



**amcor**

Ancor Limited  
ABN 62 000 017 372

# Notice of Annual General Meeting 2015

Notice is hereby given that the 79th Annual General Meeting of the Company will be held at the Clarendon Auditorium, Melbourne Convention Centre, 1 Convention Centre Place, South Wharf, Victoria at 11.00 am (Melbourne time) on Wednesday 21 October 2015.

# Notice of Annual General Meeting 2015

## Business

### 1. Financial and Other Reports

To receive and consider the Financial Report and the Reports of the Directors and the Auditor for the financial year ended 30 June 2015.

### 2. Re-election of Directors

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

- a. To re-elect as a Director Mr Graeme Liebelt who retires by rotation in accordance with Rule 63 of the Company's Constitution and, being eligible, offers himself for re-election.
- b. To re-elect as a Director Mr Jeremy Sutcliffe who retires by rotation in accordance with Rule 63 of the Company's Constitution and, being eligible, offers himself for re-election.

### 3. Grant of Options and Performance Rights to Managing Director (Long Term Incentive Plan)

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

That approval is given for the grant of Options and Performance Rights to the Managing Director and Chief Executive Officer of the Company, Mr Ron Delia, in accordance with the rules of the Company's Long Term Incentive Plan on the terms summarised in the Explanatory Notes.

#### Voting exclusion for Item 3

The Company will disregard any votes cast on Item 3:

- by or on behalf of Mr Ron Delia or any of his associates (regardless of the capacity in which the vote is cast);
- as a proxy by a person who, at the date of the meeting, is a member of the Company's Key Management Personnel (KMP) or their closely related parties,

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

- in accordance with a direction on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy as the Chairman sees fit, even though Item 3 is connected with the remuneration of a member of the KMP.

### 4. Grant of Share Rights to Managing Director (Management Incentive Plan – Equity)

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

That approval is given for the grant of Share Rights to the Managing Director and Chief Executive Officer of the Company, Mr Ron Delia, pursuant to the Company's Management Incentive Plan – Equity in respect of the financial years ending 30 June 2016, 30 June 2017 and 30 June 2018, on the terms summarised in the Explanatory Notes.

#### Voting exclusion for Item 4

The Company will disregard any votes cast on Item 4:

- by or on behalf of Mr Ron Delia or any of his associates (regardless of the capacity in which the vote is cast);
- as a proxy by a person who, at the date of the meeting, is a member of the Company's KMP or their closely related parties,

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

- in accordance with a direction on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy as the Chairman sees fit, even though Item 4 is connected with the remuneration of a member of the KMP.

## 5. Adoption of Remuneration Report

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

To adopt the Remuneration Report for the year ended 30 June 2015.

### Voting exclusion for Item 5

The Company will disregard any votes cast on Item 5:

- by or on behalf of a member of the Company's KMP named in the Remuneration Report or their closely related parties (regardless of the capacity in which the vote is cast);
- as a proxy by a person who, at the date of the meeting, is a member of the Company's KMP or their closely related parties, unless the vote is cast as proxy for a person entitled to vote;
- in accordance with a direction on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy as the Chairman sees fit, even though item 5 is connected with the remuneration of a member of the KMP.

## NOTES

### *Important note regarding proxies*

The laws that apply to voting on resolutions relating to the remuneration of key management personnel have changed in recent years. Certain categories of persons (including Directors and the Chairman of the meeting) may be prohibited from voting on such resolutions, including as proxy in some circumstances.

If you are appointing a proxy, please read the following notes and the instructions on the Proxy Form carefully to ensure that your vote counts.

1. For the purposes of the meeting, shares will be taken to be held by the persons who are registered as shareholders at 7.00 pm (Melbourne time) on Monday, 19 October 2015.
2. A shareholder is entitled to attend and vote at the meeting.
3. A shareholder is also entitled to appoint not more than 2 proxies. The appointment of one or more proxies will not preclude a shareholder from attending and voting at the meeting.
4. A proxy need not be a shareholder of the Company.
5. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the proxy form:
  - the full name of the body corporate appointed as proxy; and
  - the full name or title of the individual representative of the body corporate at the meeting.
6. Where 2 proxies are appointed, each proxy may be appointed to represent a specified proportion or number of the voting rights of the shareholder. If more than one proxy attends the meeting, neither proxy is entitled to vote on a show of hands. If you wish to appoint 2 proxies, ensure you complete the relevant section on the proxy form.
7. If your proxy chooses to vote, he/she must vote in accordance with your directions. If you have directed your proxy to vote, and they fail to attend the meeting or they choose to not vote on a poll, then the Chairman of the meeting will vote your proxies as directed by you.
8. If you do not mark a box on the Proxy Form, your proxy may vote as they choose on that item. However, if you intend to appoint a member of the KMP as your proxy, please ensure that you direct them how to vote on items 3, 4 and 5.
9. If you appoint a member of the Company's KMP or one of their closely related parties as your proxy, they will not be able to cast your votes on items 3, 4 and 5, unless you direct them how to vote or the Chairman of the meeting is your proxy.

