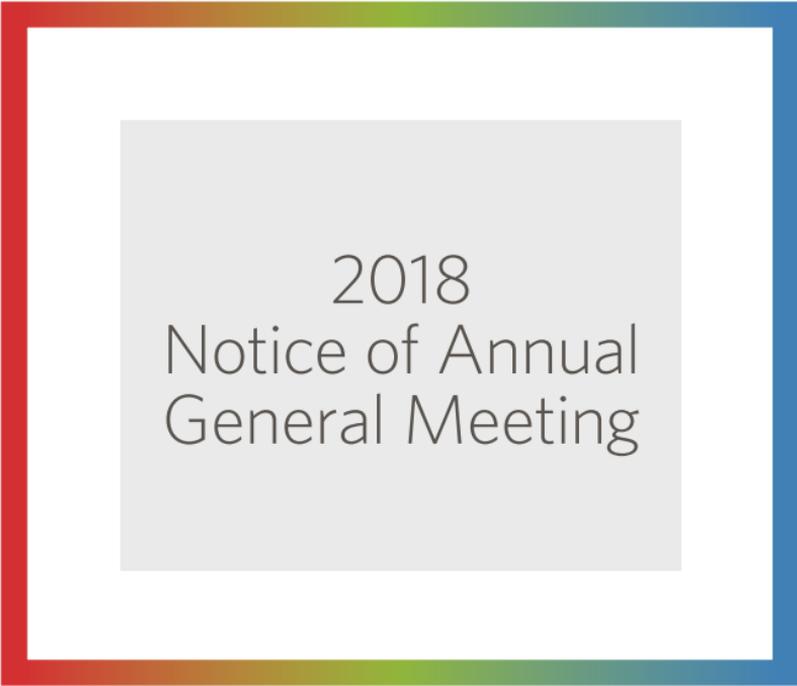


WOOLWORTHS GROUP

A large square frame with a multi-colored border (red, orange, green, blue) surrounding a central grey square.

2018
Notice of Annual
General Meeting

Location and venue

The AGM will be held at the International Convention Centre Sydney, 14 Darling Drive, Sydney, NSW. The location is shown on the map opposite. Signage at the venue will direct you to the Pymont Theatre.

The ICC Sydney can be reached by any of the following transport options:

By train

The closest train stations are Town Hall and Central stations, both a 10 minute walk from ICC Sydney.

By bus

The closest bus stops are located in Harris Street, either near Allen Street or Quarry Street.

By ferry

Direct ferry services operate to Darling Harbour from Circular Quay, King Street Wharf and Pymont Bay Wharf.

By light rail

The closest light rail stops are Convention Centre and Exhibition Centre.

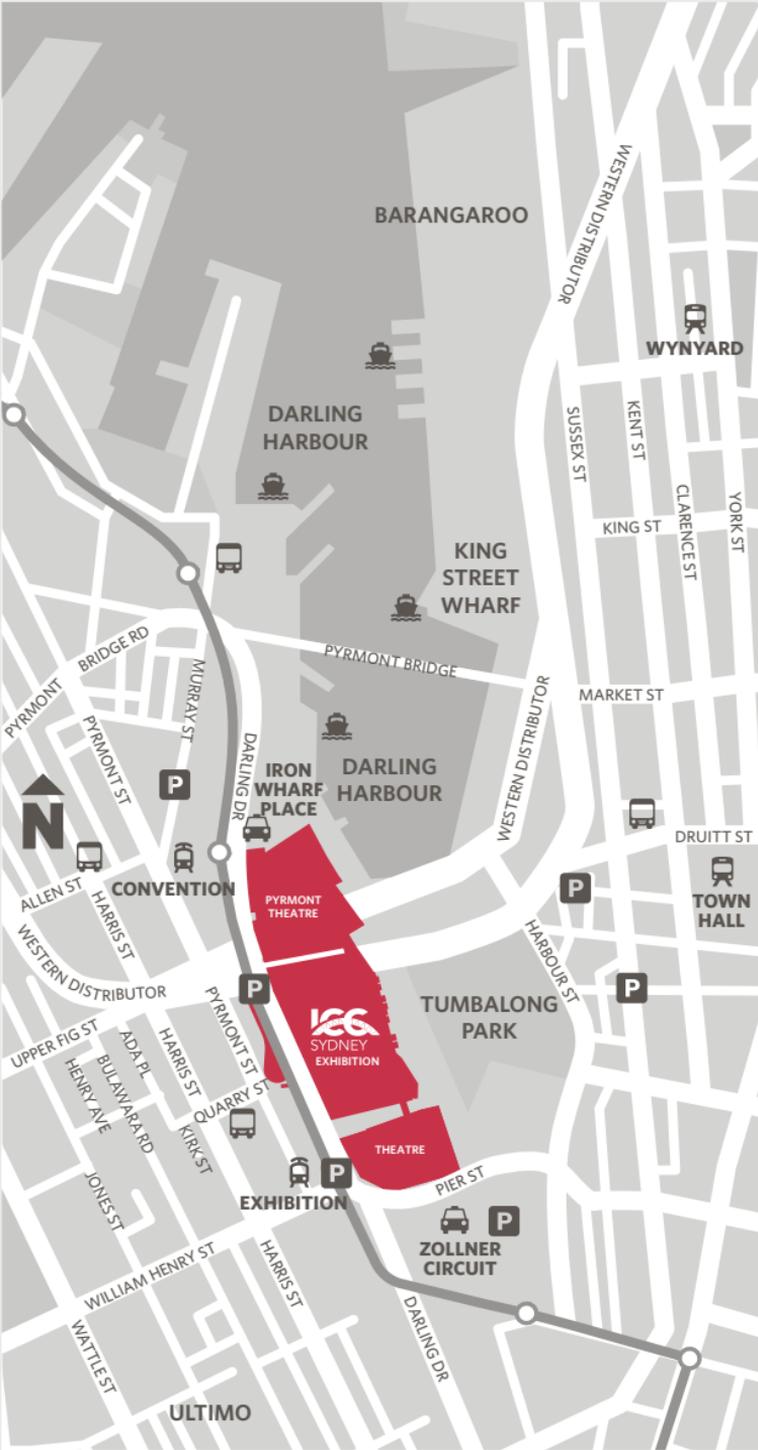
By taxi

Taxi drop off and pick up locations include Wharf Place next to the Harbourside Shopping Centre and Zolher Circuit at the southern end of ICC Sydney Theatre. Both are accessible via Darling Drive.

