



# CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") of Orora Limited ("Orora" or "the Company") is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders.

Orora complies with the Australian Securities Exchange ("ASX") Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ("the ASX Principles"). This Statement incorporates the disclosures required by the ASX Principles, and generally follows the order of the ASX Principles. Orora's main corporate governance practices are summarised in this Statement. All practices outlined in this Statement, unless otherwise stated, have been in place for the full reporting period. Orora's Board and Committee Charters and other governance policies were reviewed and updated in August 2014 for compliance with the ASX Principles. Further reviews and refinements to the Orora governance framework were undertaken during the reporting period to ensure ongoing compliance with the ASX Principles.

Copies of the Board and Committee Charters, and key corporate governance policies or summaries, are publicly available on Orora's website at [www.ororagroup.com](http://www.ororagroup.com) under the "Investors" section. This website is reviewed and updated regularly to ensure that it reflects Orora's most recent governance information.

## Principle 1: Lay solid foundations for management and oversight

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### ***Role of the Board***

The Board is responsible for the governance of the Company and is accountable to shareholders for guiding and monitoring the effective management and performance of the business. The Board has adopted a Board Charter which sets out how its role, powers and responsibilities are exercised, having regard to principles of good corporate governance, best market practice and applicable laws. The Board operates in accordance with the Company's Constitution, the relevant laws and listing rules, and the principles set out in its Board Charter, which is publicly available on Orora's website [here](#). The Board Charter was reviewed and updated during the reporting period for compliance with the ASX Principles.

### ***Responsibilities of the Board***

As set out in the Board Charter, the responsibilities of the Board include:

- overseeing the management of the Company and direction of its business strategy, with the aim of increasing value for shareholders

- providing strategic direction for, and approving, the Company's business strategies and objectives
- providing oversight of the Company's occupational health and safety policies and standards, including the common goal towards no injuries, reviewing reports from Senior Management regarding safety and the extent of compliance with the policies and standards, and evaluating the effectiveness of these policies and standards
- monitoring the operational and financial position and performance of the Company
- overseeing the identification of the principal risks faced by the Company and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks
- ensuring that financial and other reporting mechanisms are put in place by the Managing Director and Chief Executive Officer that result in adequate, accurate and timely information being provided to the Board and the Company's shareholders and the financial market as a whole being fully informed of all material developments relating to the Company
- appointing and, where appropriate, removing the Managing Director and Chief Executive Officer, approving other senior executive appointments and planning for executive succession
- overseeing and evaluating the performance of the Managing Director and Chief Executive Officer, and other senior executives, having regard to the Company's business strategies and objectives
- instituting and implementing procedures for the annual review and evaluation of the performance of the Board
- reviewing and approving remuneration for the senior executives of the Company
- approving the Company's budgets and business plans and monitoring the management of the Company's capital, including the progress of any major capital expenditures, acquisitions or divestitures
- establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements
- adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards
- approving, and reviewing, the Company's internal compliance procedures, including any codes of conduct and taking all reasonable steps to ensure that the business of the Company is conducted in an open and ethical manner
- reviewing and amending the Board and Committee Charters.

***The role and responsibilities of the Managing Director and Chief Executive Officer and Executive Leadership Team***

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director and Chief Executive Officer, and the Executive Leadership Team, in accordance with the Company's Delegated Authority Policy. A summary of this policy is publicly available on the Company's website [here](#). A

summary of the key responsibilities delegated to the Managing Director and Chief Executive Officer and the Executive Leadership Team, as well as those reserved to the Board, are set out in the Board Charter. These delegations are reviewed on a regular basis to ensure that the division of functions remains appropriate to the needs of the Company.

### ***Board processes***

The Board schedules up to six meetings during the year plus strategy meetings and any supplementary meetings that may be necessary to address any significant matters that arise. The agenda for such meetings is prepared in conjunction with the Chairman, the Managing Director and Chief Executive Officer, and the Company Secretary.

Standing items include the Managing Director and Chief Executive Officer's report, business group operating reports, financial reports, strategic matters and governance and compliance updates. All submissions are circulated in advance to allow the Board time to review and give due consideration to each report.

The Board has access to senior executives and management, and independent advisers. In addition to regular presentations by senior executives and management to the Board, the Directors have other opportunities to interact with management and team members on specific matters, as well as during visits to business units and plants.

The Board met 11 times during the financial year ended 30 June 2015. Board members' attendance records are disclosed in the table of Directors' meetings on page 33 of the 2015 Annual Report, which is publicly available on Orora's website.

To ensure that the responsibilities of the Board are upheld and executed to the highest level, the Board has established the following Board Committees:

- Audit & Compliance
- Executive
- Human Resources
- Nomination.

Each of these Committees has charters and operating procedures in place, which are reviewed on a regular basis. Each of the Committee Charters was reviewed during the reporting period and updated to ensure compliance with the ASX Principles. The Board may establish other committees from time to time to deal with matters of special importance. The Committees have access to senior executives and management, as well as independent advice. Copies of the minutes of each Committee meeting are made available to the full Board, and the Chairman of each Committee provides an update on the outcomes at the Board meeting that immediately follows the Committee meeting.