# Notice of Annual General Meeting 2015 (continued)

10. If you appoint the Chairman of the meeting as your proxy (or he becomes your proxy by default), by completing and returning the proxy form you will be expressly authorising him to exercise your proxy in relation to items 3 (Grant of Options and Performance Rights to Managing Director), 4 (Grant of Share Rights to Managing Director) and 5 (Adoption of the Remuneration Report) even though those items are connected directly or indirectly with the remuneration of a member of the Company's KMP.
11. Shareholders should note that Directors (other than the Managing Director and Chief Executive Officer, Mr Delia), are not entitled to participate in any share plan operated by the Company. Shareholders will be informed of the proxy position and the manner in which the Chairman intends to vote undirected proxies at the meeting.
12. Completed proxy forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned before 11.00 am (Melbourne time) on Monday, 19 October 2015 in one of the following 4 ways:

**by mail:**

Amcor Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

or

**online at:**

[www.amcor.com](http://www.amcor.com) – click on 'AGM Proxy Voting' and follow the instructions provided

or

**by facsimile:** +61 2 9287 0309

or

**by hand:**

Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or  
Level 12, 680 George Street, Sydney NSW 2000.

At the meeting, the Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the management of the Company and on the Remuneration Report. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor, PricewaterhouseCoopers, questions about the content of its report, and the conduct of its audit of the Company for the past financial year.

Please submit any questions that you would like the Company to respond to at the meeting by email to [amcor@linkmarketservices.com.au](mailto:amcor@linkmarketservices.com.au), online at [www.amcor.com](http://www.amcor.com) by clicking on 'AGM Proxy Voting' or by mail to Amcor Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235. Questions need to be received by no later than 5.00 pm (Melbourne time) on Wednesday, 14 October 2015.

The Company will respond to as many of the more frequently asked questions as possible at the meeting. Please note that individual responses will not be sent.

By order of the Board.



**J F McPherson**  
**Company Secretary**  
**Amcor Limited**  
**Melbourne**

17 September 2015

# Explanatory Notes

## ITEM 2 RE-ELECTION OF DIRECTORS

The following are the backgrounds of the Directors who are seeking re-election:



**G R (Graeme) Liebelt**

**BEd (Hons), FAICD, FTSE**

*Independent Non-Executive Director and Chairman*

Mr Liebelt was previously Managing Director and Chief Executive Officer of Orica Limited, a position he held for six and a half years. During his 22 years with the ICI Australia/Orica group he held a number of senior positions including Managing Director of Dulux, Chairman of Incitec Ltd, Director of Incitec Pivot Ltd and Chief Executive of Orica Mining Services. He was an Executive Director of the Orica Group from 1997 until March 2012.

Mr Liebelt is Chairman and non-executive Director, Amcor Limited. He is also a Director of Australia and New Zealand Banking Group Limited, Australian Foundation Investment Company and Carey Baptist Grammar School. Mr Liebelt is a fellow of the Australian Academy of Technological Sciences and Engineering and a Fellow of the Australian Institute of Company Directors.

Member of the Human Resources Committee and Audit Committee. Chairman of the Nomination Committee and Executive Committee

Director since April 2012, appointed Non-Executive Chairman from December 2013.



**J L (Jeremy) Sutcliffe**

**LLB (Hons), OAMP, MAICD**

*Independent Non-Executive Director*

Mr Sutcliffe has broad international corporate experience as CEO of two ASX Top 100 companies and has extensive experience of businesses operating in North America and Europe with diverse trading relationships in Asia. A qualified lawyer in Australia and the UK, Mr Sutcliffe previously held positions with Baker & McKenzie Solicitors, London and Sydney (1982 – 1986) and Sims Metal Management Limited and associated companies (1987 – 2009, including as Group CEO 2002 – 2008) and Interim Managing Director & CEO of CSR Limited (April 2010 – December 2010).

Currently Mr Sutcliffe is Chairman of CSR Limited (since July 2011) and a director (since December 2008), a Director and member of the Australian Rugby League Commission Limited (since February 2012), Director of Orora Limited (since December 2013) and a member of the Advisory Board of Veolia Environmental Services Australia Pty Ltd.

Member of the Human Resources Committee.

Director since October 2009.

The Board considers each of Mr Graeme Liebelt and Mr Jeremy Sutcliffe to be an Independent Director.

