

Coca-Cola Amatil Limited 2010 Annual General Meeting – Q&A

Claire Doherty: Chairman, my name is Claire Doherty, I represent the Australian Shareholders Association, we hold proxies on behalf of over 900,000 shares. I'd like to take this opportunity, as it's the only time I'll speak, to congratulate the Board of Management and employees on a very good result this year. My questions relates to the long-term incentive plan that Coca-Cola Amatil has in place. This year has seen, the last year has seen a great deal of discussion about remuneration, I think that was partially alluded to by Mrs Brenner, and part of that has been a call for longer term horizons to be put in place for executives and that to be done through long term incentive plans. The Australian Shareholders Association changed its policy on long term incentive plans in February 2009 and it now says that these plans should be at least four years and that Chief Executives and Managing Directors should have part of their long term incentive payments held again for a further two years, so effectively pushing out long term horizons further than the three years which is effective in the Coca-Cola Amatil long incentive plan. The ASA's not alone in its call for these longer-term horizons. The AICD has guidelines, which focus on longer horizons. The Governments Advisory firm talks about five to ten years as an appropriate horizon for long-term incentive plans.

As I alluded, Coca-Cola Amatil has a long-term incentive plan which at its minimum lasts for three years. My question then, finally, is will Coca-Cola Amatil be reviewing that plan? Will you consider pushing out those horizons to a longer period by having a longer performance period in the long term incentive plan and potentially finding ways to hold at least a meaningful proportion of those rewards for the Managing Director for a longer period of time to allow genuine alignment with shareholders?

Chairman: Firstly, thank you very much for your question and also for your good wishes at the beginning of it.

In terms of your question about long term remuneration, can I firstly say remuneration, as everybody knows, is not an exact science and I want to tell each of you as shareholders we review everything we do, all the time. Because our aim is to make sure that we have that fantastic balance we've got to achieve of both the fairness, of trying to reward diligence and innovation and creativity and hard work, and at the same time to produce something that in our view you can work within the framework of our company.

As to the period, this is a very difficult question and one that, yes we do look at all the time. Each of us has a different view on the subject and I cannot say that the ASA are wrong in suggesting that it should be four years rather than three. I have to be honest, I would disagree with five to ten years, and obviously the ASA has taken a view in someways against that as well because you've chosen four. In our particular company, we will continue to look at it. But I have to say personally, and it would be up to Catherine's Committee to debate it, I like three years. I'll tell you why. The way our works is not just that you get a set of shares or set of participation interests and then three years later that's it. A year later, we like you to come in,

assuming you're working hard and you deserve it, for another one. So, it keeps rolling. At any point, somebody should have an interest in an that is rolling out for at least a further two years from where they are. So, it keeps rolling for quite an immensely long period.

The second thing that we've done in this company is for our senior executive; we have required them to hold shares in the company. And you talk quite correctly of aligning the interests of both the workers, the directors and the shareholders all together. Many of our executives have been with us a long time have built up quite considerable holding, they do have long term interests in the company through those holdings. So, I think my answer to you is I can't say yes or no, what I will tell you is we will continue looking at our various schemes every year to work out what is best for the company. Some of us favour the three, some like the four, and as you rightly say there's some who even talk of five to ten. We will keep looking at it, there is no right or wrong answer but I can give you an assurance, but I have to say, to be honest my own personal feelings, on that aspect we may have it right for this company.

Other questions?

Right, well, the direct votes and proxies that we've received in respect of this resolution are as follows: 82.5% for, being 457,860,717; 0.5% undirected proxies, which as I said earlier if they're given in favour of the board will be placed in favour of the resolution and that's an amount of 2,588,249; against we have 17.0%, being 94,215,255.

Now, as I mentioned earlier, the poll on this resolution will be taken once all the resolutions have been considered, but you may wish to mark, if you have the sort of retention that I have, your feeling now on your yellow sheet of paper and they'll be collected later when we've done the various other items.

Now, the next item of business is the election of Directors. Jillian Broadbent and Geoff Kelly retire from the Board by rotation and, being eligible, offer themselves for re-election. Martin Jansen, as I mentioned earlier, was appointed a Director on the 15 December 2009, i.e. between the two AGM's that we've had, and in accordance with the Constitution, offers himself for re-election here today.

Before proceeding, I'd like to make some brief remarks to you about the composition of our Board. Presently, there are seven Non-Executive Directors and one Executive Director on our Board. Five of our Directors live in Sydney, one lives in Melbourne and two live overseas. And I should just mention there, one of our two who live overseas lives in America and the other one in the South East Asian area.

