

# WOOLWORTHS LIMITED

26 February 2016

## Brad Banducci appointed as Woolworths CEO

Woolworths Limited (Woolworths) today advises that Brad Banducci has been appointed as Chief Executive Officer and Managing Director, effective immediately.

Mr Banducci is currently Managing Director of Woolworths Food Group and will continue to act in that role pending a new appointment.

Chairman Gordon Cairns said: "When I became Chairman of Woolworths, I said that one of the Board's top priorities was settling the leadership of the company. Today I am delighted to announce that the Board has appointed Brad Banducci as CEO.

"We undertook a rigorous international search process to find the best person to rebuild the Woolworths business and return it to sustainable growth. While there were several strong candidates, the Board was unanimous that Brad was the strongest of the field.

"Brad has had 25 years in retail, including 15 years consulting to some of the world's leading retailers, as well as private equity experience in retail. He has had five years with Woolworths, including his role in leading the growth of Woolworths Liquor Group. During this time he was instrumental in the development of Dan Murphy's, one of Australia's great retailers.

"This makes him uniquely positioned for this role. He clearly understands the Australian market, has a total commitment to our customers, and a great track record of growing valuable businesses and developing his people.

Mr Banducci said: "I am honoured to be appointed as the Chief Executive Officer of Woolworths Limited to lead our 200,000-strong team into the next chapter.

"I am a true believer in the potential of Woolworths and I am excited about our future. We are at our best when we are innovative and focussed on the customer and winning their trust.

"I am an entrepreneur at heart, and a retailer by discipline, and I want us to take our company back to its best levels of performance. My goal as CEO will be to recapture the spirit of innovation and customer focus right across the business, and to grow a culture where our people once again feel a strong ownership of the business."

Brad Banducci is the Managing Director, Woolworths Food Group, a role he was appointed to on 26 February 2015.

Prior to this, Brad was Managing Director of Woolworths Liquor Group and Director of Liquor, commencing in 2012.

Brad joined Woolworths in 2011 after the acquisition of the Cellarmasters Group, a wine direct retail and production company. Brad was Chief Executive Officer of Cellarmasters from 2007 to 2011.

Prior to this, Brad was the Chief Financial Officer and Director and later a Non-Executive Director at Tyro Payments.

Brad was a Director with The Boston Consulting Group and a core member of their retail practice for 15 years. He worked on a number of acquisition and improvement programs with many of the world's leading retailers.

Announcement

Brad has a Master of Business Administration from the Australian Graduate School of Management and received Bachelor of Law and Bachelor of Commerce degrees from the University of KwaZulu-Natal.

A South African by birth, Brad moved to Australia in 1988. Brad has retail in his blood. Growing up, he worked in his mother's clothing business and his father's sewing business every weekend during his school years.

Brad's passion outside of work is wine making and he owns an interest in a winery in Central Otago in New Zealand. He is married with two children.

Mr Banducci will remain Managing Director of Woolworths Food Group in the short term.

Gordon Cairns also announced that former Woolworths CEO Grant O'Brien would leave the business today.

The retirement of Mr O'Brien was announced on 17 June 2015. Under the Transition and Separation Deed agreed at that time, Woolworths agreed with Mr O'Brien that he would cease as CEO and Managing Director from a date advised to him by the Chairman.

Mr O'Brien will cease to be an employee on 1 August 2016 but will no longer exercise the responsibilities and powers of the CEO position with effect from today.

Woolworths Chairman, Gordon Cairns, said: "After 29 years with Woolworths, including as CEO since October 2011, the Board thanks Grant for his service and wishes him the best for the future."

**Woolworths Limited Media Relations: ph 02 8885 1033**

## Summary of the Key Terms of the Executive Service Agreement between Woolworths Limited and Brad Banducci

### 1. Commencement Date

Brad Banducci will commence employment in the position of Managing Director and CEO of Woolworths Limited on 26 February 2016.

Mr Banducci's appointment is ongoing with no fixed term.

### 2. Remuneration

#### *Fixed Remuneration*

Mr Banducci will receive an annual total fixed remuneration of \$2,500,000 (inclusive of salary, superannuation and car allowance).

#### *Short-Term Incentive*

Mr Banducci will be eligible for an annual short-term incentive (**STI**) with an on-target value of 100% of his total fixed remuneration (and a maximum annualised value of up to 125%), subject to achievement of key performance indicators determined by the Board.

50% of the STI will be paid in cash and, subject to shareholder approval, the remaining 50% of the STI will be delivered in deferred share rights (subject to the terms of the Woolworths Long Term Incentive Plan (**LTIP**)). Subject to certain conditions (e.g. that Mr Banducci has not become a 'bad leaver'), these deferred share rights will vest and be issued on the second anniversary of the award.

#### *Long-Term Incentive*

Subject to shareholder approval, Mr Banducci will be awarded an annual long term incentive under Woolworths' LTIP with a fair value equivalent to 200% of his total fixed remuneration. The awards will be subject to applicable vesting conditions determined by the Board. Full details will be provided in the relevant notice of general meeting.

### 3. Termination

Either party may terminate Mr Banducci's employment at any time on 12 months' notice (or by Woolworths making a payment in lieu of notice). Mr Banducci's employment may also be terminated immediately without notice for defined causes.

### 4. Restrictive Covenant

Mr Banducci will be subject to a post employment restraint for 12 months (less any time spent on garden leave) preventing him from being employed by a competitor (or involved in a competitor's business) and from (among other things) soliciting customers, suppliers, manufacturers, processors or employees.