The Board has also established a framework for the management of the Company based on appropriate ethical standards, including a system of internal control and a business risk management process, further details of which are set out in this Statement.

### ***Checks and information on Directors***

Before appointing or putting forward a person for election as a Director, Orora conducts all appropriate background checks on the relevant person. Prior to a Director's election or re-election by shareholders, the Board provides shareholders with all material information known to Orora which is relevant to the decision of shareholders to elect or re-elect a Director, in order to assist their decision making process. This information is generally contained in the notice of meeting of the Annual General Meeting at which the Director's appointment will be considered by shareholders.

Further details on the selection process for Directors are set out below under the heading 'Nomination Committee'.

### ***Agreements with Directors and senior executives***

Non-Executive Directors are appointed pursuant to a formal letter of appointment and a deed of appointment, which set out the key terms relevant to the appointment, including the term of appointment, the responsibilities and expectations of Directors in relation to attendance and preparation for all Board meetings, appointments to other boards, the procedures for dealing with conflicts of interest, and the availability of independent professional advice.

Non-Executive Directors are expected to spend a reasonable amount of time each year preparing for and attending Board and Committee meetings and associated activities. The other commitments of Non-Executive Directors are considered by the Nomination Committee prior to appointment to the Board and are reviewed each year as part of the annual performance assessment.

The Company also has in place a written agreement with the Managing Director and Chief Executive Officer and each senior executive, setting out the terms and conditions of their employment and the obligations they are required to fulfil in their role. Each candidate is required to accept all terms and obligations as a condition of their employment.

The Company's practice is to allow its Executive Directors to accept appointments outside the Company with prior written approval of the Board.

### ***The Board and the Company Secretary***

The Board has appointed Ms Ann Stubbings as Company Secretary. Details of the skills, experience and expertise of the Company Secretary are set out on the Company's website [here](#). The Company Secretary is accountable to the Board through the Chairman, and the appointment or removal of the Company Secretary is a matter for the Board as a whole. Each Director is entitled to access the advice and services of the Company Secretary. The role of the Company Secretary is set out in the Board Charter, which is available on the Company's website.

### ***Diversity***

Orora's major centres of operation, in Australia, New Zealand and North America, are in some of the most demographically diverse countries. As such, Orora appreciates that diversity is essential to its growth and success. With over 5,600 team members working across seven countries, Orora strives to create an inclusive and respectful environment for all team members. Decisions on hiring, salary, benefits, advancement, termination or retirement are based solely on each team member's ability to do the job regardless of cultural background, disability, gender, family responsibility, religious or political beliefs, age, sexual orientation or any other area of potential difference.

Orora's Talent through Diversity Policy (available on Orora's website [here](#)), was introduced to recognise the positive differences each team member brings to the business and how Orora team members can connect and work together to capture the benefits of these differences.

This policy is further supported by a strong focus on gender representation in talent acquisition by the Executive Leadership Team and a wide range of initiatives to promote and encourage diversity at Orora. Examples include:

- The Orora Diversity Council, reporting to the Managing Director and Chief Executive Officer, which continues to raise the profile of diversity in the business
- Orora's continued sponsorship of the National Association of Women in Operations in Australia
- A "diversity portal", available to all team members, which highlights diversity statistics, research and articles, minutes of diversity council meetings and email contacts for team members
- Publishing Orora's Australian workforce gender balance and major diversity initiatives on the publicly available Workforce Gender Equality Agency website
- Reviewing male and female remuneration parity in all major functions and levels across the business.

Orora is focussed on fostering diversity within the organisation. A key component of this is increasing female representation in the organisation. Currently, the level of female representation on the Orora Board is 33.3% (representing two out of six Directors).

As at 30 June 2015, the percentage of women employed by the Orora Group as a proportion of the total workforce was 18.8% and the proportion of women employed at senior executive level was 18.5%. This includes all team members who are no more than three levels below the Managing Director and Chief Executive Officer, whose roles range from the initiation and implementation of strategies, through to the development and continuous improvement of systems and practices that deliver on these strategies and help to realise organisational aims. A detailed breakdown of the percentage of female representation at each executive level in the business is outlined in the table below.

Cohort	# in cohort	% female
Board	6	33
CEO -1	10	20
CEO -2	66	17
CEO -3	237	18
Total Leadership	319	18

Prior to Orora's listing on the Australian Securities Exchange in December 2013, a Diversity Council was established in 2011, in what is now the Orora business. In the two years following the launch of the Diversity Council, the business saw a 10% increase in the representation of female team members, from approximately 17% to 19% of all team members. Since that time, Orora's gender balance has remained relatively stable. Currently, 18.8% of all team members are female, which is a slight decrease from 19.2% at the time of the demerger.

Orora has focused much of its diversity activity in the last few years on its Australian operations, where female representation in Australia has increased slightly from 14.3% at demerger to a current level of 14.6%. Female representation has fallen slightly in North America and New Zealand (albeit from a greater starting point). Orora is committed to continuing to improve its gender diversity, as reflected in the targets set out below, across all businesses in the Orora Group.