Walking

The Pymont Theatre is located on Level 2 and is accessible from the ground level by lift, escalators or stairs.

More information can also be found online at www.iccsydney.com.au/visit-icc-sydney



Agenda

Woolworths Group Limited (Woolworths or the Company) will hold its Annual General Meeting (AGM) at 10.00am (AEDT) on Wednesday, 21 November 2018 at the International Convention Centre Sydney in the Pyrmont Theatre, 14 Darling Drive, Sydney, NSW, to transact the business set out in this Notice.

Items of business

1. Receive financial and other reports

To receive the financial statements, Directors' Report and Auditor's Report for the financial year ended 24 June 2018.

Note: No resolution is required for this item of business.

2. Election of directors

- (a) To re-elect Mr Gordon Cairns as a director
- (b) To re-elect Mr Michael Ullmer as a director.

Note: Each resolution will be voted on separately.

3. Adopt Remuneration Report

To adopt the Remuneration Report for the financial year ended 24 June 2018.

Note: This resolution is advisory only and does not bind the Company. The directors will consider the outcome of the vote and feedback from shareholders at the meeting when considering the Company's remuneration policies.

4. Approve Managing Director and CEO FY19 LTI grant

To approve the grant of performance share rights to the Managing Director and Chief Executive Officer under the Woolworths Incentive Share Plan.

5. Approve Non-executive Directors' Equity Plan

To approve the grants of NED Rights to Non-executive Directors under the Non-executive Director Equity Plan for the next three years.

6. Requisitioned resolutions sponsored by the Australasian Centre for Corporate Responsibility and L.U.C.R.F. Pty Ltd

The following resolutions are **NOT SUPPORTED** by the Board:

- (a) Amend the Company's constitution

To amend the constitution to insert a new clause 9.28:

Member resolutions at general meeting

The Members in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the Company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material relevance to the Company or the Company's

business and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors of the Company.

Note: This resolution is a special resolution and requires approval by 75% of votes cast.

(b) Contingent resolution – human rights reporting

In order to effectively protect workers in our company's domestic fresh food supply chains from human rights and labour abuses, and to protect our company's interests, shareholders recommend that our company:

1. Reach agreement with the National Union of Workers to introduce a Pre-Qualification Program that will improve Labour Hire providers' compliance with labour and human rights standards, as per the commitment made by our company on 22 November 2017, which is yet to be given formal effect.
2. Ensure trade union involvement in worker rights' education activities and grievance resolution procedures, to promote compliance by ensuring workers understand and can exercise their rights, and are protected and supported to raise concerns.
3. Provide ongoing disclosure to shareholders, commencing with the company's 2019 Sustainability Report, about the company's domestic fresh food supply chain, including reporting on:
 - a. The implementation and impact of the Labour Hire Pre-Qualification Program;
 - b. The nature and outcome of enforcement and remediation activities undertaken by the company, and the impact on supply chain workers' wages and working conditions;
 - c. How the company is collaborating with stakeholders, including trade unions, to improve compliance and best practice;
 - d. The barriers to sustainable compliance with human and labour rights standards, and the mechanisms the company has identified and implemented to address them.

Note: This resolution will only be put to the meeting if Resolution 6(a) is passed as a special resolution.



R J E Dammary
Company Secretary and Chief Legal Officer
8 October 2018

Voting information

Key Dates

Eligibility to vote

You may attend and vote at the AGM if you are a Woolworths shareholder at 7.00pm (AEDT) on 19 November 2018.

Any person registered as a Woolworths shareholder at that time is entitled to attend and vote at the AGM in respect of those shares, subject to the other provisions of this Notice.

Last date to submit proxy form

10.00am (AEDT) on 19 November 2018.

Proxy forms received after this time will be invalid.

How to Vote

Appointing a proxy

You can appoint a proxy using the proxy form accompanying this Notice. You can also request a form from the Company's share registrar.

You can appoint a proxy online at www.linkmarketservices.com.au. Please read the instructions for the online proxy facility carefully.

A proxy does not need to be a shareholder. They may be an individual or a company. A company that is a proxy must appoint an individual to exercise its powers at the AGM.

You may appoint up to two proxies. If you do so, you should specify the proportion or number of votes for each proxy. If not specified, each proxy will exercise half of the votes.

You are encouraged to direct your proxies how to vote. You can do this by marking the appropriate box on the proxy form or online.

If your proxy does not attend the AGM (or attends, but does not vote), then the Chairman of the AGM is appointed as your proxy.

Appointing an attorney

You can appoint an attorney to attend and vote at the AGM on your behalf.

The power of attorney appointing the attorney must be duly signed and specify the shareholder's name, the Company and the attorney, as well as the meetings at which the appointment may be used. The appointment may be a standing one.

Appointing a corporate representative

You can appoint a body corporate representative to attend and vote at the AGM on your behalf if you are a shareholder or proxy that is a body corporate.