**The Directors (other than the relevant Director in relation to his own re-election) unanimously recommend the re-election of Mr Graeme Liebelt and Mr Jeremy Sutcliffe.**

# Explanatory Notes (continued)

## ITEM 3

### GRANT OF OPTIONS AND PERFORMANCE RIGHTS TO MANAGING DIRECTOR (LONG TERM INCENTIVE PLAN)

#### Background

Item 3 relates to the proposed participation of the Managing Director and Chief Executive Officer, Mr Ron Delia, in the Company's Long Term Incentive Plan (**LTIP**).

During 2015, the Board undertook a review of the Company's incentive framework and determined that it would make a change to the LTIP. The changes are to ensure that the LTIP is fully aligned with the investment case and value proposition that Amcor communicates to shareholders and prospective shareholders (Amcor's Shareholder Value Creation Model) and is aligned and competitive with market practice.

To align with Amcor's Shareholder Value Creation Model (which aims to deliver increases in shareholder value of more than 10% p.a. including dividends), the primary internal performance metric has been changed to an annual Earnings Per Share (**EPS**) growth rate. However, while the plan must incentivise profitable growth, it also needs to ensure that there is a continued focus on returns. For that reason, the LTIP will also include a high Return on Average Funds Employed (**RoAFE**) threshold which must be exceeded in order for awards to vest.

To ensure Amcor's competitiveness and consistency with market practice, the LTIP review has also resulted in a change of the performance period to 3 years to align with the Company's ASX 100 peers and international packaging peers, around 80% of whom operate an LTIP with a performance period of 3 years. The Board believes that a 3-year term will be more effective in attracting, retaining and engaging new executive talent to the Company. At present, the 4-year term can result in a new executive not being eligible for rewards until beyond 4 years (new executives may join outside the normal grant "cycle" and therefore will have to wait some months before the first grant is made). As published research suggests, longer terms result in an executive applying heavier discounts to the grant, which has an impact on its motivational value and the return on the investment that the Company receives on this element of remuneration.

The first grant to be made under the revised LTIP will occur next year (i.e. the 3-year term will begin on 1 July 2016), which will mean that there is no overlap with Mr Delia's existing LTIP grants that have scheduled vesting dates through until 2018.

#### Why is shareholder approval required?

Under ASX Listing Rule 10.14, shareholder approval is required in order for a director to be issued securities under an employee incentive scheme. Accordingly, approval is sought for the grant of Options and Performance Rights to Mr Delia under the LTIP. This grant is conditional on receiving shareholder approval.

An overview of the proposed grant is set out below. Further details of Mr Delia's remuneration are set out in the Remuneration Report on pages 34 to 53 of the Annual Report.

## Overview of the proposed grant

<b>DATE OF GRANT</b>	Given the transition to a 3-year term, this grant will occur shortly after the end of the 2016 financial year, but in any event, no later than 12 months after the date of the 2015 Annual General Meeting.	
<b>NUMBER TO BE ALLOCATED</b>	<p>The grant to be made to Mr Delia will be 100% of base salary effective at the time of the grant (<b>target value</b>). To determine the value of each Option and Performance Right at the time of grant, the Board uses a <b>fair value</b> calculation, which takes into account what the grant may be worth at vesting, on average, over time. The <b>fair value</b> calculation uses a Black Scholes option pricing formula within a Monte Carlo simulation model and is performed by an independent actuary. The calculation allows for expected share price and dividend performance, and performance against the performance hurdles over the 3-year term. The methodology is widely used and accepted for the purposes of accounting disclosures. The inputs used for these valuations and the fair value outcomes will be disclosed in our Annual Report and are audited.</p> <p>The <b>face value</b> at grant can be determined based on the volume weighted average price (<b>VWAP</b>) of Amcor's ordinary shares traded on the ASX over the 20 trading days including, and following, 1 July 2016 (reflecting the beginning of the performance period). The VWAP for the grant will also represent the Option exercise price. As the Options require share price appreciation to acquire value, the Options have no face value on grant.</p> <p>The <b>actual value</b> at vesting will depend on performance against the relevant performance conditions and the price of Amcor's ordinary shares. The maximum number of Options and Performance Rights will only be delivered to Mr Delia if the highest performance levels for each performance condition are achieved (average annual growth rate of earnings per share over the performance period is at or above 8%; return on average funds employed is 18% or above in the last year of the performance period; relative total shareholder return performance against both domestic and overseas comparator groups at upper quartile or above). The actual value on vesting may be zero if performance conditions are not met. Further details regarding the applicable performance conditions are set out below.</p> <p>As the grant will not be made until 2016, it is not possible to specify the maximum number of Options and Performance Rights to be granted to Mr Delia at this time as the number of Options and Performance Rights will be determined using a fair value calculation using inputs that are determined at the time of the grant.</p> <p>The number of Options and Performance rights to be granted to Mr Delia will be calculated as follows:</p>	
<b>Target value</b> at grant (based on what the grant is targeted to be worth at vesting, on average, over time):	100% of base salary at the time of the grant (currently US\$1,400,000) converted to an Australian dollar equivalent using the average foreign exchange rate over the 20 trading days including, and following, 1 July 2016 (consistent with the term used to set the Option exercise price).	
Proportion of target value attributable to:	Options = 50%	
	Performance Rights = 50%	
Method for calculating number of Options and Performance Rights to be granted:	50% of base salary at the time of the grant divided by the fair value of Options or Performance Rights (as applicable).	