As a Board we're conscious of the need to have an appropriate range of skills and a broad mix of business talents, outlooks and backgrounds. I consider the composition and balance of the Board, of this company, to be outstanding. All of

your Directors have extensive business experience both in their chosen fields of endeavour and in business generally. We also have a good mix of gender, age and duration of service on this Board. Now, as I mentioned earlier, full CV's for Jillian Broadbent, Geoff Kelly and Martin Jansen have been included in the Notice of Meeting, and they are available to answer questions you may have of them. And I'd ask if you would ask them through me.

Now, ladies and gentlemen, the first of these three resolutions is in regard to Jillian Broadbent's re-election. We as a Board review each year whether the person, the Director can be said to be independent and Non-Executive or some variant of that, and we have considered Jillian to be an independent Non-Executive Director.

Ladies and gentlemen, does any shareholder wish to speak in relation to the resolution that Ms Jillian Broadbent be re-elected as a Director of this company?

There being no questions in relation to this resolution, let me now tell you of the direct votes and proxies that have been received in respect of the resolution, and they are shown up on the screen there. 97.8% for, being 544,743,481 in favour; 0.5% undirected proxies, which will be if they're given favour of the Board, voted in favour and that's 2,586,287 shares; and against 1.7%, being 9,919,768.

Now, as previously advised, the poll on this resolution will be taken after all resolutions have been considered, but you may wish to mark on your voting card how you will be voting at the end of the meeting.

Ladies and gentlemen, that brings me to the next resolution which is the one in relation to Geoff Kelly's re-election. Now, the Board considers Geoff Kelly not to be an independent, but he is a Non-Executive Director. The reason he is not independent is that he is a nominee of a substantial shareholder, namely the Coca-Cola Company. Does any shareholder wish to speak on the resolution in respect of the re-election of Mr Geoff Kelly as a Director of this company?

Well as there's no one who wishes to speak in respect of that, let me now tell you about the direct votes and proxies that have been received in respect of this resolution. 96.9% in favour, being 539,644,066; 0.5% undirected, which will be dealt with as we've previously talked about, being 2,601,390; and 2.6% against, being 14,473,236. Again, the poll will be taken once all resolutions have been considered, but you may wish to mark on your card at this point how you wish to vote in respect of that resolution.

Ladies and gentlemen, that brings us to Martin Jansen who was appointed a Director between this and the last AGM. The Board considers Mr Jansen not to be an independent Director, but he is a Non-Executive Director. As he is, the reason he is not independent is the same as Mr Kelly, he is a nominee of a substantial shareholder, namely the Coca-Cola Company. Does any shareholder wish to speak to the resolution that Mr Martin Jansen be re-elected as a Director of this company?

There being no one who wishes to speak on that resolution, I now tell you about the

votes. The Direct votes and proxies have been received are as follows: 97.3% for, being 542,249,301; 0.5% undirected proxies, which will be dealt with as I mentioned previous, 2,657,382; against 2.2%, being 12,282,830.

Now, the poll on this resolution will be taken once all resolutions have been considered, but you may wish to mark on your voting card at this point how you wish to vote.

Now, ladies and gentlemen the next item is an item of special business. This is Item Four on the Notice of Meeting and it is a proposal to permit the participation by our Managing Director, Mr Terry Davis, in the 2010 offer under our CCA Long Term Incentive Plan. This plan was introduced eight years ago to replace a cash based Long Term Incentive Plan. And I should mention in view of the question, has been altered over that time as we've thought through trying to improve it and make it as best we can to work for both the company, the shareholders, the employee also any other stakeholders. Now, as the acquisition, as this plan involves the acquisition by a Director, Mr Davis, of securities under an Employee Incentive Share Scheme, this requires your approval as shareholders under the Australian Securities Exchange Listing Rules. And so we seek that approval for his participation in this offer.

Now, let me just take you through, if I may, just a few of the terms of the proposed participation by Terry in the 2010-2012 Long Term Incentive Share Plan. These are described in the Notice of Meeting. The dual performance hurdles in the 2010-2012 Long Term Incentive Plan continue to operate in the same way as the 2009, 2011 Long Term Incentive Plan. All of the participants in the 2010-2012 plan, including Terry Davis, are subject to identical hurdles, with the first hurdle being a measurement related to total shareholder return, or TSR as we call it. This is measured against two separate peer groups of companies. The other performance hurdle, which is the other fifty percent, is based upon the average annual growth in earnings per share, which we call EPS. As advised in Explanatory Notes for the 2010-12 Plan, the minimum EPS hurdle has increased from last year, which was 7% per annum to 7.5% for this plan. Now, Mr Davis' remuneration has been structured so that a significant portion of his reward is related to success. And in doing so, we've sought to ensure his success is linked to the Group's success.