Evidence of signing authority

Evidence of the appointment of a corporate representative must be in accordance with Section 250D of the Corporations Act and be lodged with the Company before the AGM or at the registration desk on the day of the AGM.

If a proxy appointment or appointment of a corporate representative is signed on behalf of an individual or a body corporate under power of attorney or other authority, the original or a copy (that has been certified as a true copy by statutory declaration) of that power of attorney or other authority must accompany the instrument, unless the power of attorney or other authority has previously been noted by the Company's share registrar.

Lodging your proxy form or attorney appointment

Online

www.
linkmarketservices.
com.au
Login using the holding
details shown on the
proxy form

By mobile device

Scan the QR code on
the proxy form

By facsimile

+61 2 9287 0309

By mail

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

By hand

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
(Monday to Friday,
9.00am–5.00pm)

Voting exclusions

The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons, on certain resolutions to be considered at the AGM.

These voting exclusions apply to Resolutions 3, 4 and 5, and are described more fully in the Explanatory Notes for each resolution.

Explanatory Notes

1. Receive financial and other reports

The Corporations Act requires the Financial Report, Directors' Report and Auditor's Report of the Company and the consolidated entity for the period ended 24 June 2018 to be laid before the AGM.

Shareholders will be able to ask questions.

There is no requirement for a formal resolution on this item.

Accordingly, there will be no formal resolution put to the AGM.

2. Election of directors

Background

Mr Cairns and Mr Ullmer both retire by rotation at this AGM and offer themselves for re-election.

The Board considers each of Mr Cairns and Mr Ullmer to be independent.

The Board's diverse range of skills, experience and backgrounds supports the effective governance and robust decision-making of Woolworths.

The Nomination Committee reviews the skills and experience of individual directors and the Board as whole. An assessment of the optimum mix of these skills and experience takes place regularly, taking into account the strategic positioning of the Company. A summary of the collective skills and experience of the current directors, assessed against those identified in the Board skills matrix, is set out on page 33 of the 2018 Annual Report.

Each director undergoes an annual performance evaluation.

These are facilitated by an external advisor and include feedback from other directors and senior management. The Board expects superior performance from each director.

The Nomination Committee, excluding each candidate in respect of their candidacy, assessed the candidates for re-election.

The assessment took into account the outcomes of their external performance assessment, the skills, experience, personal qualities and attributes of each candidate, their other commitments, potential conflicts and independence status, as well as the diversity of the overall Board.

Candidate details

Details of each of the candidates for re-election are set out on the opposite page:

2(a) Re-election of Mr Gordon Cairns

MA (Hons)

Independent Chairman



Mr Cairns was appointed Chairman and to the Board in September 2015. He is Chair of the Nomination Committee and a member of the Audit, Risk Management & Compliance, People Performance and Sustainability Committees.

Mr Cairns has extensive Australian and international experience as a Chairman, director and senior executive. He has over 30 years of food and retail experience, including his time as Chief Executive Officer of Lion Nathan, and as a senior manager in marketing, operations and finance roles with PepsiCo, Cadbury and Nestle.

Mr Cairns is Chairman of Origin Energy (Chairman since October 2013, director since 2007) and a director of Macquarie Group and Macquarie Bank (since November 2014).

2(b) Re-election of Mr Michael Ullmer

BSc (Maths) (Hons), FCA, SF Fin

Independent non-executive director



Mr Ullmer was appointed to the Board in January 2012. He is Chair of the Audit, Risk Management & Compliance Committee and a member of the Nomination and Sustainability Committees.

Mr Ullmer has extensive experience in the accounting and banking sectors. He was Deputy Group Chief Executive at National Australia Bank (NAB) from October 2007 until he stepped down from the Bank in August 2011. He joined NAB in 2004 as Finance Director. Prior to NAB, Mr Ullmer was Chief Financial Officer and then Group Executive for Institutional and Business Banking at Commonwealth Bank of Australia. Before that he was a Partner at Accounting Firms KPMG (1982 to 1992) and Coopers & Lybrand (1992 to 1997).

Mr Ullmer is a director of Lendlease (since December 2011) and was announced as Chairman-elect (from November 2018).

BOARD RECOMMENDATION

The directors (other than each candidate in respect of their candidacy) recommend that shareholders vote **FOR** the re-election of Mr Cairns and Mr Ullmer.

3. Adopt Remuneration Report

The Company's Remuneration Report for the financial year ended 24 June 2018 is set out on pages 40 to 59 of the FY18 Annual Report. The Annual Report is available on Woolworths' website at www.woolworthsgroup.com.au

What is the Company's remuneration framework?

The Remuneration Report includes an explanation of the Company's remuneration framework and the remuneration arrangements in place for the directors, the Managing Director and CEO, and other Key Management Personnel (KMP).

Last year's Remuneration Report described the remuneration framework introduced in FY17 and outlined the minor improvements implemented in FY18 to sharpen focus on achievement of the Company's strategic objectives.

A full review of the remuneration framework was undertaken during FY18. As a result, from FY19 we are rebalancing our mix of long-term and short term incentives, by reducing our maximum long-term incentive opportunity, and increasing our maximum short-term incentive opportunity for our executive KMP; and increasing the minimum shareholding requirements of our Chairman, CEO, and other executive KMP. Full details of the changes are outlined in the Remuneration Report on pages 48 to 50.

What is the CEO's Remuneration?

Mr Banducci's remuneration comprises:

- Total fixed remuneration
- Short-term incentive (STI) (50% is paid as cash and 50% is deferred into share rights for two years)
- Long-term incentive (LTI).