# Explanatory Notes (continued)

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## PERFORMANCE CONDITIONS

### Annual earnings per share (EPS) growth and return on average funds employed (RoAFE)

Half the vesting of the grant is subject to two hurdles: **EPS** and **RoAFE (EPS & RoAFE Component)**.

Amcor's **EPS** will be measured over the 3-year performance period. Amcor needs to achieve an average growth rate of between 5% p.a. (50% vesting) and 8% p.a. (100% vesting) in order for the EPS & RoAFE Component to vest. Straight-line vesting will apply for performance between these growth rates.

EPS (after significant items) is determined on a constant currency basis (to avoid windfall gains and losses by virtue of currency movements) and is calculated by dividing the net profit (after significant items) attributable to ordinary shareholders for the relevant reporting period, by the weighted average number of ordinary shares on issue during the reporting period excluding ordinary shares purchased by Amcor and held as treasury shares, adjusted for any bonus issue.

This ensures comparability with published results and consistent measurement in a particular year across multiple LTIP grants.

The EPS & RoAFE Component is also subject to a condition that **RoAFE** is at or above 18% in the financial year prior to vesting. RoAFE is calculated as the annualised profit before interest, tax and after significant items earned by Amcor during a reporting period, as a percentage of the average funds employed by Amcor during a reporting period.

The Board may exercise its discretion to exclude significant items in the calculation of EPS and RoAFE for the purpose of determining vesting outcomes. Such items may be those relating to strategic initiatives or material events that are outside of normal operational activities.

The Board will determine the final EPS and RoAFE hurdles to be used for the purposes of determining vesting outcomes, by no later than 30 June 2018. This is to allow the Board flexibility to either adjust the EPS and RoAFE hurdles, or adjust the structure of these hurdles, to ensure they remain relevant in the event of material events or strategic initiatives that affect Amcor's capital structure and the relevance of the performance conditions.

### Relative total shareholder return (relative TSR)

The other half of the vesting of the grant is determined based on **relative TSR** performance against a select list of ASX companies and international packaging peers (half of the outcome is attributable to each). The grant vests if Amcor's performance is between the 50th percentile (50% vesting) to 75th percentile (100% vesting) of the comparator groups.

The first peer group comprises companies in the S&P/ASX 100 excluding those companies in, or with heavy exposure to, the financial, resources, media, IT, gaming and property trust sectors. The peer group comprises Adelaide Brighton Limited, Ansell Limited, Asciano Limited, Boral Limited, Brambles Limited, CIMIC Group Limited, Coca-Cola Amatil Limited, Cochlear Limited, Computershare Limited, CSR Limited, CSL Limited, Downer EDI Limited, Dulux Group Limited, Fletcher Building Limited, Goodman Group, GrainCorp Limited, Incitec Pivot Limited, James Hardie Industries plc, Orora Limited, Primary Health Care Limited, Qantas Airways Limited, Ramsay Health Care Limited, ResMed Inc, Sonic Healthcare Limited, Spark New Zealand Limited, Sydney Airport Holdings Limited, Telstra Corporation Limited, Transurban Group, Treasury Wine Estates Limited, Wesfarmers Limited and Woolworths Limited.