During the year, the Orora Board agreed a set of measurable objectives for advancing gender diversity within the business. These objectives are set out below and have been communicated by the CEO and Executive Leadership Team to all team members across the business:

- By the financial year ending 30 June 2017, 30% of new team members hired will be female
- By the financial year ending 30 June 2017, 30% of new team members hired at senior executive level (as defined above) will be female.

Several organisation-wide initiatives have been implemented, or further enhanced, to assist with achieving these targets, not least of which is quarterly reporting of Orora's diversity statistics (including progress against the above targets) to the Executive Leadership Team.

Orora is a "relevant employer" under the *Workplace Gender Equality Act 2012* (Cth) (**WGE Act**). As such, Orora's most recent "Gender Equality Indicators", as defined in the WGE Act, can be viewed on the Workplace Gender Equality Agency's website.

#### ***Board and Committee performance evaluation***

Each year, the Board undertakes an evaluation of the collective performance of the Board, Board Committees and that of individual Non-Executive Directors and the Chairman. The process for conducting this evaluation, along with a non-exhaustive list of criteria which may be considered in evaluating the performance of the Board, is set out in the Nomination Committee Charter which is available on the Company's website [here](#). The Chairman meets privately with individual Directors as part of these assessment processes and the results of these assessments are documented and any action plans implemented.

The evaluation may involve surveys by the Directors and the Board, the assistance of external facilitators and consideration of the degree to which each Non-Executive Director has demonstrated any or all of the skills relevant to the position of Non-Executive Director or Chairman (as applicable).

In December 2014, the Company undertook its first evaluation of Board and Committee performance and that of the Chairman, since becoming a standalone entity. The evaluation was internally facilitated, and involved an assessment of the collective performance of the Board and that of individual Directors. An evaluation of the performance of the Chairman was conducted by the Chair of the Human Resources Committee.

The Board, Committee and Chairman's performance were measured against a number of criteria, including that listed in the Nomination Committee Charter. This evaluation concluded the Board and the Committees to be meeting the criteria set out in the Nomination Committee Charter, the Board and Committee Charters and the Company's Constitution, to have the appropriate mix of skills, experience and expertise and to be acting effectively as individual directors, as Committee members and collectively as a Board.

The Company will undertake its next evaluation in the financial year ending 30 June 2016, in accordance with its established procedures.

### ***Senior executive performance evaluation***

The Company has an established process for the induction of new senior executives, to enable new senior executives to gain an understanding of the Company's financial position, strategies, operations and risk management policies, as well as to actively participate in accordance with their role, at the earliest opportunity following appointment.

A performance evaluation for senior executives is scheduled to take place every six months, and last took place in July-August 2015, in compliance with the established evaluation process, including emphasis on demonstrating Orora's values. The Company's policy for senior executive reward and evaluation (Senior Executive Reward and Evaluation Policy), upon which the evaluation process is based, is published on the Company's website [here](#).

## **Principle 2: Structure the Board to add value**

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The members of the Board as at the date of this Statement are set out below. Details of each Board member's tenure, experience, expertise, and qualifications are set out on the Company's website [here](#).

- C I Roberts (Chairman) – Independent Non-Executive Director
- N D Garrard – Managing Director and Chief Executive Officer
- A P Cleland – Independent Non-Executive Director
- S L Lewis – Independent Non-Executive Director
- G J Pizzev – Independent Non-Executive Director
- J L Sutcliffe – Independent Non-Executive Director

### ***Composition of the Board***

The Board is committed to ensuring that it is comprised of individuals who collectively have the appropriate skills and experience to develop and support the Board's responsibilities and objectives. The Board's composition is determined based on criteria set out in the Company's Constitution and the Board Charter, including:

- a majority of Independent Non-Executive Directors and a Non-Executive Director as Chairman
- a majority of Directors having extensive knowledge of the Company's industries, and those who do not, having extensive expertise in significant aspects of financial reporting and risk management of large companies
- a number of Directors having experience in the countries in which the Company operates
- re-election of Directors at least every three years (except for the Managing Director and Chief Executive Officer).



The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between Directors with experience and knowledge of the Orora Group, and Directors with an external or fresh perspective
- there is a sufficient number of Directors to serve on Board Committees without overburdening the Directors or making it difficult for them to fully discharge their responsibilities
- the size of the Board is appropriate to facilitate effective discussion and efficient decision making.

In reviewing its membership, the Board adheres to Orora's diversity framework "Talent through Diversity". Further detail about this policy is set out under Principle 1 of this Statement.

### ***Nomination Committee***

The Nomination Committee of the Board oversees the appointment and induction process for Non-Executive Directors and Board Committee members, and the selection, appointment and succession planning process of the Company's Managing Director and Chief Executive Officer. Details of the nomination, selection and appointment processes are available in the Nomination Committee Charter, which is available on the Company's website [here](#).

The Nomination Committee Charter, which was reviewed during the reporting period, sets out the Committee's responsibilities. This includes making recommendations to the Board on the appropriate skill mix, personal qualities, expertise and diversity of each position, following the annual assessment of the Board, Board Committees and the Non-Executive Directors. The Nomination Committee has also determined that an annual evaluation of the Chairman will be conducted by the Chair of the Human Resources Committee.