The Remuneration Report sets out on pages 42 to 44 a detailed summary of the Board's assessment of the Company's performance compared to FY18 STI Plan Entry, Target and Stretch and the Company's actual performance metrics for each component of the STI Plan - Sales, EBIT, Working Capital, overall Customer Satisfaction and Customer and Team Safety. The Board has assessed the performance of Mr Banducci and the Company across each of these components, and determined that the FY18 STI award for Mr Banducci should be \$2,736,000, based on business and individual performance. 50% of this award will be deferred into share rights for two years (Deferred STI).

Mr Banducci's service agreement provides that the grant of share rights under the LTI are subject to shareholder approval. The Board is seeking shareholder approval for the grant of LTI to Mr Banducci. Full details are set out in Resolution 4.

Shareholder approval is not sought for the grant of Deferred STI to Mr Banducci on the basis that these share rights represent payment for past performance, the underlying shares will be bought on-market, and the Deferred STI remains subject to the Company's clawback policies.

Further details of Mr Banducci's remuneration package are set out in the FY18 Remuneration Report (pages 43, 45, 48 and 50 of the Annual Report).

This resolution is advisory only. The Board will take the outcome of the vote and shareholder feedback into consideration when reviewing the remuneration framework for future years.

BOARD RECOMMENDATION

The directors recommend shareholders vote **FOR** Resolution 3.

Voting exclusions

The Company will disregard any votes cast in favour of this resolution:

- By or on behalf of a member of KMP whose remuneration is disclosed in the Remuneration Report or a Closely Related Party of such a person (any spouse, dependent or company they control), or
- By a member of KMP or any of their Closely Related Parties as a proxy,

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

- In accordance with a direction as to how to vote on the proxy form, or
- By the Chairman of the meeting following express authorisation on the proxy form to vote as he sees fit.

4.

Approve Managing Director and CEO FY19 LTI grant

The CEO's FY19 LTI grant is subject to Woolworths meeting performance conditions that have been determined by the Board and that are designed to align the Company and the CEO's interests with those of shareholders. Details of the performance conditions are on pages 13 and 14 of this Notice.

Why is shareholder approval being sought?

ASX Listing Rule 10.14 requires shareholder approval for the acquisition of securities by a director under an employee incentive scheme.

Explanatory notes (continued)

Approval is sought to grant Mr Banducci performance share rights under the Woolworths Incentive Share Plan (LTI Plan), the new name of the Company's long-term incentive equity plan.

Shareholder approval under Listing Rule 10.14 would not be required if the shares to be allocated on vesting of the performance share rights were purchased on-market (as opposed to being issued). While it is not currently intended that shares will be issued to satisfy any award under the LTI Plan, shareholder approval is nonetheless being sought to preserve flexibility in case for any reason it is considered in Woolworths' best interests to issue shares rather than source them on-market.

If shareholder approval is not obtained, then, subject to the achievement of the performance and service conditions described in this Notice, Mr Banducci would receive either shares (purchased on-market) or a cash payment at the end of the performance period, in each case equivalent in value to the LTI he would have received had shareholder approval been obtained.

What is the CEO's proposed FY19 LTI grant?

The proposed FY19 grant to Mr Banducci is 140,194 performance share rights. This is the maximum number of performance share rights that will be granted to Mr Banducci, and represents the LTI component of his FY19 remuneration package.

This maximum number of performance share rights has been calculated based on 170% of Mr Banducci's total fixed remuneration as at 1 July 2018, which was \$2,500,000.

The actual value (if any) that Mr Banducci will receive from this grant cannot be determined until the end of the three-year performance period, and will depend on the extent to which the performance conditions are achieved, and the Company's share price at the time of vesting.

The grant value was set by the Board having regard to Mr Banducci's overall remuneration package, the nature of his position, the purpose of the LTI component in Woolworths' remuneration strategy, and independent advice received regarding current market practice.

How was the number of performance share rights calculated?

The formula used to calculate the total number of performance share rights to be granted to Mr Banducci is:

$$\text{Number of performance share rights} = \frac{170\% \times \$2,500,000}{\text{VWAP of Woolworths shares } \$30.3151^1}$$

1 VWAP is the volume weighted average price of Woolworths Group Limited shares traded in the five days up to and including the effective date of grant (1 July 2018).

What are the key terms of the CEO's proposed FY19 LTI grant?

A summary of the key terms of the LTI Plan and the offer to Mr Banducci follows.

Entitlements

Each performance share right is a right to acquire one share in Woolworths, subject to the achievement of the performance conditions set out below.

Performance share rights are granted at no cost to the participant. They are non-transferable, except with the express approval of the Board or its delegate or by force of law on death or legal incapacity. They do not carry any dividend or voting rights prior to vesting.

Grant date

If shareholder approval is obtained, the performance share rights will be granted to Mr Banducci as soon as practicable after the 2018 AGM, but in any event, within 12 months of the 2018 AGM, and will have an effective grant date of 1 July 2018. This is consistent with the effective grant date for the other team members participating in the LTI Plan.

Performance measures

The performance share rights are subject to three equally weighted independent performance measures that will be tested separately:

- 1. Relative total shareholder return (Relative TSR):** Measured by taking into account the change in the Woolworths share price over the relevant performance period as well as the dividends received (and assumed to be reinvested into Woolworths shares). The comparator group is the ASX30 excluding metals and mining companies. This condition was chosen as it provides alignment with shareholder value creation.
- 2. Sales per trading square metre (Food Group and Endeavour Drinks Group):** Measured by dividing annual reported turnover by the average market reported trading square metres at the end of the performance period. This condition was chosen because a key driver of a successful transformation is the ability to drive sales on trading space.
- 3. Return on funds employed (ROFE):** Measured by dividing Woolworths' earnings before interest and tax (EBIT) by average funds employed (lease adjusted). This condition was chosen because a key driver of a successful transformation is the ability to achieve a higher return on capital.

