

**Introduction**

This Charter defines the purpose, authority and responsibility of the Board of Coca-Cola Amatil Limited (CCA).

**Board  
composition**

**Board  
composition and  
size**

The Board, together with the Nominations Committee, determines the size and composition of the Board, subject to the terms of CCA's Constitution. Under CCA's Constitution, Non-executive Directors are subject to election by shareholders, who have ultimate control over the composition of the Board. Non-executive Directors are engaged through a letter of appointment.

It is intended that the Board should comprise a majority of independent Non-executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.

The Board, together with the Nominations Committee, will review the skills, knowledge, experience, diversity and tenure represented by Directors on the Board and determine whether the composition and mix remain appropriate for CCA's strategy. The Board and Nominations Committee will have regard to this review when considering Board succession planning.

**Director  
independence and  
tenure**

The Board only considers a Director to be independent where he or she is free of any interest, position, association or relationship that might influence, or might reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of CCA and its shareholders generally. The Board has adopted a definition of independence based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (3rd edition) (see CCA's Independence Guidelines at Attachment 1).

The Board does not believe that it should establish an arbitrary limit on tenure. The Board believes that having Directors with a range of tenures is what is important so as to provide diversities of experience and relationships with the company.

The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board.

**Board purpose  
and  
responsibilities**

**Purpose**

The Board's purpose is to represent and serve the interests of shareholders by overseeing and appraising CCA's strategies, policies and performance and ensuring appropriate financial and human resources are in place to support CCA in meeting its corporate objectives.

The Board strives to protect and optimise CCA performance and build sustainable value for shareholders in accordance with applicable duties and obligations and within a framework of prudent and effective controls that enable risk to be assessed and managed.

**Board  
responsibilities**

The responsibilities and functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Group Managing Director;
- contributing to and approving management development of corporate strategy and overseeing its implementation, including setting performance objectives, approving operating budgets and monitoring corporate performance;
- reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures to identify the main risks associated with CCA's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategy and policy;

- monitoring and influencing corporate culture and developing and reviewing CCA's values and corporate governance policies (including in respect of diversity and the measurable objectives for achieving diversity);
- approving major capital expenditure, acquisitions and divestitures, and overseeing capital management, including approving dividend payments;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board;
- ensuring shareholders are kept informed of CCA's performance and major developments affecting its state of affairs;
- evaluating the performance of the Board, its Committees and individual Directors; and
- performing such other functions as are prescribed by law or are assigned to the Board.

**Director responsibilities**

Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour.

Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over CCA's interests.

Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.

**Delegation of duties and powers**

**Delegation to committees**

The Board from time to time establishes committees to streamline the discharge of its responsibilities.

The Board adopts a formal charter for each standing committee setting out the matters relevant to the composition, responsibilities and administration of the committee.

The permanent standing committees of the Board are the Audit and Finance Committee, the Nominations Committee, the Risk and Sustainability Committee, the People Committee and the Related Party Committee.

The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.

**Delegation to management**

While the Board retains ultimate responsibility for the strategy and performance of CCA, the day-to-day operation of CCA is conducted by, or under the supervision of, the Group Managing Director as directed by the Board.

The Board approves corporate objectives for the Group Managing Director to work towards and develops the duties and responsibilities of the Group Managing Director.

The management team (being the Group Managing Director and other officers to whom the management function is properly delegated by the Group Managing Director):

- is responsible for implementing strategic objectives, plans and budgets approved by the Board; and
- is accountable to the Board for matters within its delegated authority.

Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.

Directors are entitled to request additional information at any time when they consider it appropriate.

**Board process**

**Meetings**

The Board will meet regularly and Directors will use all reasonable endeavours to attend Board meetings in person. Where personal attendance by some or all Directors is not possible, meetings should be conducted so as to facilitate participation by using any technology.

Periodically, Non-executive Directors will meet without the Group Managing Director or management present.

CCA's Constitution governs the regulation of Board meetings and proceedings.

**Chairman**

The Board will appoint one of its members to be Chairman.

It is intended that the Chairman should be an independent Non-executive Director.