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<b>PERFORMANCE CONDITIONS</b>	<p>The second peer group comprises certain selected international industry peers, namely Aptar Group Inc, Ball Corp, Bemis Co Inc, Berry Plastics Group Inc, CCL Industries Inc, Crown Holdings Inc, Graphic Packaging, Huhtamaki, International Paper, Mayr-Melnhof Karton, Owens-Illinois Inc, RPC Group Plc, Sealed Air Corp, Silgan Holdings Inc, Sonoco Products Co, Westrock Company and Winpak Ltd.</p> <p>These peer groups have been chosen because the Board believes that they represent two broad based comparator groups that appropriately reflect Amcor's current market positioning.</p> <p>Certain events may occur (e.g. M&amp;A, public to private transactions) that could affect the structure of either peer group. The Board has, accordingly, retained discretion to determine how those events will be treated at the time they arise. This may result in the alteration of the composition of companies in either peer group from time to time. The Board also retains the discretion to deal with any other material event that affects the relevance of a share in a peer group.</p> <p><b>Share price condition (applicable to Options only)</b></p> <p>In addition to the EPS, RoAFE and relative TSR hurdles, Options will only vest and become exercisable if the price of Amcor shares exceeds the exercise price of the Options (<b>Share Price Condition</b>).</p> <p>Subject to satisfaction of the other performance hurdles, the Share Price Condition will be measured by calculating the volume weighted average price of Amcor shares traded on the ASX during the five trading days prior to 30 June 2019 (the end of the relevant performance period). If the Share Price Condition is not satisfied, it will continue to be tested at the end of each calendar month using the volume weighted average price of Amcor shares traded on the ASX during the five trading days prior to the final day of the relevant calendar month. This will occur until the Options vest or expire in 2022.</p>				
<b>PERFORMANCE PERIOD AND VESTING</b>	<p>The performance period is 3 years commencing 1 July 2016. Accordingly, the performance conditions will be tested after 30 June 2019. Any Options that do not vest prior to the expiry date of the Options (being October 2022) will lapse. Any Performance Rights that do not vest will lapse no later than 31 October 2019.</p>				
<b>TRADING RESTRICTIONS</b>	<p>Shares allocated following the exercise of Options or Performance Rights are not subject to any trading restrictions. However, Mr Delia must observe the Company's policies (including the Minimum Shareholding Policy and the Share Trading Policy) when dealing with shares.</p>				
<b>PRICE PAYABLE ON GRANT OR EXERCISE</b>	<table> <tr> <th data-bbox="379 1451 879 1480">OPTIONS</th><th data-bbox="911 1451 1378 1480">PERFORMANCE RIGHTS</th></tr> <tr> <td data-bbox="379 1491 879 1865"> <p>No amount is payable in respect of the grant of the Options. However, vested Options will have an exercise price based on the volume weighted average price of Amcor ordinary shares traded on the ASX over the 20 trading days including, and following, 1 July 2016. The Exercise Price, and the number of shares acquired upon exercise, are subject to adjustment in accordance with the ASX Listing Rules in the event of a reorganisation of the issued ordinary share capital of the Company, or as otherwise contemplated by the LTIP rules.</p> </td><td data-bbox="911 1491 1378 1865"> <p>No amount is payable in respect of the grant, or on the vesting, of Performance Rights. On vesting, Mr Delia will be entitled to receive one fully paid ordinary share in the Company in respect of each vested Performance Right (subject to adjustment in accordance with the ASX Listing Rules in the event of a reorganisation of the issued ordinary share capital of the Company, or as otherwise contemplated by the LTIP rules).</p> </td></tr> </table>	OPTIONS	PERFORMANCE RIGHTS	<p>No amount is payable in respect of the grant of the Options. However, vested Options will have an exercise price based on the volume weighted average price of Amcor ordinary shares traded on the ASX over the 20 trading days including, and following, 1 July 2016. The Exercise Price, and the number of shares acquired upon exercise, are subject to adjustment in accordance with the ASX Listing Rules in the event of a reorganisation of the issued ordinary share capital of the Company, or as otherwise contemplated by the LTIP rules.</p>	<p>No amount is payable in respect of the grant, or on the vesting, of Performance Rights. On vesting, Mr Delia will be entitled to receive one fully paid ordinary share in the Company in respect of each vested Performance Right (subject to adjustment in accordance with the ASX Listing Rules in the event of a reorganisation of the issued ordinary share capital of the Company, or as otherwise contemplated by the LTIP rules).</p>
OPTIONS	PERFORMANCE RIGHTS				
<p>No amount is payable in respect of the grant of the Options. However, vested Options will have an exercise price based on the volume weighted average price of Amcor ordinary shares traded on the ASX over the 20 trading days including, and following, 1 July 2016. The Exercise Price, and the number of shares acquired upon exercise, are subject to adjustment in accordance with the ASX Listing Rules in the event of a reorganisation of the issued ordinary share capital of the Company, or as otherwise contemplated by the LTIP rules.</p>	<p>No amount is payable in respect of the grant, or on the vesting, of Performance Rights. On vesting, Mr Delia will be entitled to receive one fully paid ordinary share in the Company in respect of each vested Performance Right (subject to adjustment in accordance with the ASX Listing Rules in the event of a reorganisation of the issued ordinary share capital of the Company, or as otherwise contemplated by the LTIP rules).</p>				

