

# Charter

## Board of Directors

This charter sets out the objectives, authority, responsibilities, composition and operation of the Board of Woolworths Group Limited (Woolworths or the Group), the authority delegated to Board Committees and the Board's relationship with management.

### Objective and Role

The Board is guided by the Group's purpose to *create better experiences together, for a better tomorrow*, and by the Group's values and ways of working.

The Board's role is to govern and act in the best interests of the Group as a whole, to represent and serve the interests of shareholders by overseeing and appraising the Group's strategies, policies and performance, and to challenge and hold management accountable, where appropriate.

The Board's principal objective is to maintain and increase long term shareholder value through the enhancement of stakeholder value.

The Board Charter and the charters adopted by the Board for its Committees have been prepared and adopted on the basis that strong corporate governance adds to the performance of the Group, creates shareholder value and engenders the confidence of investors.

### Authority

The shareholders have elected the directors and, through the Constitution, have authorised them to oversee the management of the business of the Group and to exercise the powers conferred under the Constitution and this charter.

Other than the rights and powers which cannot be delegated, the Board may delegate its powers as it considers appropriate.

### Responsibilities of the Board

The Board is accountable to shareholders for the Group's performance. The Board has the following duties and responsibilities:

#### Strategy and oversight

- Approve the Group's purpose, values and ways of working, review the strategic direction of the Group, and approve corporate strategic and business plans and budgets
- Approve the Risk Appetite Statement, oversee the identification of material financial and non-financial risks, approve the risk management framework and systems, and monitor the efficiency and effectiveness of those systems
- Oversee the Group's commitment to ESG matters, the ESG impact of the Group's activities and operations, and monitor compliance with the Group's responsibilities and practices
- Review and approve the Group's approach to key safety, health and wellbeing issues
- Review and approve major capital initiatives and expenditure, investments, acquisitions and divestitures, and monitor capital management
- Oversee and monitor the Group's financial performance, operations and management
- Review and approve dividends, the issue of equity or equity-like instruments, and raising debt

#### Leadership, Performance, Remuneration and Succession Planning

- Appoint and evaluate the performance the Chair of the Board (in the absence of the Chair)
- Review and approve the appointment, performance and termination of the CEO
- On recommendation of the People Committee, review and approve the remuneration of the CEO
- On recommendation from the CEO, review and approve the appointment, remuneration, performance and termination of Group Executive Direct Reports and the Company Secretary

- Determine the size and composition of the Board, and evaluate the performance of the Board on at least an annual basis
- Plan for Board, CEO and executive succession and remuneration, and non-executive director remuneration within shareholder approved limits

#### **Governance**

- Review the Group's key corporate governance policies, and monitor the effectiveness of the Group's governance systems and practices
- Monitor the conduct of the Group's relationship with key regulators to ensure the Group's obligations are being met
- Together with the Audit & Finance Committee, review the selection, appointment, re-appointment or replacement of the external auditor and recommend the appointment of the external auditor to shareholders

#### **Reporting and Disclosure**

- Oversee the Group's processes for continuous and periodic disclosure and communication with external stakeholders
- Review and approve financial and other reporting including the Group's half-yearly and annual financial statements and ESG reporting
- Together with the Audit & Finance Committee, review and monitor management processes to ensure the integrity of financial and other reporting

#### **Other Matters**

- Perform such other functions as are prescribed by law or are assigned to the Board.

The Board may establish policies and practices to ensure that the Board fulfils its functions and that it remains an effective oversight and decision-making body.

### **Chair**

The Board will appoint one of its members to be Chair. It is intended that the Chair should be an independent non-executive director. The Chair represents the Board to the shareholders and communicates the Board's position.

The role of the Chair is to provide leadership to the Board, including encouraging a culture of openness; facilitating constructive discussion and debate during Board meetings; and fostering a high performing and collegial team of directors who operate effectively.

The Chair is responsible for:

- promoting constructive and respectful relationships and communications between the Board and management, through the CEO
- managing the efficient organisation and conduct of the Board's function and meetings
- overseeing regular and effective evaluations of the Board's performance, assessing the development requirements of the non-executive directors and agreeing and reviewing development plans for each non-executive director
- exercising such specific and express powers as delegated to the Chair by the Board from time to time.

The Chair must commit to having sufficient time to discharge the role effectively.

### **Company Secretary**

The Board will appoint at least one Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on corporate governance matters and all matters to do with the proper functioning of the Board. All directors will have direct access to the Company Secretary and vice versa.

The Company Secretary is responsible for:

- advising the Board and its Committees on governance matters
- acting as the representative of the Group with ASIC and securities exchanges
- coordination of all Board business, including agendas, board papers, minutes
- director induction and continuing education
- providing access to information in appropriate form, currency and quality, including procedures to cover additional requests of management
- providing access to independent professional advice, where requested
- maintaining the statutory records of the Group.