When a vacancy in the position of Non-Executive Director exists or there is a need for particular skills, the Nomination Committee, in consultation with the Board, determines the selection criteria based on the skills deemed necessary, having regard to the skills and experience of the Board as referred to in the Board skills matrix. The Committee identifies potential candidates with advice from an external third party where appropriate. The Board then appoints the most suitable candidate. Board appointees must stand for election at the next Annual General Meeting of shareholders.

The Nomination Committee also makes recommendations to the Board and oversees implementation of the procedure for evaluating the performance of the Board, the Board Committees and each Non-Executive Director, as well as oversees and makes recommendations to the Board in respect of any ongoing training requirements for Directors.

The Nomination Committee comprises three Independent Non-Executive Directors, and the Chairman of the Board is Chairman of the Committee. The names of the members as at the date of this Statement are set out below and further details of their profiles are set out on the Company's website.



- C I Roberts (Chairman) – Independent Non-Executive Director
- G J Pizzev – Independent Non-Executive Director
- J L Sutcliffe – Independent Non-Executive Director

Nomination Committee members are not involved in making recommendations to the Board in respect of themselves. All Nomination Committee matters were dealt with by the full Board during the reporting period.

### **Board skills matrix**

The Board recognises that having a range of different skills, backgrounds, knowledge, diversity and experience represented amongst its Directors is important to ensure robust decision-making processes, with a diversity of viewpoints and to developing and achieving the Company's strategic aims. The Board seeks to ensure that it continues to have the right balance of skills, independence, experience and collective knowledge to discharge its duties.

The Company has established a Board skills matrix which sets out the range of skills, backgrounds, knowledge, diversity and experience relevant to Orora and currently represented on the Board. A summary of the Board skills matrix is set out below.

<b>Skill/Experience</b>	<b>Out of 6 Directors</b>
Relevant industry experience (including packaging, manufacturing, FMCG, food and beverage, recycling, industrials and logistics)	6
International experience	6
Executive leadership	6
Strategy/Planning/Risk	6
Financial management	6
Health, safety and environment, social responsibility/sustainability	5
Governance, risk management and compliance	6
Remuneration/Reward/HR	5
Investor, government and public relations	5

Further details of each Director's qualifications and experience can be found on pages 12-13 of the Annual Report.

As well as diversity amongst the skill set of the Board, the Company aims to have an appropriate mix of gender, age and cultural background represented on the Board. Further details of the Company's diversity objectives and Talent through Diversity Policy are set out under Principle 1 above.

The Nomination Committee is responsible for regularly reviewing the succession plans in place for membership of the Board to ensure an appropriate mix of skills, experience, expertise and diversity is maintained.

### ***Directors' independence***

The Board has adopted specific principles in relation to Non-Executive Directors' independence. These state that to be deemed independent, a Director must not be a member of management and must comply with various criteria including:

- not being a substantial shareholder of the Company or otherwise associated directly or indirectly with a substantial shareholder of the Company
- not, within the past three years, having been employed in an executive capacity by the Company or another Orora Group member, or having been a Director within three years after ceasing to hold any such employment
- not, within the past three years, having been a professional adviser to the Company or Orora Group either as a principal, a material consultant, or an employee materially associated with the service provided
- not being a partner in or controlling shareholder, or executive officer of a material supplier or customer of the Company or Orora Group, or otherwise being associated, directly or indirectly (to any significant extent), with a material supplier or customer
- not having a material contractual relationship with the Company or Orora Group other than as a Director of the Company
- being free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company
- having the capacity to devote the necessary time to the important tasks entrusted to him/her as a Director of the Company.

The Board undertakes an annual review of the extent to which each Non-Executive Director is independent, having regard to the criteria set out in the Board Charter and any other relevant relationship of the Non-Executive Director. As part of this review process, each Director is required to make an annual disclosure of information based on the independence criteria to the Board. Each Director will also update the board as soon as reasonably practical if any event occurs throughout the year which may affect the independence of that Director.

As at the date of this Statement, the Board considers that each Non-Executive Director (being C I Roberts, A P Cleland, S L Lewis, G J Pizzey and J L Sutcliffe) is independent.

The Board has agreed that, in the absence of special circumstances, the tenure for Non-Executive Directors should be limited to a maximum of ten years, to ensure Directors remain demonstrably independent, with a view to the best representation of the interests of shareholders. The Board Charter reflects this policy. The Charter contemplates that a Non-Executive Director will resign at the next Annual General Meeting after that Director has served nine years on the Board, in the absence of special circumstances.

### ***The role of the Chairman***

The Board Charter provides that the Chairman should be an Independent Director and should not be the Managing Director and Chief Executive Officer of the Company. The Chairman, C I Roberts, is considered by the Board to be independent and his role is separate to that of the Managing Director and Chief Executive Officer.

The Chairman is responsible for the leadership of the Board, including taking all reasonable steps to ensure that the Board functions effectively, and for communicating the views of the Board to the public. The particular responsibilities of the Chairman are outlined in the Board Charter, and include:

- setting the agenda for the matters to be considered at meetings of the Board
- managing the conduct at, and frequency and length of, Board meetings so as to provide the Board with an opportunity to have a detailed understanding of issues affecting the Company
- facilitating open and constructive communications between members of the Board and encouraging their contribution to Board deliberations.