The Chairman represents the Board to the shareholders and communicates the Board's position.

**Company Secretary**

The Board will appoint at least one Company Secretary who is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.

The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

All Directors will have direct access to the Company Secretary.

**External advice**

The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chairman (or the Group Managing Director in the Chairman's absence). The Director must make a copy of the advice available to all Directors.

**Review**

The Charter will be reviewed annually by the Board.

The Charter will be publicly available via the CCA website in accordance with ASX Corporate Governance Council recommendations.

**Self-Assessment**

The performance of the Board, its Committees and individual Directors will be evaluated in accordance with the process set out in Attachment 2.

Attachment 1

Independence Guidelines

Without limiting the Board's discretion, the Board has adopted the following Independence Guidelines (**Guidelines**) to assist in considering the independence of Directors.

**CRITERIA**

A director will be considered "independent" if he or she can be characterised as being free from any interests, positions, associations or relationships that might materially influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independence judgment on issues before the Board and to act in the best interests of the entity and its security holders generally.

In general, directors will be considered independent if they are not members of management (i.e. they are a Non-executive Director) and they:

- are not employed, or been previously employed in an executive capacity by the Company or another group member, and there has been a period of at least 3 years between ceasing such employment and serving on the Board;
- have not within the last three years been a partner, director or senior employee of a provider of material professional services to the Company or another group member;
- have not within the last three years been in a material business relationship (eg as a supplier or customer) with the Company or other group member or an officer of or otherwise associated directly or indirectly someone with such a relationship;
- are not a substantial shareholder of the Company, or officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the Company;
- have no material contractual relationship with the Company or another group member, other than as a Director of the Company;
- do not have close family ties with any person who falls within any of the categories described above;
- have not been a Director of the entity for such a period that his or her independence may have been compromised; and
- are free from any interest, position, association or relation that might influence, or reasonably be perceived to influence, in a material respect the director's ability to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

**TENURE**

The Board believes that Directors with a longer tenure bring to the Board a wealth of knowledge and experience that enhance the effective operation of the Board. The fact that a Director has served on the Board for a substantial period will not of itself mean that he or she is no longer independent.

In particular, the Chair of the Board may frequently sit on the Board for a longer period than other Directors, given the Chair's role in leading the Board and facilitating the effective contribution of all Directors. For all Directors that serve on the Board for more than 10 years, the Board will regularly assess whether that length of tenure impacts his or her independence.

**MATERIALITY**

The Board will consider the materiality of the Directors' interests, position, association or relationship for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles. Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- The Board will determine the appropriate base to apply (eg revenue, equity or expenses), in the context of each situation.
- In general, the Board will consider a holding of 5% or more of the Company's shares to be material.
- In general, the Board will consider an affiliation with a business which accounts for less than 5% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the materiality of the particular circumstance with respect to the independence of the particular Director should be reviewed by the Board.
- Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or

relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

#### **ASSESSMENT**

The Board will regularly assess the independence of each Non-executive Director in accordance with these Guidelines. This assessment will be made at least annually and as soon as there is a change in a Non-executive Director's interests, positions, associations or relationships.

**Attachment 2**

**Performance evaluation process in relation to the Board, its Committees and individual Directors**

- On an annual basis, Directors will provide to the Chair feedback in relation to the performance of the Board, its Committees and individual Directors and this will be reported to the Board as a whole by the Chair.
- On an annual basis, a review of the performance of the Chair will be facilitated by the longest serving independent Non-Executive Director who will seek input from each Director individually on the performance of the Chair.
- Approximately every 2 years the Board will seek assessment of its operations by an outside and independent reviewer whose report will be considered by the Board as a whole.
- Each Committee of the Board will also be required to provide feedback in terms of a review of its own performance as set out in the relevant Committee Charter.
- The Nominations Committee will assist the Board as required in relation to the performance evaluation.
- Where appropriate to facilitate the review process, assistance may be obtained from independent external advisers.
- The Group Managing Director may also provide feedback from senior management in connection with any issues that may be relevant in the context of the Board performance review.