



# NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting (AGM) of Coca-Cola Amatil Limited (Company) will be held at the Isabel Menton Theatre, Mary MacKillop Place, 11 Mount Street (near the corner of William and Mount Streets), North Sydney NSW 2060 on **Tuesday, 16 May 2017 at 10.00am (AEST)** for the purpose of transacting the business set out in this Notice of Meeting.

Additional information about the proposed items of business is set out in the Explanatory Notes on pages 3-6 which accompany and form part of this Notice of Meeting.

## ORDINARY BUSINESS

### ITEM 1: FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's financial statements, Directors' Report and Auditor's Report for the year ended 31 December 2016.

*There is no vote on this item.*

### ITEM 2: REMUNERATION REPORT

#### Resolution 1

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"To adopt the Company's Remuneration Report for the year ended 31 December 2016."

*Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.*

*An explanatory note to this item appears on page 3.*

#### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1:

- in any capacity by or on behalf of a member of the key management personnel (KMP) of the Company, details of whose remuneration are included in the Remuneration Report for the year ended 31 December 2016, or by any of their closely related parties (such as certain of their family members, dependants and companies they control); or
- as a proxy, by a person who is a member of the KMP of the Company at the date of the meeting, or by any of their closely related parties,

unless the vote is cast as a proxy for a person entitled to vote on Resolution 1:

- in accordance with a direction in the Voting Form; or

- by the Chairman of the meeting pursuant to an express authorisation in the Voting Form to vote an undirected proxy - see note on Undirected Proxies on page 2.

### ITEM 3: ELECTION AND RE-ELECTION OF DIRECTORS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

#### Resolution 2(a)

"That Mr Krishnakumar Thirumalai, being a Director who retires in accordance with Article 6.3(b) of the Company's Constitution and, being eligible, is re-elected as a Director of the Company."

#### Resolution 2(b)

"That Mr Mark Johnson, being a Director who retires in accordance with Article 6.3(j) of the Company's Constitution and, being eligible, is elected as a Director of the Company."

#### Resolution 2(c)

"That Mr Paul O'Sullivan, being a Director who retires in accordance with Article 6.3(j) of the Company's Constitution and, being eligible, is elected as a Director of the Company."

*An explanatory note to this item appears on pages 3-4.*

## SPECIAL BUSINESS

### ITEM 4: PARTICIPATION BY EXECUTIVE DIRECTOR IN THE 2017-2019 LONG TERM INCENTIVE PLAN (LTIP)

#### Resolution 3

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval is given for the purposes of ASX Listing Rule 10.14 and for all other purposes, for the grant of performance share rights to Ms A M Watkins, the Group Managing Director of the Company, under

the Coca-Cola Amatil Limited 2017-2019 Long Term Incentive Plan, as described in the Explanatory Notes which form part of this Notice of Meeting."

*An explanatory note to this item appears on pages 4-6.*

#### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3:

- by or on behalf of Ms Watkins (being the only Director eligible to participate in the LTIP) and any of Ms Watkins' associates, regardless of the capacity in which the vote is cast; and
- as a proxy by a person who is a member of the KMP of the Company at the date of the meeting, or by any of their closely related parties,

unless the vote is cast by a person as proxy for a person who is entitled to vote on Resolution 3:

- in accordance with a direction on the Voting Form; or
- by the Chairman of the meeting as proxy for a person who is entitled to vote on Resolution 3, pursuant to an express authorisation in the Voting Form to vote an undirected proxy - see note on Undirected Proxies on page 2.

Dated 12 April 2017  
By order of the Board



**Katie Newton-John**

Group Company Secretary  
& Corporate Counsel

Level 14, 40 Mount Street  
North Sydney NSW 2060

# VOTING INFORMATION

## ENTITLEMENT TO VOTE

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Directors have determined that for the purpose of the meeting all shares in the Company shall be taken to be held by the persons who were registered as shareholders at 7.00pm (AEST) on Sunday, 14 May 2017.

