

POLICY ON TRADING IN AMATIL SECURITIES

Coca-Cola Amatil

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Policy

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POLICY ON TRADING IN AMATIL SECURITIES

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AMATIL

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1 Background

The Board has adopted the following Policy in relation to the buying, selling and dealing (trading) of Coca-Cola Amatil Limited (**Amatil**) shares and other Amatil securities. The Policy arises out of the requirements of the Corporations Act and the Listing Rules of the Australian Securities Exchange (**ASX**) and is of the utmost importance as reflected by the increased attention that is now being focussed on corporate governance and business ethics by the investment and general community.

The purpose of the Policy is to:

- a) explain Amatil's policy and procedure in relation to the trading of Amatil Securities by Directors and employees;
- b) ensure that public confidence is maintained in the reputation of Amatil, its Directors and employees and in the trading of Amatil's Securities;
- c) recognise that some types of trading in Amatil Securities is also prohibited by law; and
- d) highlight the fact that it is the responsibility of each individual to ensure that they comply with this Policy and the insider trading laws generally

2 Application

The Policy applies to all employees and Directors of Amatil.

Certain aspects of this Policy only apply to **Specified Persons**, which for present purposes includes:

- a) Amatil's Directors;
- b) Senior Management, being the Key Management Personnel (**KMP**) (as named each year in Amatil's Remuneration Report), and any other first, second and third line reports to the Group Managing Director;
- c) other employees who have been advised by the Group Company Secretary and Corporate Counsel from time to time that they are "Specified Persons" for the purposes of this Policy (for example, due to their role on a specific project); and
- d) Executive Assistants of persons who fall within any of the categories above.

This Policy also applies to Connected Persons of Directors and Senior Management, which includes the following for each Director or Senior Manager:

- a) a family member who may be expected to influence, or be influenced by, the Director or Senior Manager in his/her dealings with Amatil or Amatil Securities (this may include the Director or Senior Manager's spouse, partner and dependent children, the dependent children of the Director or Senior Manager's partner, or other dependants of the Director or Senior Manager or his/her partner); and
- b) a company or any other entity which the Director or Senior Manager has an ability to control.

It is the responsibility of each Director and Senior Manager to determine who their Connected Persons are.

Directors and members of Senior Management should inform their Connected Persons of the restrictions that apply to them under the Policy and request that they comply with the Policy in respect of their dealings in Amatil Securities.

For the purposes of the Policy, "Securities" are shares of Amatil as well as financial products issued or created over shares by third parties, structured financial products, swaps, futures contracts, contracts for differences, spread bets, options, rights, warrants, depository receipts, or other derivatives over or related to the acquisition or the performance of shares.

Failure to comply with the Policy will be regarded as a serious breach of the Amatil Code of Business Conduct requiring investigation, with the appropriate disciplinary action applying as detailed in the Code.

3 Summary of Insider Trading Laws

Insider trading is prohibited under the Corporations Act. The prohibition applies to all employees, not just to Amatil's Directors and Senior Management. Essentially, insider trading involves trading in securities by a person who has information about those securities which is not generally available to the market but which, if it was generally available, would be likely to have a material effect (upwards or downwards) on the price or value of the securities (**Inside Information**).

Broadly speaking, the law provides that a person who has Inside Information about a company must not:

- a) buy or sell securities in a company, or enter in an agreement to buy or sell securities, or exercise options over securities, or otherwise apply for, acquire or dispose of securities ("trade");
- b) encourage someone else to trade in securities in that company; or
- c) directly or indirectly provide that information to another person where they know, or ought to know, that that person is likely to trade in securities or encourage someone else to trade in securities of that company.

These restrictions apply to all securities, not just Amatil's Securities.

What constitutes "information" is widely defined by the Corporations Act and includes matters of supposition and other matters that are insufficiently definite to warrant being made known to the public and matters relating to the intentions, or likely intentions, of a person.

It is the responsibility of each individual to ensure that they do not breach the insider trading laws and that they comply with this Policy.

If any breaches of these restrictions occur, then the employee involved and the person who engages in Securities trading both commit offences under the Corporations Act.

A breach of the insider trading laws is a criminal offence with potential fines or imprisonment for offenders.

4 Restrictions that apply to all employees

4.1 Trading in Amatil Securities

Employees must not trade in Amatil Securities if:

- a) they are aware of Inside Information; or
- b) Amatil has notified employees that they must not trade in Securities (either for a specified period, or until Amatil gives further notice).

If you are in any doubt, consult with the Group Company Secretary and Corporate Counsel.

4.2 Trading in shares of other companies

Employees may come into possession of Inside Information regarding another company where they are directly involved in client relationship management or negotiating contracts. For example, a person may have Inside Information where they are aware that Amatil is about to sign a major agreement with another company.