# Explanatory Notes (continued)

<b>CESSATION OF EMPLOYMENT</b>	<p>If Mr Delia ceases employment with the Company before either of the Options or Performance Rights vest, then all unvested Options and Performance Rights will lapse.</p> <p>However, in some circumstances, including retirement, retrenchment or expiry (and non-renewal) of contract, the Board may exercise its discretion to determine the treatment of unvested Options and Performance Rights and, to the extent permitted by law, may elect to settle any Options and Performance Rights by way of a cash payment (rather than ordinary shares).</p>
<b>CHANGE OF CONTROL</b>	<p>Where a change of control of the Company occurs, the treatment of the Options and Performance Rights will be subject to the discretion of the Board.</p>
<b>OTHER REQUIRED INFORMATION – ASX LISTING RULES</b>	<p>Mr Delia is the only Director of the Company entitled to participate in the LTIP. No associate of any Director can participate in the LTIP.</p> <p>In 2014, the former Chief Executive Officer and Managing Director, Mr Ken MacKenzie, was granted 917,900 Options and 246,300 Performance Rights under the LTIP following shareholder approval at the 2014 AGM. No amount was payable on the grant of the Options or the Performance Rights. The exercise price of the Options was A\$10.28. This grant subsequently lapsed following Mr MacKenzie's retirement.</p> <p>There are no loans to be granted by the Company to Mr Delia in relation to the acquisition of the Options or Performance Rights.</p> <p>For any Performance Rights that vest, or Options that are exercised, the Company intends to acquire existing shares on market on behalf of Mr Delia and transfer those shares to him. However, the Company may instead issue new ordinary shares in the Company to Mr Delia. Ordinarily, an issue of new shares would be subject to certain limitations under ASX Listing Rule 7.1, unless it is approved by shareholders. If approval is given by shareholders under ASX Listing Rule 10.14 in accordance with this item 3, approval will not be required under ASX Listing Rule 7.1.</p>

**The Directors (other than Mr Delia) unanimously recommend that shareholders vote in favour of resolution 3. Mr Delia makes no recommendation.**

## ITEM 4

### GRANT OF SHARE RIGHTS TO MANAGING DIRECTOR (MANAGEMENT INCENTIVE PLAN – EQUITY)

Item 4 relates to the proposed grant of Share Rights to the Managing Director and Chief Executive Officer, Mr Ron Delia, pursuant to the Company's Management Incentive Plan - Equity (**EMIP**).

#### Background

A Share Right granted under the EMIP is a conditional right to acquire a fully paid ordinary share in the Company.

The EMIP builds on the Company's Management Incentive Plan (**MIP**), under which participating Amcor executives (including Mr Delia) are eligible to receive a cash bonus if they achieve certain performance standards during the relevant financial year. If Mr Delia earns a cash bonus under the MIP above the minimum value threshold set by the Board, then he will also be entitled to be granted Share Rights under the EMIP that relate to a number of ordinary shares equivalent in value to a nominated percentage of that MIP cash bonus, as determined by the Board. Mr Delia participated in the EMIP prior to his appointment as Managing Director and Chief Executive Officer on 17 April 2015.

#### Why is shareholder approval required?

In accordance with ASX Listing Rule 10.14, the Company is now required to obtain shareholder approval for the issue of Share Rights under the EMIP to Mr Delia in his role as Managing Director and Chief Executive Officer.

This resolution is being put to shareholders to seek approval for Mr Delia to participate in the EMIP and receive Share Rights on the terms described below, for the financial years ending 30 June 2016, 30 June 2017 and 30 June 2018.

An overview of the proposed grant is set out below. Further details of Mr Delia's remuneration are set out in the Remuneration Report on pages 34 to 53 of the Annual Report.

#### Overview of the proposed grant

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<b>DATE OF GRANT</b>	<p>If approved by shareholders, and assuming Mr Delia becomes eligible under the EMIP to receive Share Rights (as explained below), he will be granted Share Rights under the EMIP in respect of a financial year by no later than 30 September following the end of that financial year. So, if Mr Delia becomes eligible to be granted Share Rights under the EMIP in respect of:</p> <ul style="list-style-type: none"><li>• the financial year ending 30 June 2016 – he will be granted those Share Rights by 30 September 2016;</li><li>• the financial year ending 30 June 2017 – he will be granted those Share Rights by 30 September 2017; and</li><li>• the financial year ending 30 June 2018 – he will be granted those Share Rights by 30 September 2018.</li></ul> <p>In any event, all Share Rights to be granted under this approval will be granted no later than 3 years after the date of the 2015 Annual General Meeting.</p>
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# Explanatory Notes (continued)

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## NUMBER TO BE ALLOCATED

It is not possible to specify the maximum number of Share Rights to be granted to Mr Delia (if any) at this time as the number will be calculated by reference to a nominated percentage of the value of his MIP cash bonus in a particular year, and the Company's share price prior to the grant, all of which are currently unknown. However, the method for calculating the number of Share Rights to be granted for each financial year is described below.