## VOTING BY PROXY

A member entitled to attend and vote is entitled to vote directly (see note on direct voting below) or appoint a proxy, whereby the following applies:

- a proxy need not be a member;
- a member entitled to cast two or more votes may appoint two proxies;
- where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes.

## DIRECT VOTING

Shareholders are able to vote on resolutions directly by marking Section A of the Voting Form. If you mark Section A, you are voting your shares directly and do not appoint a third party, such as a proxy, to act on your behalf.

Shareholders who wish to vote their shares directly should mark either the "for" or "against" boxes next to each item on the Voting Form. Do not mark the "abstain" box. If you mark the "abstain" box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Section A and Section B, your vote will be passed to the Chairman of the meeting as your proxy.

## SUBMITTING YOUR DIRECT VOTE OR PROXY FORM

You may lodge your direct vote or proxy appointment online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or it may be returned in the enclosed reply-paid envelope to the Company's Share Registrar, Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 or by fax on (02) 9287 0309.

To be effective, your direct vote or proxy appointment must be received by the Company by 10.00 am (AEST) on Sunday, 14 May 2017.

## UNDIRECTED PROXIES

The Chairman of the meeting intends to vote undirected proxies in favour of the resolutions set out in this Notice of Meeting to the extent permitted by law.

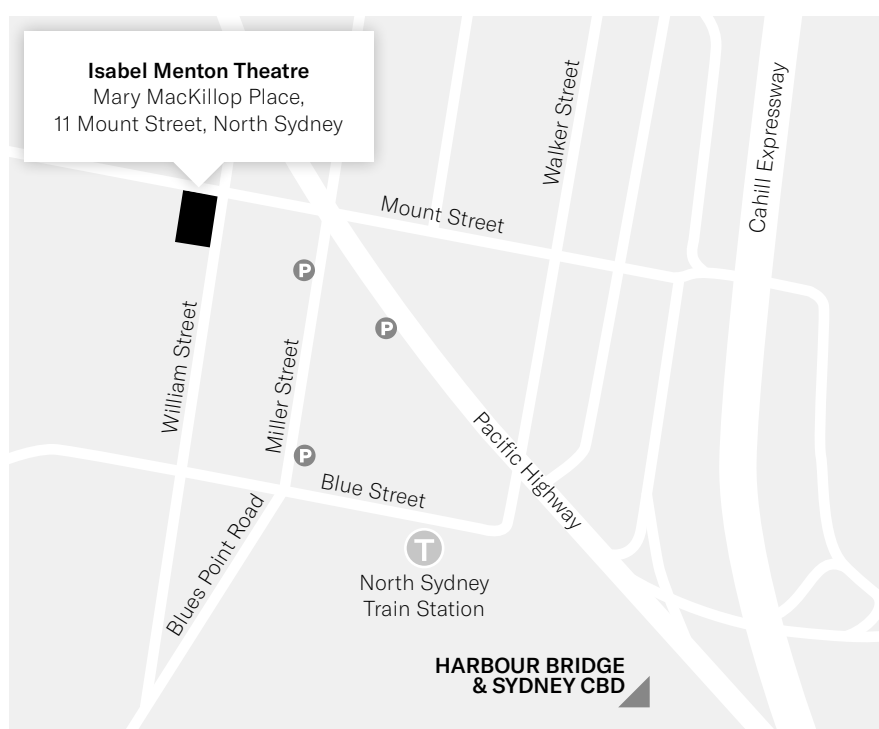
If you appoint the Chairman of the meeting as your proxy, expressly or by default, and you do not direct the Chairman how to vote on a resolution, by completing and returning the Voting Form, you will be expressly authorising the Chairman of the meeting to exercise the proxy and vote as the Chairman sees fit on a resolution, even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

## SHAREHOLDER QUESTIONS

Shareholders may submit questions about the items of business to be considered at the meeting or to the Company's auditor, Ernst & Young, in relation to the content of the Auditor's Report or the conduct of the audit of the accounts for the year ended 31 December 2016. Relevant written questions must be received by the Company or Link Market Services Limited by 5.00pm (AEST) on Tuesday, 9 May 2017.