Explanatory notes (continued)

Performance targets

Relative TSR (33.34%)

This measure requires minimum performance at or above the 50th percentile of the comparator group over the performance period before vesting commences. Stretch performance is reached at the 75th percentile of the comparator group.

Sales per trading square metre (33.33%) and ROFE (33.33%)

The targets are based on the Company's strategic plan and reflective of the Company's continued growth objectives and market conditions.

The actual targets cannot be disclosed, as they are commercially sensitive. The targets and performance outcomes against the targets will be published following the end of the performance period.

Vesting schedule

The vesting schedule for each performance measure is:

FY19-21 LTI PERFORMANCE	RELATIVE TSR	SALES PER TRADING SQUARE METRE	ROFE
Below minimum	0%	0%	0%
At minimum	50%	20%	20%
At target	n/a	60%	60%
At or above stretch	100%	100%	100%

Vesting between each performance level will be on a straight-line basis. Each performance measure operates independently and will be tested separately.

Performance period

The performance period is three years, commencing on 1 July 2018 and ending 1 July 2021.

Allocation of shares upon vesting

On vesting, each performance share right will convert into one Woolworths share. The allocation of shares on vesting may be satisfied by issuing new shares or by acquiring shares on-market. However, the Board may, in its discretion, decide to satisfy performance share rights by Woolworths making a cash payment to Mr Banducci of an amount equivalent in value to the number of shares to which he would otherwise be entitled on vesting of the performance share rights.

If the performance measures are not achieved for some or all of the performance share rights granted, those performance share rights will lapse immediately without re-testing.

Dividend Equivalent Rights

Shares equivalent to the value of dividends foregone during the period between the effective grant date and vesting will be provided at the time of vesting. No dividend equivalents will be provided on performance share rights (or portion thereof) that do not vest.

The dividend equivalent shares will be purchased on-market, or alternatively, by making an equivalent cash payment.

Cessation of employment

If Mr Banducci ceases to be an employee before the end of the performance period, the Board will assess the treatment of any unvested performance rights.

Shareholders approved the Board exercising its discretion at the 2017 AGM. The 2018 Remuneration Report summarises on page 50 how the Board expects to exercise this discretion.

Change of control

The Board has discretion to determine whether some or all of the unvested performance share rights held by Mr Banducci will vest, remain 'on-foot' (ie remain subject to the original performance/ vesting period and performance conditions) or lapse, having regard to all relevant circumstances.

Lapse of performance share rights

The Board may determine that any unvested performance share rights granted to Mr Banducci will lapse or be forfeited in certain circumstances such as in the case of fraud, wilful misconduct and dishonesty.

Hedging policy

Mr Banducci cannot hedge equity instruments that are unvested or subject to restrictions.

Further information in accordance with ASX Listing Rule 10.14 and 10.15

- No director other than Mr Banducci is currently eligible to participate in a grant of any equity securities under the LTI Plan
- Mr Banducci was granted 241,220 and 195,278 performance share rights in the FY17 and FY18 years respectively
- No directors other than Mr Banducci have received a grant of any equity securities under the LTI Plan since the last approval given by shareholders under ASX Listing Rule 10.14 at the 2017 AGM
- No loan will be provided by the Company in relation to the grant or exercise of the performance share rights proposed to be provided to Mr Banducci
- If shareholder approval is obtained, details of the performance share rights granted to Mr Banducci under the LTI Plan in FY19 will be set out in future Remuneration Reports.

Explanatory notes (continued)

BOARD RECOMMENDATION

The directors (with Mr Banducci abstaining) recommend shareholders vote **FOR** Resolution 4. Mr Banducci does not make a recommendation in respect of the resolution in view of his personal interest in the resolution.

Voting exclusions

The Company will disregard any votes cast in favour of this resolution:

- By or on behalf of Mr Banducci or any of his associates, and
- As a proxy by a person who is a member of KMP and their closely related parties,

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

- In accordance with a direction as to how to vote on the proxy form, or
- By the Chairman of the meeting following express authorisation on the proxy form to vote as he see fit.

5.

Approve Non-executive Directors' Equity Plan

Why is shareholder approval being sought?

ASX Listing Rule 10.14 requires shareholder approval for the acquisition of securities by a director under an employee incentive scheme.

Shareholder approval under Listing Rule 10.14 would not be required if the shares to be allocated on vesting of the NED Rights were purchased on-market (as opposed to being issued). The Board wishes to retain flexibility to issue or purchase on-market the shares that will be issued to satisfy any vesting of NED Rights under the NED Plan.

If shareholder approval is not obtained, then the Company will acquire shares on-market to satisfy the vesting of NED Rights.

Why has the NED Plan been introduced?

In January 2018, the Company introduced a Non-executive Directors' Equity Plan (NED Plan) to further encourage and facilitate share ownership for Non-executive Directors (NEDs). The NED Plan allows greater flexibility for NEDs to acquire equity in the Company through a pre-tax fee sacrifice plan.

The NED Plan recognises that NEDs can often be limited in their ability to purchase shares in the Company at a point in time as a result of reputational considerations or the operation of Australian insider trading laws.

The Board expects that the NED Plan will be utilised to assist NEDs to meet their Minimum Shareholding Requirements (MSR). The MSRs state that each director should hold Woolworths shares to the value of one year's base fees within three years of their appointment. The MSRs state that the Chairman should hold Woolworths shares to the value of two year's Chairman's fees by 1 July 2021 (which is three years from the date the MSR for the Chairman was increased from one to two year's fees).

How does the NED Plan operate?

