, then such person's average base salary for purposes of calculating the final award will be capped at 130% of such person's base salary on the first day of the performance period.

2008 Performance Reviews of Chief Executive Officer and Other Named Executive Officers

In December 2008, the Compensation Committee reviewed the performance of Mr. Gasser and the other Named Executive Officers based upon certain pre-established performance categories approved by the Compensation Committee. The performance categories were determined by the Compensation Committee to be aligned with the Company's compensation policies and philosophies. These performance categories were also reviewed by Mr. Gasser in connection with his recommendations to the Compensation Committee. These categories are as follows:

1. Financial Performance Results
2. Strategic Effectiveness and Innovation
3. Business Management
4. Talent Management
5. Personal Effectiveness

As Chief Executive Officer, the Compensation Committee added Board Relations as an additional performance category for Mr. Gasser.

Mr. Gasser reviewed each Named Executive Officer (other than himself) based on the above five categories using three criteria: exceeds expectations, meets expectations and needs improvement, as well as using other subjective assessments of performance, and reported his subjective determinations to the Compensation Committee. No single factor was given specific relative weight by Mr. Gasser or the Compensation Committee, but all of the factors were considered in the aggregate in their collective experience and reasoned business judgment. The Compensation Committee considered the proposed adjustments, if any, to the base salary, Short Term Incentive Plan and Long Term Incentive Plan compensation and opportunities for the Named Executive Officers and determined they were at appropriate levels in light of the salaries and bonuses of other executive officers in equivalent roles in the Company's peer group and market data provided by the Compensation Committee's compensation consultants, Watson Wyatt and Towers.

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The Compensation Committee also reviewed the calendar year 2008 performance of Mr. Gasser. In reviewing Mr. Gasser's performance as Chief Executive Officer, the Compensation Committee solicited written comments from all members of the Board of Directors based on the above six categories using the following criteria: exceeds expectations; meets expectations; and needs improvement. The Compensation Committee compiled the written comments. In evaluating the 2008 performance of Mr. Gasser with respect to each of the categories of his compensation, the Compensation Committee specifically discussed and recognized the following factors of Mr. Gasser's performance during 2008:

under his leadership, the Company enjoyed record financial results despite difficult economic conditions; he continued to lead the successful integration of strategic acquisitions and executed on strategic growth opportunities; he is action oriented in solving challenges and managing change, while setting an example of the highest ethics and integrity;

he implemented development plans for succession at all executive levels; and he continued to optimize the Greif Business System through operational, commercial and administrative excellence initiatives, while maintaining high morale among the management team.

Compensation of the Chief Executive Officer and Other Named Executive Officers

As indicated above, in December 2008, the Compensation Committee met to review the Company's goals as they

relate to the compensation of the Chief Executive Officer and the other Named Executive Officers in order to review, establish, and formalize criteria to be used in determining their compensation for the next calendar year.

As discussed in the Compensation Policies and Philosophies section, the Company has suspended salary increases for substantially all of its employees for calendar 2009, including the Named Executive Officers. Accordingly, Mr. Gasser's base salary will remain at \$925,000 for 2009, and the base salaries for the other Named Executive Officers will remain at their 2008 level. See Summary Compensation Table. However, in its review of Mr. Gasser, the Compensation Committee specifically noted that freezing Mr. Gasser's base salary was solely based on current economic conditions outside the control of the Company and not a reflection of the Board's evaluation of Mr. Gasser's performance, as his 2008 performance would under normal circumstances qualified Mr. Gasser for an increase in base salary.

At the December 2008 meeting, the Special Subcommittee certified the extent to which the performance goals under the Short Term Incentive Plan had been achieved for the 2008 fiscal year. The Special Subcommittee certified a RONA calculation for fiscal 2008 of 23.3%, which resulted in a 150% target payout to Mr. Gasser, the other Named Executive Officers, and all other participants in the Short Term Incentive Plan. Accordingly, Mr. Gasser was awarded a cash payment of \$1,387,587 under the Short Term Incentive Plan for fiscal 2008. See Summary Compensation Table for the amount of the award to the other Named Executive Officers under the Short Term Incentive Plan for fiscal 2008.

At the December 2008 meeting, the Special Subcommittee also certified the extent to which the performance goals under the Long Term Incentive Plan had been achieved for the three-year performance period ending in fiscal year 2008. The Special Committee certified that the performance targets under the Long Term Incentive Plan (equal parts of targeted levels of earnings per share and free cash flow) resulted in a 149% target payout to Mr. Gasser, the other Named Executive Officers, and the other participants in the Long Term Incentive Plan. Accordingly, Mr. Gasser will be awarded in January 2009 a cash payment of \$1,293,853 and 41,757 restricted shares of the Company's Class A stock under the Long Term Incentive Plan for fiscal year 2008. See Summary Compensation Table for the amount of the award to the other Named Executive Officers under the Long Term Incentive Plan for fiscal year 2008.

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Summary Compensation Table

The following table sets forth the compensation for the years ended October 31, 2008 and 2007 for the Company's Chief Executive Officer, Chief Financial Officer and the Company's four other most highly compensated executive officers (Named Executive Officers).

SUMMARY COMPENSATION TABLE