In accepting the position, the Chairman has acknowledged that the role will require a significant time commitment and has confirmed that other positions will not hinder the effective performance of the role of Chair.

#### ***Director induction and development***

Orora has in place a formal process to educate new Directors about the operation of the Board and its Committees, any financial, strategic, operational and risk management issues, the corporate strategy, and the expectations of performance of Directors. Directors visit Orora facilities on an ongoing basis and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

#### ***Independent professional advice and access to information***

Each Director has the right of access to all relevant Company information and to the senior executives and, subject to prior consultation with and approval from the Chairman, may seek independent professional advice from an adviser suitably qualified in the relevant field at the Company's expense.

A copy of the advice received by the Director will be made available for all other members of the Board.

#### ***Executive Committee***

The Executive Committee Charter, which is available on the Company's website [here](#), sets out the responsibilities of the Executive Committee. The Executive Committee Charter was reviewed during the reporting period for compliance with the ASX Principles. The Committee deals with matters referred to it by the Board or with urgent matters that may not be deferred until the next meeting of the Board. A majority of the Committee members must be independent. The names of the members of the Committee as at the date of this Statement are set out below and further details of their profiles are available on the Company's website.

- C I Roberts (Chairman) – Independent Non-Executive Director
- G J Pizzey – Independent Non-Executive Director
- N D Garrard – Managing Director and Chief Executive Officer
- S L Lewis – Independent Non-Executive Director

Executive Committee agendas and papers are available to all other Non-Executive Directors, who are encouraged to attend meetings of the Executive Committee as available. The Executive Committee met twice during the reporting period, other matters being dealt with by the full Board. The Committee members' attendance at Executive Committee meetings is disclosed on page 33 of the 2015 Annual Report.

### Principle 3: Act ethically and responsibly

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#### ***Code of Conduct and Ethics***

Orora recognises the importance of honesty, integrity and fairness in conducting its business, and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers and team members are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Orora believes that it is not only required to abide by the national laws in each country in which it operates, but that it must also conduct its business in accordance with internationally accepted practices and procedures. The Board and senior management are committed to upholding these core principles, which are captured in Orora's Code of Conduct and Ethics Policy. The Code of Conduct and Ethics Policy is available on the Company's website [here](#).

Team members have a nominated supervisor to whom they may refer any issues arising from their employment including allegations of breaches of the Code of Conduct and Ethics Policy or other policies, or they may use the whistleblower procedures in place.

#### ***Conflict of interest***

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with the interests of the Company. The Board has developed procedures to assist Directors to disclose potential conflicts of interest and, each year, all Non-Executive Directors complete independence declarations. Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

#### ***Orora Integrity Reporting Service***

As referred to in the Code of Conduct and Ethics Policy, Orora's governance framework includes a whistleblower policy (known as the Integrity Reporting Policy). Orora operates the Orora Integrity Reporting Service through an independent third party to facilitate reporting of potential misconduct within the Company. A summary of the Integrity Reporting Policy can be found on the Company's website.

The Orora Integrity Reporting Service enables team members to report potential misconduct, including illegal activity, breach of the Code of Conduct and Ethics Policy, fraudulent or corrupt practices, harassment or discrimination, misleading or deceptive conduct of any kind, unethical behaviour and health, safety or environmental hazards. Matters raised are reported to the Board through either the Audit & Compliance Committee or the Human Resources Committee, and the program is periodically reviewed for its effectiveness. The Board is scheduled to regularly review the



Code of Conduct and Ethics Policy and the Integrity Reporting Policy, and processes are in place to promote and communicate these policies to team members.

A Third Party Complaints contact facility is also available on the Company's website to enable third parties such as suppliers, consumers, contractors and customers to report potential misconduct within the organisation.

### ***Fraud Policy***

In addition to the Code of Conduct and Ethics Policy and the Orora Integrity Reporting Service, the Orora Corporate Fraud Framework and Policy outlines the responsibilities and strategies to identify fraud within the Orora Group, and the processes for reporting of fraud and recovering losses.

### ***A Valued Team***

The Company recognises that its team members are its most valuable asset and the foundation of its success. Orora is committed to building an inclusive culture and outstanding performance through key focus areas of people development, leadership, communication and diversity. The Orora culture program, the "Orora Way", defines what the Company and its team members believe, what they value and what they deliver. The Company's Belief Statement and Values (teamwork, passion, respect and integrity) are the foundation of the business and are embedded in all human resources processes including induction and on-boarding programs, recruitment, performance review, and development programs.

A range of initiatives has been put in place to support and drive an inclusive, performance-focused culture. These initiatives include regular Managing Director and CEO-led 'town hall' meetings with all team members, regular newsletter communications for all team members, and more clearly defined accountabilities at all levels of the Company. During the reporting period, the Company also developed, and proudly won a global award for, an online re-induction program that was rolled out to all team members. This program aims to redefine the culture and values that the Company is seeking to achieve.

### ***Leadership and Talent Development***

Orora strives to strengthen and grow the potential of all team members. This includes providing career pathways, coaching, mentoring, stretch assignments and a range of training and development opportunities. "Orora Global University" ("OGU") is Orora's corporate learning initiative to develop core skills and competencies across the business and to develop leadership capability. OGU houses over 60 different learning options for team members, including a complete suite of sales training, technical training in areas such as information technology and product manufacturing, and leadership programmes provided by an affiliate of Harvard University. A dedicated team based in Orora North America continues to enhance and supplement the programmes available to team members through OGU.