Prior to the commencement of each financial year, the Board will set a series of key performance indicators (**KPIs**) for Mr Delia for that financial year. The KPIs may include matters such as key financial metrics (such as earnings per share, free cash flow and Return on Average Funds Employed), as well as key strategic and business goals for the financial year. Within two months after the conclusion of each financial year, the Board will assess Mr Delia's performance against the KPIs for that financial year for the purpose of determining what, if any, cash bonus Mr Delia will be entitled to receive under the MIP for that financial year. The amount of the MIP cash bonus that Mr Delia will be entitled to receive in respect of any financial year will not exceed 120% of his base salary for that financial year.

If Mr Delia achieves a cash bonus under the MIP in respect of a financial year, he will (subject to shareholder approval being obtained) be granted Share Rights under the EMIP for that financial year that relate to a number of ordinary shares equivalent in value to a nominated percentage of that MIP cash bonus as determined by the Board (**EMIP Percentage**). For each year since the introduction of the EMIP in 2008, the Board has determined that the EMIP Percentage would be set at 50% of any MIP cash bonus. No change to the EMIP Percentage is currently proposed. However, the Board retains discretion to change the EMIP Percentage up or down in future years, including the next three financial years, having regard to all relevant circumstances before each grant is made.

The number of Share Rights to be granted to Mr Delia in a financial year will be determined by:

- calculating the actual MIP cash bonus (in US dollars) that Mr Delia is entitled to receive for that financial year (based on his performance against that financial year's KPIs), then
- multiplying this US dollar amount by the EMIP Percentage (eg, 50%), then
- converting this amount to Australian dollars, using the average foreign exchange rate for the five trading days prior to the final day of that financial year, and then
- dividing the Australian dollar amount by the volume weighted average price of Amcor shares on ASX during the five trading days prior to the final day of that financial year.

If necessary, the number of Share Rights will be rounded down to the nearest whole number.

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## PRICE PAYABLE ON GRANT OR VESTING

No amount is payable on the grant of Share Rights under the EMIP.

In addition, no amount is payable on vesting of a Share Right. If the applicable vesting conditions are met, Mr Delia will be entitled to receive one fully paid ordinary share in the Company in respect of each vested Share Right (subject to adjustment in accordance with the EMIP rules in the case of any rights issue, bonus issue or other distribution of capital, reduction of capital or other capital reconstruction that occurs after the Share Right is granted).

Where Share Rights vest under the EMIP, the Company intends that Mr Delia's right to acquire a share in the Company in respect of each Share Right will be satisfied by the Company arranging to acquire existing shares on market on behalf of Mr Delia and transferring those shares to him. However, the Company may instead issue new ordinary shares in the Company to Mr Delia.

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## VESTING CONDITIONS

Once granted, the Share Rights may be subject to vesting conditions, which will be determined by the Board.

Historically, the vesting conditions imposed by the Board have been service conditions which require Mr Delia to remain an employee of the Amcor Group for two years from the date on which the Share Rights are granted (subject to earlier vesting in the event of death, permanent disablement, retirement, redundancy or change in control of Amcor).

The Board may also impose performance conditions, although it has not done so previously.

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<b>VESTING OF SHARE RIGHTS</b>	As mentioned above, no exercise price is payable in respect of Share Rights. Upon vesting of the Share Rights, Mr Delia will acquire fully paid ordinary shares in the Company and will receive full voting and dividend rights corresponding to the rights of all other holders of ordinary shares in the Company.
<b>TRADING RESTRICTIONS</b>	Trading in shares allocated to Mr Delia upon vesting of Share Rights will be subject to the Company's policies, including the Share Trading Policy.
<b>CESSATION OF EMPLOYMENT</b>	The termination of Mr Delia's employment will have different consequences in relation to unvested Share Rights, depending on the circumstances of the termination. In the event of redundancy, retirement, expiry (and non-renewal) of contract, death or permanent disablement, the Board may in its discretion determine to vest the Share Rights immediately. In any other case, the Share Rights will be forfeited immediately, subject to the discretion of the Board to determine a different treatment in each particular case.
<b>CHANGE OF CONTROL</b>	Where a change of control of the Company occurs, the treatment of the Share Rights will be subject to the discretion of the Board.
<b>OTHER REQUIRED INFORMATION – ASX LISTING RULES</b>	<p>In accordance with ASX Listing Rule 10.15A, the following information is provided:</p> <ul style="list-style-type: none"> <li>• Mr Delia is the only Director of the Company currently entitled to participate in the EMIP. No associate of any Director of the Company can participate in the EMIP.</li> <li>• There are no loans to be granted by the Company to Mr Delia in relation to the acquisition of the Share Rights.</li> <li>• In accordance with shareholder approval obtained at the 2013 AGM, Amcor's former Managing Director and Chief Executive Officer, Mr Ken MacKenzie, was granted 107,340 Share Rights under the EMIP on 30 September 2014 in respect of the financial year ended 30 June 2014. No Share Rights were granted for the period commencing 1 July 2014 and ending on his retirement on 17 April 2015, as Mr MacKenzie received a cash payment instead of a grant of Share Rights. In accordance with the terms of the grant as set out in the 2013 Notice of Annual General Meeting, no amount was paid in respect of the grant of the Share Rights to Mr MacKenzie in 2014.</li> <li>• Details of any Share Rights granted to Mr Delia under the EMIP and any shares in the Company acquired by Mr Delia following the vesting of any Share Rights will be published in each annual report of the Company relating to the period in which the Share Rights are issued and the shares acquired, and the annual report will state that approval for the issue of the Share Rights was obtained under ASX Listing Rule 10.14.</li> <li>• Any additional persons referred to in ASX Listing Rule 10.14 who become entitled to participate in the EMIP after the resolution proposed in Item 3 is approved and who are not named in this Notice of Annual General Meeting will not participate in the EMIP until approval has been obtained under ASX Listing Rule 10.14.</li> <li>• For any Share Rights that are granted to Mr Delia, the Company intends to acquire existing shares on market on behalf of Mr Delia and transfer those shares to him. However, the Company may instead issue new ordinary shares in the Company to Mr Delia. Ordinarily, an issue of new shares would be subject to certain limitations under ASX Listing Rule 7.1, unless it is approved by shareholders. If approval is given by shareholders under ASX Listing Rule 10.14 in accordance with this item 4, approval will not be required under ASX Listing Rule 7.1.</li> </ul>