Employees must not trade in another company's shares or securities where they are aware of Inside Information regarding that other company.

If you are in any doubt, consult with the Group Company Secretary and Corporate Counsel.

5 Additional restrictions that apply to Specified Persons

5.1 Front Page Test

It is important that public confidence in Amatil is maintained. It would be damaging to Amatil's reputation if the market or the general public perceived that Amatil employees privy to confidential information might be taking advantage of their position in Amatil to make financial gains (by trading in Securities on the basis of that confidential information).

As a guiding principle, Specified Persons should ask themselves:

*If the market was aware of all the current circumstances, could the proposed trade be perceived by the market as me taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (the **Front Page Test**).*

Note that although it is the Specified Person's individual responsibility to comply with this Policy and the insider trading laws, the Specified Person should consult with the Group Company Secretary and Corporate Counsel if he or she is unsure whether his or her proposed trading may not satisfy the Front Page Test.

Clearance for a trade will not be provided under this Policy where the trade would not satisfy the Front Page Test.

5.2 No Speculative Trading

Under no circumstances should Specified Persons engage in short-term or speculative trading in Amatil Securities. Whilst it is impractical to provide a precise definition of what is short-term or speculative trading the guiding principle should be that at the time of purchase the person should not intend to resell the Securities within 12 months with the aim of realising a capital gain.

The prohibition on short-term or speculative trading includes direct dealings in Amatil shares and transactions in the derivative markets involving exchange traded options, share warrants and similar instruments.

The entering into of all types of "protection arrangements" for any Amatil Securities (or Amatil products in the derivatives markets) that are held directly or indirectly by Specified Persons (including both in respect of vested and unvested shares in any Director or employee share plan) are prohibited at any time, irrespective of whether such protection arrangements are entered into during trading windows or otherwise.

For the avoidance of doubt and without limiting the generality of the Policy, entering into protection arrangements includes entering into transactions which:

- a) amount to "short selling" of Securities beyond the Specified Person's holding of shares;
- b) operate to limit the economic risk of the Specified Person's shareholding; or
- c) otherwise enable the Specified Person to profit from a decrease in the market price of shares.

5.3 Hedging of incentives

In addition, the Corporations Act prohibits KMP from making arrangements to limit the KMP's exposure to risk relating to an element of the KMP's remuneration that has not vested or is subject to a holding lock. Closely related parties of KMP, which include the KMP's spouse and children, amongst other relationships, are also prohibited from making arrangements to limit the KMP's exposure to such risk. Those Specified Persons who are KMPs must ensure compliance with this Corporations Act prohibition.

5.4 No granting of security over Amatil Securities or entering into margin lending arrangements involving Amatil Securities

Under no circumstances should Specified Persons at any time, directly or indirectly, grant any form of security (whether by way of charge, mortgage, pledge or otherwise) over any Amatil Securities to secure any obligation of that Specified Person or any third party, or enter into any margin lending arrangement involving Amatil Securities, regardless of whether such security is granted, or the margin lending arrangement is entered into, during or outside a trading window.

5.5 Trading restrictions / Trading windows

Whilst trading is unlawful at any time if the person has Inside Information, there are particular periods when trading by persons who generally have access to non-public information is unwise due to the perception that they are likely to possess price-sensitive information that is not generally available. For this reason many companies limit the times when persons who may be privy to Inside Information due to their role (and their connected persons) may buy, sell or deal in Securities to those periods when the market is likely to be most fully informed.

Subject to Section 5.6, Specified Persons and Connected Persons must not trade in Amatil Securities at any time except during the following trading windows with clearance in accordance with Section 5.7:

- a) the four weeks commencing on the day after the release of the Half Year results;
- b) the four weeks commencing on the day after the release of the Full Year results;
- c) the four weeks commencing on the day after Amatil's Annual General Meeting; and
- d) any other period the Board determines.

The Board may at any time determine that a trading window is open or closed.

Specified Persons and Connected Persons **cannot trade** during trading windows if they possess Inside Information.

5.6 Exceptional circumstances

It is recognised that individual circumstances may require a person to dispose of Securities outside the designated trading windows. In exceptional circumstances, and subject always to the prohibition on trading while in possession of Inside Information, Specified Persons and Connected Persons may seek prior written approval for a trade outside of the designated trading windows in accordance with the clearance procedures set out in Section 5.7.

Exceptional circumstances will be assessed on a case by case basis, and may include –

- a) severe financial hardship where the Specified Person or Connected Person has a pressing financial commitment that cannot reasonably be satisfied otherwise than by selling the relevant securities
- b) a requirement by a court order or court enforceable undertaking, for example a bona fide family settlement.