## Principle 4: Safeguard integrity in corporate reporting

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### ***Audit & Compliance Committee***

The Audit & Compliance Committee has a documented Charter approved by the Board, which is the subject of regular review, to ensure compliance with the ASX Principles. The Audit & Compliance Committee Charter is available on the Company's website [here](#). The Audit & Compliance Committee Charter was reviewed and updated during the reporting period for compliance with the ASX Principles, as well as a general update to the Charter. Significant changes were not required; however a number of minor targeted refinements were made as part of continuous improvement.

The Audit & Compliance Committee Charter provides that all members of the Audit & Compliance Committee must be Independent Non-Executive Directors and the Chairman cannot be the Chairman of the Board.

The Audit & Compliance Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting processes of the Company, the audits of the Company's Financial Statements, the performance of the Company's internal and external auditors and the Company's processes to manage financial risk. The Committee approves the appointment, or dismissal, of the head of the Company's internal audit function. The head of internal audit provides regular reports directly to the Committee. The Committee Charter provides that the Committee has the authority and resources necessary to discharge its duties and responsibilities, including meeting with the auditors without management present.

The Committee is responsible for the appointment, compensation, retention and oversight of the external auditor, including the independence of the external auditor, and review of any non-audit services provided by the external auditor. The Audit & Compliance Committee's policy is to review the performance of the external auditor regularly regarding quality, costs and independence.

The names of the members of the Audit & Compliance Committee as at the date of this Statement are set out below. Further details of their profiles are set out on the Company's website.

- S L Lewis (Chairman) – Independent Non-Executive Director
- J L Sutcliffe – Independent Non-Executive Director
- A P Cleland – Independent Non-Executive Director
- C I Roberts – Independent Non-Executive Director

The internal and external auditors, the Managing Director and Chief Executive Officer and the Chief Financial Officer are invited to the Audit & Compliance Committee meetings at the discretion of the Committee.

The Audit & Compliance Committee is required under its Charter to meet at least quarterly and otherwise as necessary. The Committee met four times during the year. The Committee members' attendance records are disclosed in the table of Directors' meetings on page 33 of the 2015 Annual Report, which is publicly available on Orora's website. Refer to Principle 7 of this Statement for information in relation to Orora's Audit & Compliance Committee and risk management strategies.

### ***External Audit***

PricewaterhouseCoopers was appointed as the external auditor of the Company by the shareholders in 2014. The external auditor provides a declaration of independence to the Audit & Compliance Committee twice a year (refer to page 55 of the 2015 Annual Report). Fees paid to the external auditor, including a breakdown of fees for non-audit services, are noted in the Company's Financial Statements on page 73 of the 2015 Annual Report.

The external auditor met with the Audit & Compliance Committee without management being present at each Committee meeting held during the reporting period.

### ***Corporate reporting***

A risk management and internal control system is in place to manage the Company's material business risks and to report on whether those risks are being effectively managed.

The Managing Director and Chief Executive Officer and Chief Financial Officer each reports on and declares in writing to the Board as to the effectiveness of the Company's management of its material business risks, in accordance with the ASX Principles.

The Board has received the relevant declarations from the Managing Director and Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* (Cth) and the relevant assurances required under the ASX Principles.

### ***Attendance of external auditors at Annual General Meeting***

The lead audit partner of PricewaterhouseCoopers in charge of the Company's audit attends the Company's Annual General Meeting and is available at the Annual General Meeting to answer any shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

## **Principle 5: Make timely and balanced disclosure**

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### ***Continuous disclosure***

Orora has established policies and procedures to ensure timely and balanced disclosure of all material matters concerning the Company, and to ensure that all investors have access to information on Orora's financial performance. These policies and procedures include a comprehensive Disclosure Policy that establishes processes for identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting relevant information on the Company's website and issuing media releases. A copy of the Disclosure Policy is available on the Company's website [here](#).

## **Principle 6: Respect the rights of security holders**

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### ***Investor relations***

The Company has, through its dedicated investor relations team, implemented an investor relations program to facilitate effective communication and interaction with investors. As part of this program, the Company holds two investor roadshows each year (following its results announcements) in Australia, Asia, North America and Europe, as well as additional ad-hoc investor



meetings and conference calls with institutional investors, private investors and sell-side analysts. The Company has also published internally a set of Investor Relations Guidelines which codify the Company's existing investor relations procedures, and which reflect the Company's commitment to the highest standards of corporate governance. These guidelines complement the Company's Disclosure, Shareholder Communications and External Communications Policies, all of which are available on the Company's website.

The Company has a specific "[Investors](#)" section on its website where all relevant corporate governance information can be accessed, including the names and qualifications of the Board and the Executive Leadership Team, the Company's Constitution, Board and Committee Charters, and other corporate governance policies referred to in this Statement. This section also contains links to the Company's activities, past market communications and an investor calendar setting out key dates. Shareholders can also request information from, and communicate directly with, the Company online via the "[Enquiries page](#)" on its website. This page is constantly monitored and is used broadly by retail and institutional investors.