NEDs may voluntarily elect to sacrifice up to 100% of their NED fees into NED Rights. Elections are made on an annual basis prior to the start of a financial year, and are binding for the duration of that year.

NED Rights are allocated quarterly based on the fees sacrificed in that quarter and vest and convert into ordinary shares each half year, subject to compliance with the Company's Securities Trading Policy.

How is the number of NED Rights allocated determined?

The number of NED Rights that a NED will receive is calculated in accordance with the following formula (rounded down to the nearest whole NED Right):

$$\text{Number of NED Rights} = \frac{\text{Value of NED fees sacrificed (\$) for the relevant period}}{\text{Value per NED Right}}$$

The Value per NED Right is the average price of the shares purchased (if purchased on-market) or the volume weighted average market price of shares for the five trading days before the Grant Date (if issued). Shares to be allocated on vesting of the NED Rights are sourced on-market or issued and held by the Woolworths Non-Executive Director Share Trust (Trust).

What are the key terms of the NED rights?

A summary of the key terms of the NED Rights is set out below.

Each NED Right is a right to acquire one Woolworths share. They do not carry any dividend or voting rights prior to vesting.

NED Rights have no performance conditions.

On vesting, NED Rights convert into Restricted Shares for a Restriction Period of 3,6,9,12 or 15 years (as elected by the NED).

Explanatory notes (continued)

Restricted Shares

Each Restricted Share represents a Woolworths share. During the Restriction Period these shares are held by the Trust on behalf of the NED.

Restricted Shares carry the same dividend, voting and other rights as ordinary shares.

Restricted Shares will cease to be subject to the Restriction Period the earlier of the NED ceases to be a director, the end of the Restriction Period, or another event determined by the Board. All of the Restricted Shares will vest at that time. NED Rights also convert into unrestricted shares in the same circumstances. NEDs are subject to the Company's Securities Trading Policy and insider trading laws.

Further information in accordance with ASX Listing Rule 10.14 and 10.15A

- The directors entitled to participate in the NED Plan are Mr Gordon Cairns, Ms Jillian Broadbent, Ms Holly Kramer, Ms Siobhan McKenna, Mr Scott Perkins, Ms Kathee Tesija, Mr Michael Ullmer. Executive directors may not participate in the NED Plan
- The Company will seek further approval if it intends for any other NED to participate in the NED Plan
- Details of the NED Rights and Woolworths shares allocated pursuant to the NED Plan in any financial year will be set out in the Remuneration Report for that year
- The maximum number of NED Rights that could be allocated in the next three years cannot be calculated because it is subject to the Woolworths share price. The maximum potential value of NED Rights that could be allocated annually under the NED Plan is equal to \$4 million (which is the shareholder-approved NED fee cap). The actual value of NED Rights that will be allocated will be lower, because the level of NED fees is below the shareholder-approved fee cap, and not all directors will sacrifice all of their fees under the NED Plan
- The NED Rights allocated to directors since the introduction of the NED Plan are set out on the following page. The Woolworths shares allocated on vesting of these rights were sourced on-market.

DATE AND PRICE	NAME	NUMBER
March 2018 \$27.0765	Gordon Cairns	923
	Jillian Broadbent	646
	Holly Kramer	283
	Scott Perkins	1,501
	Michael Ullmer	1,107
June 2018 \$29.1270	Gordon Cairns	858
	Jillian Broadbent	600
	Holly Kramer	264
	Scott Perkins	1,397
	Michael Ullmer	1,030
September 2018 \$27.55	Gordon Cairns	908
	Jillian Broadbent	1,361
	Holly Kramer	565
	Michael Ullmer	1,089

- No loan will be provided by the Company in relation to the allocation of NED Rights under the NED Plan
- NED Rights will be allocated no later than three years after the meeting.

BOARD RECOMMENDATION

Because they have a personal interest in the subject of this resolution, the directors have abstained from making a recommendation to shareholders in relation to this resolution.

Voting exclusions

The Company will disregard any votes cast in favour of this resolution:

- By or on behalf of any non-executive director or any of their associates, and
- as a proxy by a person who is a member of KMP and their closely related parties,

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

- In accordance with a direction as to how to vote on the proxy form, or
- By the Chairman of the meeting following express authorisation on the proxy form to vote as he see fit.

6.

Requisitioned resolutions sponsored by the Australasian Centre for Corporate Responsibility and L.U.C.R.F. Pty Ltd

The following resolutions are **NOT SUPPORTED** by the Board:

BACKGROUND

A group of 105 shareholders, holding together less than 1% (approximately 0.0994%) of the Company's shares on issue, and sponsored by the Australasian Centre for Corporate Responsibility (ACCR) and L.U.C.R.F. Pty Ltd, in its capacity as trustee of the Labour Union Co-Operative Retirement Fund (LUCRF Super) has proposed two resolutions pursuant to section 249N of the Corporations Act. The group has also requested that the supporting statements set out in the attachments on pages 25 to 27 of this Notice be provided to shareholders.

Consistent with the Company's approach to encouraging transparency and appropriate shareholder discussion, the Chairman will allow a reasonable opportunity at the AGM to discuss each of the proposed resolutions.

The directors recommend that shareholders vote **AGAINST** both of the proposed resolutions for the following reasons.

6(a) Amend the Company's constitution

The Board's response

Resolution 6(a) proposes to insert a new provision in the Company's constitution that would enable shareholders, by ordinary resolution, to express an opinion or request information about the way in which the management of the business and affairs of the Company has been or should be exercised.

Resolutions of this type have been promoted before, unsuccessfully, by ACCR, including at the Company's AGM last year, and also at the AGMs of other Australian public companies.