## ANNUAL REPORT

The Amatil 2016 Annual Report, which includes the financial statements for the year ended 31 December 2016, the Reports of the Directors and Auditor and the Remuneration Report, is available at the Company's website [www.ccamatil.com](http://www.ccamatil.com). Printed copies of the 2016 Annual Report have been mailed only to those shareholders who have elected to receive a printed copy.



# EXPLANATORY NOTES

## ITEM 1: FINANCIAL STATEMENTS AND REPORTS

Shareholders will be provided with the opportunity to ask questions about the Company's financial statements and the Directors' Report and Auditor's Report, which are contained in the Company's 2016 Annual Report (available at [www.ccamatil.com](http://www.ccamatil.com)). There will also be a reasonable opportunity to ask questions and make comments about the management of the Company.

There is no requirement under the *Corporations Act 2001 (Cth)* or the Company's Constitution for a formal resolution on this item and, as such, there will be no formal resolution put to the AGM.

## ITEM 2: REMUNERATION REPORT

The Remuneration Report is set out on pages 47-71 of the Company's 2016 Annual Report (available at [www.ccamatil.com](http://www.ccamatil.com)).

The Remuneration Report outlines the Company's remuneration strategy and practices, together with details of the specific remuneration arrangements that apply to KMP in accordance with the requirements of the *Corporations Act 2001 (Cth)*.

The vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or Amatil. While the vote is advisory, the Board will take the outcome of this vote and the discussion at the meeting into consideration when determining the Company's approach to remuneration going forward.

### DIRECTORS' RECOMMENDATION

The Directors unanimously recommend that shareholders vote in favour of the adoption of the Remuneration Report.

## ITEM 3: ELECTION AND RE-ELECTION OF DIRECTORS

### The Board Composition

Until December 2015 the Board was nine in size (eight Non-executive Directors and one Executive Director).

In anticipation of the retirement of a number of long-serving Directors, the Board,

over the last 18 months, has been enlarged by the appointment of three new Non-executive Directors, bringing the Board to its current size of 11 Non-executive Directors and one Executive Director.

Mr John Borghetti AO was appointed to the Board in December 2015 and elected by shareholders at the AGM in 2016. Mr Mark Johnson was appointed to the Board in December 2016 as a successor to Mr Meiklejohn on his retirement, both in his capacity as Non-executive Director and Chair of the Audit and Risk Committee. Mr Paul O'Sullivan was appointed in March 2017 as a successor to Mr Anthony Froggatt.

Following the conclusion of the AGM, Mr David Gonski AC, Mr Wal King AO, Mr David Meiklejohn AM and Mr Anthony Froggatt will retire and will not stand for re-election.

As a result, at the conclusion of the AGM, if all proposed resolutions in relation to the election and re-election of Directors are passed, the Board will be comprised of seven Non-executive Directors and one Executive Director. The Board considers that five of the eight Directors (including the new Chair) are independent Directors. Of the other three, two are nominees of the major shareholder and one is the Group Managing Director. All Directors have extensive business experience both in their chosen fields of endeavour and in business generally. Six Directors live in Australia (five in Sydney and one in Melbourne). Two Directors live overseas.

It is intended that one further Non-executive Director will be appointed by the Board in 2017 (who will then stand for election at the 2018 AGM). Such appointment will take the total number of Directors on the Board back to its original size of nine.

### Election and Re-election of Directors at the AGM

Mr Krishnakumar Thirumalai will retire in accordance with Article 6.3(b) of the Constitution and offer himself for re-election. Mr Mark Johnson and Mr Paul O'Sullivan will both retire in accordance with Article 6.3(j) of the Constitution and offer themselves for election.

Profiles of the Directors standing for election and re-election (as applicable) are set out below. The election or re-election of each Director is proposed as a separate resolution.

### RE-ELECTION OF KRISHNAKUMAR THIRUMALAI



Mr Krishnakumar Thirumalai joined the Board in March 2014. He is a member of the Sustainability Committee and Nominations Committee.

