

<b>MEETING DATE</b>	Wed, 16 Nov 2016 14:00 pm	<b>TYPE</b>	AGM	<b>ISSUE DATE</b>	Fri, 28 Oct 2016
<b>MEETING LOCATION</b>	The Wesley Theatre, Wesley Conference Centre, 220 Pitt Street, Sydney, NSW 2000				
<b>CURRENT INDICES</b>	PIRC Global				
<b>SECTOR</b>	Containers & Packaging				

<b>PROPOSALS</b>		<b>ADVICE</b>
<b>1 Receive Annual Report</b>	Non-voting agenda item.	<b>Non-Voting</b>
<b>2 Approve the Remuneration Report</b>	In accordance with Section 250R of the Australian Corporations Act, the directors are seeking approval of the remuneration report. The Act does not require directors to act on approval of the resolution and the vote is advisory. The maximum potential award for the CEO under all incentive schemes is considered excessive as it represents 310% of his base salary. The variable remuneration of the CEO for the year under review is below the acceptable threshold of 200% base salary, which is acceptable in terms of excessiveness. In addition, there are concerns over the features of the LTIP, which are not considered appropriate. Some of these concerns are: a three year performance period without additional holding period, which is not considered sufficiently long term; the use of solely financial performance metrics; and performance measures being applied independently. Based on these concerns, Triodos opposes this resolution.	<b>Oppose</b>
<b>3 Elect George El Zoghbi</b>	Newly appointed independent Non-Executive Director.	<b>For</b>
<b>4 Re-elect Anthony Grant Froggatt</b>	Non-Executive Director. Not considered independent as he has been on the Board for over nine years. However, there is sufficient independent representation on the Board.	<b>For</b>
<b>5 Re-elect David Peter Gosnell</b>	Independent Non-Executive Director.	<b>For</b>
<b>6 Participation of Graham Chipcase in the Performance Share Plan</b>	Graham Chipcase will become an employee of the Company on 1 January 2017 and a director of the Company on 1 March 2017, following the resignation of Tom Gorman as Chief Executive as CEO of the Company. The Board is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the participation of Graham Chipcase, the future CEO of the Company, in the performance share plan. Performance shares are awarded under both, LTI and STI. The number of STI Awards that will be granted to Graham Chipcase each year under is subject to a maximum limit of 90% of his base salary. Performance is assessed after one year and awards will be retained for an additional year. This aligns with shareholders best interests. The number of LTI Awards made to Graham Chipcase will be 130% of his base salary. Awards under LTI are granted based on the achievement of two performance conditions: relative TSR and CAGR/BVA. Awards have a three year performance period without further holding period, which is not considered sufficiently long term. Furthermore, the performance measures are applied independently and awards can vest regardless of the performance in respect to other elements. There is no evidence a clawback policy is in place. Based on the potentially excessive awards and the lack of interdependent performance conditions, Triodos opposes this resolution.	<b>Oppose</b>

## 7 Participation of Graham Chipcase in the Myshare Plan

For

The Board is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the participation of Graham Chipcase, the future CEO of the Company, in the Myshare Plan. Employees may buy up to AUS 5,000 of shares each year, which the Company matches on a one-for-one basis after a two-year qualifying period. As all employees of the Company may participate in the plan, support is recommended.

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## SUPPORTING INFORMATION FOR RESOLUTIONS

### Proposal 2 - Approve the Remuneration Report

**Disclosure:** Overall disclosure is good. The policy statement is clear and concise.

**Balance of Performance and Reward:** Total remuneration comprises both fixed and variable components. The variable elements consist of the Short Term Incentive Plan (STI) and Long Term Incentive Plan (LTI). STI awards are based on financial and non-financial KPIs which include BVA, Cash Flow from Operations and PAT as well as Safety, business strategy, customer satisfaction and retention and people and talent management metrics. About 50% of the STI is deferred into equity for up to two years, which is welcomed. Awards under LTI are granted based on the achievement of two performance conditions: relative TSR and CAGR/BVA. Awards have a three year performance period without further holding period, which is not considered sufficiently long term. The absence of non-financial parameters to assess Executives' long-term performance is considered contrary to best practice as such factors allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. Furthermore, the performance measures are applied independently and awards can vest regardless of the performance in respect to other elements. No clawback policy seem to be in place for the entirety of the variable remuneration.

**Contracts:** The notice period for executives is twelve months for the CEO.

### Proposal 6 - Participation of Graham Chipcase in the Performance Share Plan

LTIP based schemes are inherently flawed. There is the inherent risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They are inherently acting as a complex and opaque hedge against absolute under performance and long-term share price falls. They are also a significant factor in reward for failure.

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Researcher: Immad Riaz  
Email: [pircresearch@pirc.co.uk](mailto:pircresearch@pirc.co.uk)

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Pensions & Investment Research Consultants Limited  
8th Floor, Suite 8.02, Exchange Tower  
2 Harbour Exchange Square  
E14 9GE

Tel: 020 7247 2323  
Fax: 020 7247 2457  
<http://www.pirc.co.uk>

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