The Company's website also contains copies of its ASX announcements, Annual Reports and financial reports, as well as relevant presentations and supporting material provided to the media and the investment community.

Details of other forms of shareholder communication are set out in the Shareholder Communications Policy. The Shareholder Communications Policy describes Orora's approach to promoting effective communication with shareholders, such as:

- the Annual Report, including relevant information about the operations of the consolidated entity during the year, key financial information and changes in the state of affairs, is available on the Orora website
- the half year and full year financial results are announced to the ASX and are available to shareholders via the Orora and ASX websites
- all announcements made to the market, and related information (including presentations to investors and information provided to analysts or the media during briefings), are available to all shareholders on the Company website after they are released to the ASX
- an audio recording of the Chairman's address will be available on the "Investors" section of the Orora website following the Annual General Meeting, together with other Annual General Meeting materials, including notices of meetings and associated explanatory material. All ASX announcements, media releases and financial information are available on Orora's website within one day of public release.

A copy of the Shareholder Communications Policy is available on the Company's website [here](#).

### ***Participation at shareholder meetings***

The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of Director accountability to shareholders and shareholder identification with the Company's strategy and goals. Notices for general meetings and other communications with shareholders are drafted to ensure that they are accurate and not misleading and that the nature of the business of the meeting is clearly stated and explained where necessary. Important issues are presented to the shareholders as single resolutions. Shareholders are requested to vote on matters such as the election and aggregate remuneration of Directors, the adoption of the Company's

Remuneration Report, the granting of options and shares to the Managing Director and CEO, and changes to the Company's Constitution.

Shareholders who are unable to attend the Annual General Meeting in person will be provided with an opportunity to vote and submit questions to the Company online via the Company's website in advance of the meeting. Questions received from shareholders will be collated and the Chairman will seek to address as many of the most frequently asked questions as possible during the Annual General Meeting.

A copy of the Constitution is available to any shareholder who requests it, and can be viewed on the Company's website [here](#).

### ***Electronic communications***

All shareholders are given an opportunity to elect to receive communications from the Company and its share registry electronically, either by submitting a paper form (provided by the Company) or making an election online. In addition, shareholders are able to communicate directly with the Company and its share registry electronically, via the contact details set out on the Company's website.

## **Principle 7: Recognise and manage risk**

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### ***Audit & Compliance Committee***

As noted in this Statement, the Audit & Compliance Committee provides assistance and advice to the Board in fulfilling its responsibility relating to risk management. Management is responsible for identifying, managing and reporting on risk.

The Audit & Compliance Committee is responsible for reviewing the Company's policies for risk assessment and risk management, by:

- assessing the steps management has taken to control such risks to the Company
- reviewing the Company's Enterprise Risk Management (ERM) framework and policy for risk appetite, including the procedures for identifying strategic and business risks and controlling their financial impact on the Orora Group and the operational effectiveness of the policies and procedures related to risk and control
- reviewing the Internal Audit team's analysis and independent appraisal of the adequacy and effectiveness of the company's risk management and internal control system.

The Audit & Compliance Committee has access to the resources and authority necessary to discharge its duties and responsibilities, including in relation to retaining and terminating outside advisors, experts or consultants, as it deems appropriate. In discharging its role, the Audit & Compliance Committee is also empowered to investigate any matter brought to its attention.

Refer to Principle 4 of this Statement for further discussion on the Audit & Compliance Committee.

### ***Risk Management Framework***

Orora understands and recognises that rigorous risk and opportunity management is essential for corporate stability and for sustaining its competitive market position and long term performance. The following objectives drive Orora's approach to risk management:

- having a culture that is risk aware and supported by high standards of accountability at all levels
- achieving a truly integrated risk management approach in which risk management forms part of all key organisational processes
- supporting more effective decision making through better understanding and consideration of risk exposures
- enhancing shareholder value through improved share price and earnings growth in the short to medium term whilst building a sustainable business for the longer term
- improving stakeholder confidence and trust
- enhancing organisational efficiencies
- safeguarding the Company's assets – human, property, reputation, knowledge
- enabling the Board to fulfil its governance and compliance requirements
- supporting the sign off for the ASX Principles by the Managing Director and Chief Executive Officer and Chief Financial Officer.

Orora has implemented an ERM framework to improve its ability to meet the above objectives and achieve the desired outcomes. The approach incorporates the principles of effective risk management, as set out in the Global Risk Management Standard ISO31000.

In achieving effective risk management, Orora recognises the importance of leadership. As such, the Board and senior executives have responsibility for driving and supporting risk management across the Orora Group. Each business group within the Company then has responsibility for implementing this approach and adapting it, as appropriate, to its own circumstances.

ERM seeks to apply risk management across an entire organisation and it does this so that all material risks can be identified, assessed and managed. In support of this approach, the Board sets the risk appetite of the organisation to take account of safety, environment, reputation and corporate governance risks, in addition to financial risks. Orora's assurance function, which includes the Internal Audit team, plays a key role in reviewing the effectiveness of Orora's compliance and control systems, including risk management. Findings from reviews are communicated in formal reports to the Board and the Audit & Compliance Committee, and then appropriate action is taken to support the maintenance of a strong control environment. A summary of Orora's risk related policies can be found with other corporate governance policies on the Orora website [here](#).