Mr Thirumalai is the Region Director for the India, Bangladesh, Sri Lanka and Nepal bottling operations of The Coca-Cola Company. He has significant experience across developing and emerging markets in marketing, sales, distribution and supply chain.

Prior to joining the Coca-Cola System, he had over 21 years' experience in confectionery, biscuits, detergents, cosmetics, paints industries, handling strategy, sales, marketing and general management functions. In 2004 he joined the Coca-Cola System as Region Manager for The Coca-Cola Company for East India. He was appointed the Region Vice President for the Central Region in 2005. In 2007 he was appointed the Chief Operating Officer of Hindustan Coca-Cola Beverages Pvt. Ltd. (India) and was appointed Chief Executive Officer in 2009.

Mr Thirumalai is currently Chairman, Hindustan Coca-Cola Beverages Pvt. Ltd. (India) and is a Director of Coca-Cola Bottlers Sri Lanka Limited and International Beverages Pvt. Ltd. (Bangladesh).

He graduated from Madras University with a Bachelor of Engineering (Electronics and Communication) and completed a Masters of Business Administration at the Indian Institute of Management and an Advanced Management Program at Wharton Business School.

The Board has determined that Mr Thirumalai, a Non-executive Director, is not an independent Director as he is a nominee of a substantial shareholder, The Coca-Cola Company.

## ELECTION OF MARK JOHNSON



Mr Mark Johnson joined the Board in December 2016. He is a member of the Audit & Risk Committee, Sustainability Committee, Related Party Committee and Nominations Committee.

Mr Johnson was CEO and Senior Partner of PricewaterhouseCoopers (PwC) from July 2008 to June 2012 and held other senior positions (both internationally and in Australia) during his 30-year career at PwC, serving major clients in areas of audit, accounting, due diligence, fund raising and risk and governance. He is an experienced company Director in the listed, private and not-for-profit sectors.

In addition to his directorship of the Company, Mr Johnson is the Chairman of G8 Education Limited and MH Premium Farms. He is also currently a Director of Westfield Corporation Limited and a Director and Audit Committee Chairman of HSBC Bank Australia Limited and The Hospitals Contribution Fund of Australia (HCF).

Mr Johnson holds a Bachelor of Commerce from The University of New South Wales and is a Fellow of Chartered Accountants Australia and New Zealand. He is a Certified Practising Accountant and is also a Fellow of the Australian Institute of Company Directors.

The Board has determined that Mr Johnson, a Non-executive Director, is an independent Director.

## ELECTION OF PAUL O'SULLIVAN



Mr Paul O'Sullivan joined the Board in March 2017. He is a member of the Related Party Committee and Nominations Committee.

Mr O'Sullivan has experience in the telecommunications, banking and oil & gas sectors, both in Australia and overseas. He is currently Chairman of SingTel Optus Pty Limited (Optus), Director of Healthscope Limited and is a member of the Board of Commissioners of Telkomsel Indonesia, the largest mobile communications company in Indonesia. He was previously Chief Executive Officer of Singtel Group Consumer, where his responsibilities covered operations in Singapore and Australia, as well as Singtel's investments in Indonesia and other developing markets. He was also previously Chief Executive Officer of Optus and is a former Board Director of Bharti Airtel, India's mobile market leader.

Mr O'Sullivan has also worked in various management roles at the Colonial Group and the Royal Dutch Shell Group in Canada, the Middle East, Australia and the United Kingdom. He is a Director of the St George & Sutherland Medical Research Foundation and is a member of the Board of the National Disability Insurance Agency and an Advisory Board Member of the UNSW Bright Alliance.

Mr O'Sullivan holds a Bachelor of Arts (Economics) from Trinity College, University of Dublin and is a graduate of the Advanced Management Program of Harvard University.

The Board has determined that Mr O'Sullivan, a Non-executive Director, is an independent Director.

## DIRECTORS' RECOMMENDATION

The Directors unanimously support the election or re-election of each of the Directors standing for election or re-election and recommend that shareholders vote in favour of the resolutions (with each Director seeking election or re-election abstaining from making a recommendation in respect of their own election).