### **Delegation to Committees**

The Board has established Committees to assist the Board to discharge its responsibilities and to support the Board in matters that require greater review and attention. There are five Committees:

- Audit & Finance Committee
- Risk Committee
- People Committee
- Sustainability Committee
- Nomination Committee.

It is intended that each non-executive director will be appointed to at least one of these Committees.

The Board has delegated certain matters to each Committee, retaining the right to approve where required. The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.

Each Committee adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of the Committee.

## Structure and Operations

### Board composition and size

The size and composition of the Board is determined by the Board, subject to any limits contained in the Constitution.

It is intended that the Board should comprise a majority of independent non-executive directors who, with any executive directors, have an appropriate mix of expertise, skills, experience and perspectives, from a diverse range of backgrounds, including gender, to provide the necessary breadth and depth of knowledge and experience to meet the Board's responsibilities and objectives.

### Independence

The Board regularly reviews the independence of each non-executive director in light of information relevant to this assessment as disclosed by each non-executive director to the Board.

The Board will consider directors as being independent only where they are independent of management and free of any interest, position, association or business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment and their capacity to act in the best interests of the Group.

In addition, in assessing directors' independence, the Board will consider whether directors have during the previous three years, been independent of management and free of any interest, position, association or business or other relationship of a type described above.

### Induction & continuous professional education

New directors are required to undertake induction training, tailored to their existing skills, knowledge and experience, on the Group's strategy, structure, operations, culture and material risks. Directors are required to undertake periodic continuing professional education to deal with new and emerging business and governance issues, and to have access to continuing education, training or development programs arranged for them by the Group.

### Conduct and Disclosure of Interests

Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour. Directors will carry out their duties in accordance with the law and the Group's corporate governance framework and policies, including without limitation the Group's Code of Conduct and Securities Dealing Policy.

A director must disclose to the Board:

- any material personal interest that the director, or any associates of the director, may have in a matter that relates to the affairs of the Group and
- any other interest or relationship that may affect the director's independence.

Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Group's interests.

### Performance evaluation

The Board, through the Nomination Committee, will review the performance of directors retiring by rotation and seeking re-election under the Constitution each year, the results of which will form the basis of the Board's recommendation to shareholders at the Annual General Meeting (AGM).

Annually, the Board will conduct externally facilitated performance evaluations of the Board as a whole, Committees and individual directors.

### Election, Re-election and term of service

No non-executive director may hold office without re-election past the third AGM following their last election or re-election, or three years, whichever is longer.

Prior to each AGM, the Board, through the Nomination Committee, will determine whether it will recommend to shareholders that they vote in favour of each non-executive director standing for election or re-election, having regard to any matters the Board considers relevant, including the director's annual performance assessment and the length of the director's term of service.

The Board intends that each non-executive director may serve a maximum of three successive three-year terms, so as to facilitate Board renewal. Where necessary for the orderly management of retirement of non-executive directors in accordance with its policy, the Board, through the Nomination Committee, may determine that the maximum term of service for a particular non-executive director should be extended or shortened. In circumstances where a current non-executive director is appointed as Chair, the Board may extend the maximum term of service. Any such determination of the Board will be reflected in its recommendation to shareholders in relation to the re-election of that director at the relevant AGM.

New directors are provided with letters of engagement setting out the key terms and conditions of their appointment.

## **Meetings**

The Constitution governs the regulation of Board and Committee meetings and proceedings, including the procedure for passing circular resolutions outside of meetings.

The Board will meet regularly and directors will allocate sufficient time to perform their duties effectively. Directors will discuss, debate, challenge and critique key strategic and relevant issues at Board meetings. Periodically, non-executive directors will meet without any executive director or management present.

Directors may attend meetings in person or via agreed forms of technology. Directors will use all reasonable endeavours to attend nominated meetings in person to facilitate collegiality.

In addition to attending formal Board and Committee meetings, the directors will undertake other duties including attending strategic review sessions, research and retail market studies.

Management and external advisers may be invited by the Chair to attend part or all of any meeting. The Board may ask management to present at meetings on issues relevant to the Board's duties and responsibilities.

Papers, reports and minutes of each Board and Committee meeting will be circulated to all directors.

## **Access**

The Board will have unrestricted access to the Group's senior management and company records as required.

In carrying out their duties and responsibilities, directors have access to advice and counsel from the Chair, the Company Secretary, and the Chief Legal Officer, and are able to seek independent professional advice at the Group's expense, after consultation with the Chair.

## **Review**

The Board will conduct a review of this charter as required, and at least annually. The Charter is available on the Group's website.

Date approved:	23 September 2021
Accountable:	Company Secretary
Contact:	Company Secretary