Your passing of this resolution will ensure that the structure of his remuneration package remains such that he has a strong incentive to continue to deliver results which will reward all shareholders. Mr Davis will not vote, and neither will any of his associates, on this resolution. The remainder of the Board strongly support this resolution.

Now, the ordinary resolution is as follows; that the Director's, that's us, be permitted to invite Terry Davis to participate in the Coca-Cola Amatil Limited 2010-2012 Long Term Incentive Share Plan by offering him rights to acquire up to 247,844 fully paid ordinary shares in the Company in the manner set out in the Explanatory Notes of the Notice of Meeting that's in your hands. I should just mention the words, "up to," that doesn't mean he gets it, I'm sure he'd like to get it but he has to both earn it and there are various obviously conditions.

Ladies and gentlemen, does anybody wish to discuss, to mention or discuss, ask questions about this resolution?

Well the direct votes and proxies have been received in respect of this resolution as follows: 98.5% for, being 547,954,168; 0.5% undirected proxies, being 2,649,770; and 1.0% against, being 5,497,126.

Now, ladies and gentlemen, as this is the last resolution on the Notice of Meeting, please now complete your yellow poll voting card, and if you've not already done so, and place by marking against each of the resolutions, "for", "against" or "abstain." There will be a box coming round and if you have any queries, please raise your hand. And I might say just before I lose a lot of you, we really appreciate you taking the time to come to this. I'm very aware that the fact that you haven't asked questions is because hopefully you're happy with what we've done, but you may not be next year so I'm sure that you'll all be back here and we really look forward to seeing you again.

Now, if we could collect the proxy forms and then if anybody's got any other questions we would be happy to take them.

There is a box going round I hope. Yes, here it is.

Now, ladies and gentlemen, are there any other questions? Sorry, sir.

Male Speaker: Ah, sorry just a quick question on the figures that were put up. Didn't seem to include any abstention figures, so just a note there. I'm not what happened to the abstentions.

Chairman: It's a very good question. I'm not sure if in the proxy form you can abstain. I think the way ... just to take the thing; those figures were direct votes to either vote, "Yes/No," but in the actual proxy form I don't know whether you can say abstain, can you? But I take the point.

Male Speaker: Just a note.

Chairman: No, I take the point. And I promise you if it was large we'd let you know, but I don't think it was.

Sir.

Male Speaker: Mr Chairman, I've been a shareholder for 12 years, I remember standing in a phone box buying CCA shares over the phone, things have changed a lot since then I've been very pleased to be shareholder for twelve years with this company. So, it's been very profitable and enjoyable coming to meetings such as this. Just one question, I'd like to know if CCA has a policy on genetically modified foods, since, with the acquisition of SPC Ardmona and also a lot of the products that

CCA provides to the community, you are actually contributed to a lot of Australia's populations nutrition, so I was just wondering if you had a policy on genetically modified organism? If you currently use them or if you have a policy of not using them, or if you're indifferent? And if it would be possible to put that in the Annual Report? Because if indeed you could come to a position of not using genetically modified foods I feel that would be of great value to the company, if you could put that on labeling. There's a lot of movement nowadays for people to choose products which do GMO free, and if our company could come to that position, if indeed that's possible, I believe that would be extra value to shareholders.

Chairman: Thank you for the question. I might ask Terry to answer you, but I can't resist noting, have you seen any telephone boxes around lately?

Terry Davis: For our mainstream products we certainly have guiding principle of no GMO. One of the problems you have of course is when you have very small levels of ingredients that go, that are multi ingredients we can't absolutely guarantee that every product that we hasn't got some strain somewhere of genetically modified. But it's a good question and we'll take it on notice and have a look at being able to provide a more definite statement for you.

Chairman: Thanks for the question. Any other questions? No one else wants to talk about telephone boxes or ... ?

Well, ladies and gentlemen, I think you can, I can't declare the poll because we haven't looked at everything. But I think you've got the general direction from the numbers that I read out and we will put in the abstentions next year. So I thank you all for coming, for your loyalty to the Company. Look forward to seeing you next year and I promise you we will work yet again, hopefully, for another successful year.

Thank you all.

End of Meeting.