## ITEM 4: PARTICIPATION BY EXECUTIVE DIRECTOR IN THE 2017-2019 LONG TERM INCENTIVE PLAN (LTIP)

Pursuant to ASX Listing Rule 10.14, approval is being sought to allow Ms Watkins to participate, as an Executive Director of the Company, in the 2017-2019 LTIP. The design and operation (including performance measures and targets) of the 2017-2019 LTIP is unchanged from the 2016-2018 LTIP approved at the 2016 AGM.

## ANNUAL REVIEW OF GROUP MANAGING DIRECTOR REMUNERATION

In February 2017 the Board, with market information, advice and a recommendation from PwC (the Board's independent executive remuneration advisor) undertook the annual review of the Group Managing Director's remuneration. The review compared remuneration against peer roles in companies of a similar size (considering both market capitalisation and revenue), and broader consideration of Amatil and the Group Managing Director's performance and other factors. The Board considered the information and PwC's advice and determined that the target LTIP for 2017 should remain unchanged at \$1.75 million.

## THE VALUE OF THE AWARD AND THE NUMBER OF SHARE RIGHTS TO BE GRANTED

The actual value (if any) that Ms Watkins will receive from this grant cannot be determined until the end of the three-year performance period and will depend on the extent to which the three different performance conditions are achieved, and the share price at the time of vesting.

The proposed 2017-2019 LTIP grant to Ms Watkins is for 360,822 share rights. This is the maximum number of share rights (i.e. if performance targets are met in full at the level required for maximum vesting). For target performance, half of the maximum award will vest being 180,411 share rights.

The number of share rights was determined by reference to the target LTIP value of \$1.75 million. Based on Amatil's valuation approach (which has been adopted over many years), the target number of share rights is determined by dividing the target award value (\$1.75 million) by the volume weighted average closing price for the 30 days prior to and including 31 December 2016 (being \$9.70). This results in a target award of 180,411 share rights. The maximum award is double this amount (i.e. 360,822 share rights).

## TIMING OF GRANT

If approved, the share rights under the 2017-2019 LTIP will be granted to Ms Watkins no later than 12 months after Amatil's 2017 AGM.

# EXPLANATORY NOTES (CONTINUED)

## PERFORMANCE MEASURES

The performance measures and targets are unchanged for the 2017-2019 LTIP. Three performance measures continue to be used: a Relative Total Shareholder Return (TSR) measure; an Absolute TSR measure; and an Earnings per Share (EPS) measure. One third of the award will be assessed independently against each measure.

The use of both measures of Relative and Absolute TSR rewards for both absolute and relative shareholder value creation, and the Board believes that the two measures complement each other and provide a balanced assessment of performance. The absolute measure has the key benefit of providing executives with a clear known level of shareholder return to attain through delivering on the business strategy and generating share price growth and dividends for shareholders. The relative measure provides a direct link between the reward earned and the shareholder return achieved relative to the Company's ASX peers.

EPS continues to be an important performance measure and provides a clear focus on meeting the earnings expectations communicated to the market.

The proportion of share rights that can vest in the 2017-2019 LTIP subject to each separate performance measure is as follows:

Component	Target vesting	Maximum vesting
A – Relative TSR	60,137	120,274
B – Absolute TSR	60,137	120,274
C – EPS	60,137	120,274
<b>TOTAL</b>	<b>180,411</b>	<b>360,822</b>

### Performance measure A – Relative TSR

The Company's TSR is measured from 1 January 2017 to 31 December 2019 and compared to the TSR performance of the companies in the peer group. Similar to last year's grant, the peer group for the 2017-2019 LTIP is the constituents of the ASX 100 (as at 1 January 2017) excluding financial and mining companies. The exclusions are to ensure relevance of the peer group and are determined prior to grant based on considering the sector and nature of each business, with the People Committee approving the list of excluded companies.