The Audit & Compliance Committee reviews the Company's risk management framework on an annual basis to ensure that it continues to be sound. The latest review was undertaken in June 2015 and the view of the Audit & Compliance Committee was that the design of the risk management framework is "fit for purpose". While significant changes were not required, a number of minor, targeted refinements were identified as part of continuous improvement efforts.

### ***Internal control***

The Board accepts responsibility for oversight of the effectiveness of the Company's internal control environment. The Board's policies on internal governance control are comprehensive, as noted earlier in this Statement, and include clearly drawn lines of accountability and delegation of authority, as well as adherence to the Code of Conduct and Ethics. In order to effectively discharge these responsibilities, the Company has a number of assurance functions (including Internal Audit) to independently review the control environment and provide regular reports to the Board, the Audit & Compliance Committee and management committees. These reports and associated recommendations are considered and acted upon to maintain or strengthen the control environment.

The assurance function assists the Board to ensure compliance with the internal controls and risk management programs by regularly reviewing the effectiveness of the Company's compliance and control systems. The Group Manager, Risk and Assurance (Internal Audit) reports directly to the Audit & Compliance Committee and may request any member to call a meeting of the Committee. The Audit & Compliance Committee is responsible for approving the scope of the internal audit plan, overseeing the performance of the Internal Audit team and reporting to the Board on the status of the risk management system.

### ***Economic, environmental and social sustainability risks***

Orora has determined that it does not, at this time, have a material exposure to environmental or social sustainability risks. Information in respect of Orora's assessment of the principal economic risks that could have a material impact on the Company is set out on pages 30-31 of the 2015 Annual Report. Further information on the process Orora conducted to arrive at the determination that it does not have a material exposure to environmental and social sustainability risks is set out on pages 28-29 of the 2015 Annual Report.

Orora will continue to monitor any potential economic, environmental and social sustainability risks, and will continue to enhance response plans to address any such risks. Responses are likely to include operational and strategic risk-mitigation processes, development of performance measures to assess the effectiveness of responses, and reporting of progress using standard indicators of sustainability performance. Orora also intends to carry out a sustainability materiality assessment process on a periodic basis as part of the normal internal risk assessment cycle, and as required to monitor changes to existing risks and to identify and assess new risks that emerge.

## **Principle 8: Remunerate fairly and responsibly**

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### ***Human Resources Committee***

The Human Resources Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the Managing Director and Chief Executive Officer, senior executives and Non-Executive Directors.

It is also responsible for oversight of Orora's policies and procedures for retention of senior management, incentive schemes, executive development and succession plans, and human resource plans for the business. All of the members of the Human Resources Committee are Non-Executive directors. The Committee reviews the remuneration of the Managing Director and Chief Executive Officer and senior executives, taking advice from external advisers where appropriate. No individual

is directly involved in deciding their own remuneration. The Human Resources Committee Charter is available on Orora's website [here](#). The Charter was reviewed and updated during the reporting period for compliance with the ASX Principles.

Details of the Company's [remuneration](#), recruitment, retention and termination policies and procedures for senior executives, and details of key management personnel remuneration and incentives are included in the Remuneration Report from page 38 of the 2015 Annual Report. Information regarding the structure of Non-Executive Director remuneration is also included in the Remuneration Report on page 53 of the 2015 Annual Report.

The names of the members of the Human Resources Committee as at the date of this Statement are set out below and further details of their profiles are available on the Company's website. The Human Resources Committee meets at least quarterly and, otherwise, as and when required. The Committee met four times during the year. The Committee members' attendance records are disclosed in the table of Directors' meetings on page 33 of the 2015 Annual Report, which is available on Orora's website.

- G J Pizzey (Chairman) – Independent Non-Executive Director
- A P Cleland – Independent Non-Executive Director
- C I Roberts – Independent Non-Executive Director
- J L Sutcliffe – Independent Non-Executive Director

The Managing Director and Chief Executive Officer is not a member of this Committee, but attends meetings by invitation, other than for matters relating to his own remuneration.

#### ***Trading in Company securities by Directors and team members***

Orora has a Share Trading Policy that outlines insider trading laws and prohibits Directors, team members and certain associates from trading in Orora's securities during specified "blackout periods". The blackout periods are the period from the close of trading on 31 December each year until the day of the announcement to the ASX of the Company's half year results (usually in the third week of February), the period from the close of trading on 30 June each year until the day of the announcement of the Company's full year results (usually in the third week of August) and any other period that the Board specifies from time to time. Trading of securities during a blackout period can only occur in exceptional circumstances and with the approval of the Company Secretary or, in some circumstances, the Group General Manager Human Resources or the Chairman.

The Directors and executive team members are required to certify their compliance with the policy at the end of each financial year. The policy also prohibits Directors, team members and certain associates from engaging in hedging arrangements over unvested securities issued pursuant to any employee option or share plans and certain vested securities that are subject to the Minimum Shareholding Policy. The Share Trading Policy meets the requirements of the ASX Listing Rules on trading policies and is available on the Company's website [here](#).

11 September 2015