# Explanatory Notes (continued)

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## ILLUSTRATIVE EXAMPLE

By way of illustration only, set out below is an example of the calculation of the number of Share Rights that may be granted to Mr Delia under the EMIP in a financial year, based on the following assumptions:

- Mr Delia's base salary for the financial year is US\$1,400,000.
- Based on Mr Delia's performance against his KPIs for that financial year, the Board determines that the amount of the MIP cash bonus to be 80% of Mr Delia's base salary.
- The Australian dollar to US dollar average exchange rate for the five trading days prior to the final day of that financial year is US\$0.75.
- The volume weighted average price of Amcor shares on ASX during the five trading days prior to the final day of that financial year is A\$14.00.
- The EMIP Percentage is set at 50%.

Based upon these assumptions, the number of Share Rights to be granted to Mr Delia would be calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{Share Rights} \end{array} = \frac{(\text{US\$1,400,000} \times 0.8) / 0.75 \times 0.5}{\text{A\$14.00}} = 53,333$$

Therefore, based upon these assumptions, Mr Delia would be granted 53,333 Share Rights (rounded down to the nearest whole Share Right) for that financial year.

Shareholders should note that the above calculation is an example only, and does not commit the Board to adopt any of the figures referred to above. In particular, shareholders should note that:

- Mr Delia's base salary;
- Mr Delia's MIP cash bonus;
- the relevant Australian dollar to US dollar average exchange rate;
- the EMIP Percentage; and
- the relevant volume weighted average price of Amcor shares,

for each financial year will directly impact the number of Share Rights that may be granted to Mr Delia in that financial year. For example, if:

- Mr Delia's base salary increased to US\$1,600,000 but all the other assumptions above remained the same – Mr Delia would be granted 60,952 Share Rights (rounded down to the nearest whole Share Right) for that financial year; or
- the Board determines that the amount of the MIP cash bonus to be 120% of Mr Delia's base salary but all the other assumptions above remained the same – Mr Delia would be granted 80,000 Share Rights for that financial year; or
- the volume weighted average price of Amcor shares on ASX during the five trading days prior to the final day of that financial year is A\$13.00 but all the other assumptions above remained the same – Mr Delia would be granted 57,435 Share Rights (rounded down to the nearest whole Share Right) for that financial year.

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**The Directors (other than Mr Delia) unanimously recommend that shareholders vote in favour of resolution 4. Mr Delia makes no recommendation.**

## **ITEM 5**

### **ADOPTION OF REMUNERATION REPORT**

The vote on Item 5 relates to Company's remuneration policy and outcomes for the 2015 financial year. The Remuneration Report is set out in the Directors' Report section of the 2015 Annual Report and is also available on Amcor's website at [www.amcor.com](http://www.amcor.com).

The Remuneration Report sets out in detail the Company's policy for determining remuneration for Directors and Senior Executives. It includes information on the elements of remuneration that are performance based, the performance conditions that apply and the methodology used to assess satisfaction of those performance conditions.

The vote on resolution 5 is advisory only, and does not bind the Directors or the Company. However, a reasonable opportunity for discussion of the Remuneration Report will be provided at the meeting.

**The Directors unanimously recommend that shareholders vote in favour of resolution 5.**