The table below summarises the percentage vesting and number of share rights vesting in the Relative TSR component for different levels of relative TSR performance:

TSR percentile vs peer group	Percentage of Target that vests	Number of share rights vesting	Percentage of Maximum that vests
Less than 51st percentile		Nil vesting	
51st percentile	100%	60,137	50%
Between 51st percentile and 75th percentile		Pro-rata vesting on a straight line basis.	
75th percentile and above	200%	120,274	100%

### Performance measure B – Absolute TSR

The Company's TSR is measured from 1 January 2017 to 31 December 2019. Consistent with last year's grant and aligned to our shareholder value proposition, the target level of TSR is an 8% compound annual growth rate (CAGR). A 12% CAGR is required for maximum vesting.

The table below summarises the percentage vesting and number of share rights vesting in the Absolute TSR component for different levels of TSR performance against the targets:

TSR – compound annual growth rate	Percentage of Target that vests	Number of share rights vesting	Percentage of Maximum that vests
Less than 8%		Nil vesting	
8%	100%	60,137	50%
Between 8% and 12%		Pro-rata vesting on a straight line basis.	
12% and above	200%	120,274	100%

### Performance measure C – EPS

Consistent with last year's grant, EPS is assessed against a target of 5% average annual growth per annum, which is consistent with our shareholder value proposition and mid-single digit earnings growth. The stretch target has been set at 8% average annual growth per annum and must be met to achieve maximum vesting.

Performance is assessed as the average of the EPS growth for the financial years 2016-2017, 2017-2018 and 2018-2019.

The table below summarises the percentage vesting and number of share rights vesting in the EPS component for different levels of EPS performance:

Annual Average Growth in EPS	Percentage of Target that vests	Number of share rights vesting	Percentage of Maximum that vests
Less than 5%		Nil vesting	
5%	100%	60,137	50%
Between 5% and 8%	Pro-rata vesting on a straight line basis.		
8% and above	200%	120,274	100%

## OTHER TERMS

### Cessation of employment

If Ms Watkins' employment is terminated for cause or because she resigns, she forfeits any entitlement to unvested share rights under the LTIP. If Ms Watkins' employment ends for any other reason, then the Board has discretion to lapse a pro-rata amount of any unvested share rights and the balance will remain on foot and may vest or lapse in the ordinary course subject to the achievement of the performance measures.

### Change of control

In the event of a change of control of the Company prior to the end of a performance period, the Board has retained its discretion to remove the performance condition. If the Board exercises its discretion, any award will be made at the higher of:

- the number of target share rights offered, or
- the number that would have been allocated under the actual performance condition, based on the most recent monthly testing of the Relative and Absolute TSR and annual testing of the EPS performance measure respectively.

### Sourcing of shares to satisfy awards

The shares will be acquired by the trustee of the LTIP on behalf of Ms Watkins by the purchase of shares on the Australian Securities Exchange at the prevailing market price or by an issue of new shares by Amatil.

The proposed issue to Ms Watkins of share rights under the LTIP is for no consideration and, to the extent that vesting occurred, would entitle Ms Watkins to receive the relevant fully paid ordinary shares in the Company at no cost to her (or, at the Board's discretion, a cash equivalent payment).

### Dividends

No participant in the LTIP is entitled to any dividends on share rights. It is only if the share rights vest and shares are allocated that there is an entitlement to receive dividends on the shares paid after the shares are allocated. Consequently, Ms Watkins will not receive dividends on the 2017-2019 LTIP unless and until the award vests at the end of 2019.

### No participation by other Directors

Ms Watkins is the only Director entitled to participate in the LTIP.

### Other information

The ASX Listing Rules require this Notice of Meeting to state the number and price of securities received by Ms Watkins since the last shareholder approval. 390,624 share rights were granted to Ms Watkins (at no cost) pursuant to the shareholder approval obtained at the 2016 AGM. No loans have been made to Ms Watkins in relation to the LTIP.

If approval is given for the purposes of ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

## DIRECTORS' RECOMMENDATION

The Directors, other than Ms Watkins, recommend that shareholders vote in favour of this resolution. Ms Watkins makes no recommendation in light of her personal interest in this resolution.

**CCA**  
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