5.7 Clearance to trade during trading windows and in exceptional circumstances

Specified Persons must submit a written 'clearance to trade' request to the Group Company Secretary and Corporate Counsel before they or a Connected Person deal in Amatil Securities during a trading window or, if exceptional circumstances apply outside of a trading window (as set out above). In the case of the Group Company Secretary and Corporate Counsel, his/her clearance to trade request must be submitted to the Group Managing Director.

The request must confirm that the relevant person is not aware of any Inside Information, and in the case a trade outside of a designated trading window, the reasons why the request is made including an explanation as to the severe financial hardship or other exceptional circumstances.

As soon as practicable after receiving a request, the Group Company Secretary and Corporate Counsel will notify the relevant Designated Officer (set out below). The Designated Officer will determine whether clearance should be given for the proposed trade having regard to the Front Page Test and any price sensitive information that exists in relation to Amatil. In considering whether to approve a request to trade, the Designated Officer will, where necessary or appropriate, request additional information from, or consult with, management to assist with their deliberations.

The Group Company Secretary and Corporate Counsel or Designated Officer will advise the Specified Person in writing whether clearance has been provided for the trade, including any conditions that apply. Where clearance is given, the Specified Person or Connected Person will have 5 business days to enter into the proposed trade (and will be required to submit a new clearance request if the trade does not occur during this period).

Clearance to trade can be given, denied or withdrawn at any time by the Designated Officer in his or her absolute discretion without giving any reason to the Specified Person. If clearance to trade is refused, the Specified Person must keep that information confidential.

Where clearance is denied, the Specified Person or Connected Person must not proceed with the proposed trade.

Clearance to trade can be withdrawn prior to the Specified Person or Connected Person executing the trade if new information comes to light or there is a change in circumstances.

The Designated Officers are:

- a) for a Director (including the Group Managing Director) or their Connected Person, the Chairman of the Board or, in his/her absence, the Chair of the Audit and Risk Committee;
- b) for the Chairman of the Board or his/her Connected Person, the Chairman of the Audit and Risk Committee or, in his/her absence, any two Directors;
- c) for the Chairman of the Audit and Risk Committee or their Connected Person, the Chairman of the Board or, in his/her absence, any two Directors; and
- d) for any other Specified Person or Connected Person, the Group Managing Director or, in his/her absence, the Chairman of the Board.

5.8 Trading excluded from the Policy

Subject to compliance with the insider trading laws, nothing in this Policy precludes Specified Persons or Connected Persons from -

- a) passively acquiring shares under the terms of Amatil's Dividend Reinvestment Plan, regardless of whether Amatil is in a trading window¹;
- b) receiving shares under any Director or Employee Share Plan. However, any trading in those shares remains subject to the Policy and the provisions of the Corporations Act;
- c) acquiring Amatil shares through a share purchase plan available to all retail shareholders²;
- d) acquiring Amatil shares through a rights issue;
- e) disposing of Amatil shares through the acceptance of a takeover offer, scheme of arrangement or equal access buyback; and
- f) any other trades that do not result in an effective change to the beneficial interests in the Amatil shares (for example, transfers of Amatil shares already held into a superannuation fund or trust to which the restricted person is a beneficiary).

Specified Persons and Connected Persons are responsible for ensuring that any particular transaction complies with law.

5.9 Disclosure of changes in Amatil Directors' interests

Directors and Amatil have an obligation to notify the ASX of any change in a Director's notifiable interests, which includes trading in Amatil Securities, within 5 business days of the change. A Director's notifiable interests includes securities held and traded by the Director's Connected Persons.

In order for Amatil, as agent for the Director, to notify the ASX in accordance with the ASX Listing Rules, Directors must notify the Group Company Secretary and Corporate Counsel:

- for trades entered into by the Director, as soon as possible after entering into the trade (even if the trade has not yet settled);
- for trades entered into by a Connected Person, as soon as possible after the Director becomes aware of the trade (even if the trade has not yet settled).

This notification obligation extends to trades which are excluded from this Policy under Section 5.8 and applies even where clearance for a trade has been obtained in accordance with the procedure set out in Section 5.7.

Amatil will disclose details of the trade to the ASX where required to satisfy its obligations in accordance with the ASX Listing Rules.

¹ This exception applies to shares that are acquired in the ordinary course of the operation of Amatil's Dividend Reinvestment Plan (ie passive trades). For the avoidance of doubt, opting in or opting out of the Dividend Reinvestment Plan would **not** fall within this exception and is only allowed during a trading window (and only then if the Specified Person or Connected Person has obtained clearance under section 5.6 of this Policy).

² For the avoidance of doubt, opting in or opting out of the share purchase plan would **not** fall within this exception and is only allowed during a trading window (and only then if the Specified Person or Connected Person has obtained clearance under section 5.6 of this Policy).