The directors note that Australian company law already provides a range of ways in which shareholders can convey their opinions to a company or the directors about the management and strategic direction of the company. These include the ability to requisition a general meeting or to put a resolution on the agenda of a shareholder meeting, and to attend and ask questions both before and at a shareholder meeting. These are in addition to the rights – noted by ACCR and LUCRF Super – to hold directors to account for their decisions and actions using the directors' election process.

The supporting statement provided by ACCR and LUCRF Super refers to differences of practice regarding shareholder advisory resolutions in other countries. Woolworths' directors consider that, if interested groups wish to see overseas regulatory approaches adopted in Australia, rather than proposing changes to the constitutions of individual companies on a piecemeal basis, proponents for change should seek to make the case for regulatory reform. Woolworths' directors do not believe the case for such reform has been made, given the existing shareholder rights enshrined in Australian company law. Woolworths' directors consider that if any such reform was implemented, it should provide an appropriate framework for companies to deal with requests for shareholder advisory resolutions to ensure that such resolutions are not used by groups of shareholders to dominate Annual General Meetings in pursuit of specific philosophical or ideological objectives.

The directors also note that interest and advocacy groups have a range of avenues outside the AGM to engage with the Company. Woolworths encourages such interaction, and engages extensively with stakeholder groups to understand their perspectives on the Company's operations and activities. In that context, Woolworths representatives have had, and will continue to have, extensive open dialogue with stakeholders including the National Union of Workers (NUW) and other industrial organisations on the Company's strategies to manage human rights issues in its operations and supply chain.

The directors are committed to supporting appropriate shareholder discussion and providing transparency in the way Woolworths engages with its shareholders. While the directors do not support Resolution 6(a), even if this resolution is not approved, the Chairman will allow a reasonable debate regarding the substance of matters outlined in the conditional Resolution 6(b), and will publish the results of the proxy votes received on Resolution 6(b).

Based on these reasons, the directors consider that the proposed amendment to the Woolworths constitution is not in the best interests of shareholders.

This resolution is a special resolution and requires support from 75% of votes cast.

BOARD RECOMMENDATION

The directors recommend that shareholders vote **AGAINST** Resolution 6(a).

Explanatory notes (continued)

(b) Contingent resolution – human rights reporting

Resolution 6(b) is a contingent resolution and will only be put to the meeting for a vote if Resolution 6(a) is passed as a special resolution.

The Board's response

Resolution 6(b) is a shareholder advisory resolution requesting Woolworths to formalise an agreement with the National Union of Workers (NUW) to: introduce a pre-qualification program for labour hire companies engaged by Woolworths' suppliers in its domestic fresh food supply chains; ensure that companies in these supply chains allow for trade union involvement in workers' rights education activities and grievance resolution procedures; and provide ongoing detailed reporting in the Sustainability Report about labour human rights practices in these supply chains.

The directors recommend that shareholders vote **AGAINST** Resolution 6(b) for the following reasons.

2020 Sustainability Strategy

Appropriate management of human rights in Woolworths' operations and supply chain is one of the 20 commitments in its 2020 Sustainability Strategy. Woolworths provides detailed annual reporting on progress against these commitments in its annual Sustainability Report. The 2018 Sustainability Report, running to 80 pages, was released in August 2018. The Board is focussed on achieving continued progress and reporting to the Group's stakeholders how Woolworths makes a positive contribution to its customers, team members, communities, and business partners.

Responsible Sourcing Policy and Standards Developed

A key focus of the commitment to workers' human rights in Woolworths' Sustainability Strategy has been the development of a new Responsible Sourcing Program, launched in July 2018. This Program is anchored by:

- a new Responsible Sourcing Policy, which applies to any supplier doing business with Woolworths globally. This policy outlines our commitment to upholding the human rights of workers in our supply chain (including our direct fresh food supply chain)
- new Responsible Sourcing Standards, which are a key way that we implement the Policy commitments. These standards set out the minimum standards to which our suppliers must adhere in range of criteria.

Woolworths has commenced rolling out the Responsible Sourcing Policy and Responsible Sourcing Standards to its suppliers.

ACCR 2017 AGM Proposal

ACCR proposed a shareholder resolution to the Woolworths 2017 Annual General Meeting, which requested more detailed reporting of the processes for managing human rights in Woolworths' operations and supply chain. ACCR withdrew the resolution prior to the 2017 Annual General Meeting following a commitment by Woolworths that it would work to ensure that the human rights of workers in its operations and fresh food supply chain were protected. As set out in the supporting material from ACCR and LUCRF Super, this commitment provided, in summary, that Woolworths would:

- work collaboratively to implement an agreed pre-qualification program for labour hire providers in the fresh food supply chain, and
- support workers in these direct supply chains to be educated about their workplace rights, have access to effective grievance mechanisms, and be protected if they report concerns about human rights issues.

The Board is satisfied that Woolworths has worked to fulfil these commitments, and will continue to do so.

Labour-Hire pre-qualification

Woolworths management and the NUW have met regularly prior to, and since the 2017 AGM, to discuss the implementation of an agreed pre-qualification program in Woolworths' horticultural direct fresh food supply chain (horticultural supply chain). Woolworths considers that there has been positive intent on both sides. Discussions are continuing, and it is possible that an agreed program will be in place before the 12-month timeframe identified at the start of discussions between the parties.

Woolworths has proposed that suppliers in its horticultural supply chain be subject to additional requirements regarding the use of labour hire. Such Standards would be added to the Company's Responsible Sourcing Standards.

The Board is confident that Woolworths' approach in the discussions with NUW has been appropriately focussed on achieving an outcome that supports Woolworths' commitment to the human rights of all workers in its horticultural supply chain. This will remain Woolworths' focus even if the parties are unable to arrive at an agreed outcome.

Explanatory notes (continued)

Trade union involvement in workers rights' education and grievance

Woolworths' new Responsible Sourcing Policy and Standards support educating workers on their rights, respecting freedom of association, and providing effective grievance mechanisms. Specifically, the Policy and Standards provide that Woolworths and its direct suppliers will:

- Educate workers on policies and procedures as they relate to code of conduct, health and safety, environment, recruitment practices and worker welfare
- Ensure training and training materials are provided in a language that workers understand
- Respect the right of all workers to freedom of association and adopt an open attitude towards the activities of worker representative groups
- Make mechanisms available within their own supply chains to report grievances. Woolworths' Supplier Speak Up service is available for Woolworths' or direct suppliers' team members to raise responsible sourcing concerns anonymously.

Woolworths has established an incident investigation process for grievances that will consider available sources of information, as appropriate, including interviewing affected people and assessing available information, including that provided by external stakeholders such as unions.

Ongoing disclosure

Woolworths provides comprehensive public disclosure regarding human rights management, and other material sustainability issues, in both its annual Sustainability Report referred to above and its website

www.woolworthsgroup.com.au/page/community-and-responsibility/group-responsibility/partners/

The Board will assess annually the quality of Woolworths' disclosures.

BOARD RECOMMENDATION

The directors recommend that shareholders vote **AGAINST** Resolution 6(b).

Attachment – Shareholder Statements Resolution 6(a)

SUPPORTING STATEMENT FROM ACCR AND L.U.C.R.F. PTY LTD TO RESOLUTION 6(a)

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the UK, the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. This is considered global best practice.

As a matter of practice, typically, unless the board permits it, Australian shareholders can follow the example of none of their UK, US, New Zealand or Canadian cousins in this respect.

A Board of Directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In rare situations the appropriate course of action for shareholders dissatisfied with the conduct of board members is to seek to remove them. But in many situations such a personality-focused approach is unproductive and unwarranted. In those situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings such as the AGM to alert board members that they seek more information or favour a particular approach to corporate policy.

The Constitution of our company is not conducive to the right of shareholders to place resolutions on the agenda of a shareholder meeting.

In our view, this is contrary to the long-term interests of our company, our company's board, and all shareholders in our company.

Passage of this resolution – to amend our company's constitution – will simply put our company in a similar position in regard to shareholder resolutions as any listed company in the UK, US, Canada or New Zealand.

The Australasian Centre for Corporate Responsibility urges shareholders to vote for this proposal.

Attachment – Shareholder Statements Resolution 6(b)

SUPPORTING STATEMENT FROM ACCR AND L.U.C.R.F. PTY LTD TO RESOLUTION 6(b)

As a shareholder, the Australasian Centre for Corporate Responsibility (ACCR) favours policies and practices that protect and enhance the value of our investments. There is increasing recognition that company risks related to human rights violations, such as litigation, reputational damage, and project delays and disruptions, can adversely affect shareholder value.

Our company has extensive food and agricultural supply chains which expose us to significant risks: for example, our company, through its suppliers, has recently been implicated in reports that seasonal farm workers employed by a major labour hire contractor at a tomato farm in Victoria were exposed to dangerous chemicals and paid as little as \$8 per hour (“Key farm scheme badly rorted, migrant workers paid \$8 an hour,” *Sydney Morning Herald*, 19 May 2018).

Serious violations of human rights anywhere in our company’s value chain can lead to negative publicity, product recalls, public protests and campaigning, and a loss of consumer confidence that can have a negative impact on shareholder value.

To mitigate these risks, ACCR put forward a shareholder resolution to be considered at our company’s 2017 AGM. This resolution was withdrawn by ACCR prior to that AGM, following our company’s commitments, via ASX announcement on 22 November 2017 (‘Commitment’), to:

work collaboratively towards the implementation of an agreed pre-qualification programme for labour-hire providers to ensure that all labour providers who wish to operate in Woolworths’ direct fresh food supply chains comply with labour and human rights standards;

support workers in Woolworths’ supply chains:

- *to be educated about their workplace rights, including their right to join a labour union of their choice;*
- *to have access to an effective grievance mechanism to ensure that human rights violations are reported, investigated and remediated; and*
- *to be protected if they report human rights violations.*

We understand our company has met with the National Union of Workers (NUW) regularly to discuss the implementation of these commitments. However, 10 months after the Commitment was made, we understand that no agreement on a mechanism of implementing this Commitment has yet been reached. This is of concern to shareholders, as the operational and business risks to our company persist.

Our resolution seeks shareholder endorsement for the following processes, designed to enhance our company's approach to risk management and protect our company's interests by seeking to:

- formalise an agreement about the introduction of Labour Hire pre-qualification;
- ensure trade union involvement in worker education and grievance mechanisms;
- provide for enhanced disclosure to shareholders.

The use of unscrupulous labour hire providers has been identified time and time again as the weak link in our company's supply chain and risk management processes. An agreement between the NUW and our company to introduce a supply chain wide labour hire pre-qualification scheme is a necessary first step in managing this risk.

Ensuring trade union involvement in educating workers about human and labour rights is an important risk management tool for our company given its large and diversified supply chains. Well-functioning grievance mechanisms where workers are protected and supported to raise grievances are essential to our company's risk management. Trade union involvement in grievance procedures reassures workers that they will not face retribution for reporting breaches, and that their concerns will be heard.

Similarly, ongoing disclosure to shareholders provides greater transparency to key stakeholders, and can lead to early identification of risks and issues and prevent our company being implicated in future controversies.

Each of these measures are, in our view, thoroughly justified and in our company's interests; ACCR and co-filing shareholders encourage shareholders to vote for this proposal.

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