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FINAL TRANSCRIPT

Woolworths Group Ltd Extraordinary Shareholders Meeting

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CORPORATE PARTICIPANTS

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Bradford Leon Banducci *Woolworths Group Limited - MD, CEO & Executive Director*

Colin Grahame Storr *Woolworths Group Limited - MD of Group Portfolio*

David Walker *Woolworths Group Limited - Acting CEO of Big W*

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Holly Suzanna Kramer *Woolworths Group Limited - Independent Non-Executive Director*

Kathryn A. Tesija *Woolworths Group Limited - Independent Non-Executive Director*

Siobhan Louise McKenna *Woolworths Group Limited - Independent Non-Executive Director*

Unidentified Company Representative -

CONFERENCE CALL PARTICIPANTS

Stephen Mayne -

Unidentified Shareholder -

Don Adams -

Donna Ingram -

Judy Ebner -

Unidentified Participant -

PRESENTATION

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

I'll start. Okay. I think we might make a start, ladies and gentlemen. There's just a few people who are taking their seats. Good morning. My name, for those of you who don't know me, is Gordon Cairns, and I'm the Chairman of Woolworths Group.

Before we start today's meeting, I'd like to introduce Auntie Donna Ingram, a cultural representative for the local Aboriginal community in Sydney, to deliver the Welcome to Country. Donna has worked in Aboriginal affairs, government and community organizations in Sydney for the past 35 years and is involved in several community consultation groups, especially in regard to women's issues and NAIDOC week in the Redfern in the Sydney area.

Please welcome, Donna.

Donna Ingram -

Good morning to Woolworths' Board and ladies and gentlemen. It's my great pleasure to be here with permission from my Elders, and on behalf of the Tribal Warrior Association to offer you Welcome to Country for the Woolworths Group AGM and EGM 2019.

A traditional Welcome to Country offers a visit or permission to be on the land. But more importantly, offers to visit our protection whilst on the land. It gives me pride to represent my community in this

important cultural protocol. It shows respect for and recognition to the unique position of Aboriginal and Torres Strait Islander people in Australian culture and history. We are gathered on the traditional land of the Gadigal, who are 1 of 29 clans of the Eora Nation, which is bordered by the Hawkesbury, the Georges and the Nepean Rivers.

I'm an Aboriginal woman, who proudly identifies with the Wiradjuri nation through my family connections from a town called Cowra in Central West, New South Wales. I was born on Gadigal land, and I've had the privilege to live, work and raise my 4 children on this land for most of my life. I acknowledge the Gadigal, their spirits and ancestors, who will always remain with the land mother, Earth, and thank them for their ongoing custodianship and for allowing us to gather on their land for this important annual meeting.

I pay my respects to our Elders, both past and present, and we must never forget the sacrifices made by our leaders to create a better future for Aboriginal people. I do this as a reminder and as a tribute to Elders and those who have gone before us to fight for land rights, justice and equity for our communities.

I extend my respects to Aboriginal and Torres Strait Islander people from all clans and nations who are present this morning. I also recognize our non-Aboriginal sisters and brothers who walk beside us to support communities and create opportunities for all.

I now offer you a warm and sincere welcome to the land of Gadigal of the Eora nation and wish you a safe stay on the land and safe travel from the land. On behalf of the Tribal Warrior Association and the Gadigal, I wish you a successful and productive day at this year's AGM to share your successes over the past year and highlight focused areas for the year ahead to further support your goal of having customers put Woolworths first across all your brands.

In closing, we remember that this is, was and always will be Aboriginal land. Thank you very much.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Thank you, Donna, and thank you very much for that Welcome to Country. I'd like to begin by welcoming my fellow shareholders, both here in Sydney and via webcast. We appreciate the effort you've made to attend today. We're holding 2 meetings today, our Annual General Meeting and an Extraordinary General Meeting, or EGM, to consider an internal restructure of Woolworths Group. We will deal with the business of the AGM first, followed by the business of the EGM.

I'd like to start by outlining the emergency procedures for this venue. The emergency exits for this room are marked on either side of the stage. You see them here and here and at the exits in front of me. Please take a moment to identify the emergency exits closest to you. In the event of an emergency, 1 of 2 alarms may sound. The alert alarm is a warning beep. If this alarm sounds, please standby for further instructions. If the evacuation alarm sounds a whooping alarm, all occupants will be directed by wardens to leave via the emergency exits. Everyone must follow directions by the ICC Sydney Wardens. The

assembly point is Tumbalong Park. Once you exit the ICC building, please head to your right in a southerly direction. This may change, so your wardens will guide you to the most appropriate evacuation point.

Before I commence the formal proceedings, I want to first acknowledge the tragic news from New Zealand last week following the eruption at White Island. Unfortunately, team members from Woolworths Supermarkets in Australia lost their lives. This is a truly tragic event, and our hearts go out to the family and friends of our team members at this incredibly difficult time.

Our teams both in Australia and New Zealand have been providing the team members' families with all the support that we can. We've also been making sure that we have the right support available for their teammates in the stores. On behalf of the Board, I'd like to thank our Australian and New Zealand teams for the help they have also provided at this difficult time.

With your support, I intend for us to have a 1 minute of silence at 11 minutes past 12 today, the same time as our stores on both sides of the Tasman to remember those impacted.

Also, in many parts of the country, we are facing a combination of the worst drought in Australian history and unprecedented bushfires. Many of our store teams, customers and suppliers are confronting enormous hardship and real danger. Our thoughts and prayers go to them. And I'm proud of the way that our teams have responded to this. Since September 2018, our drought levy has contributed an extra \$29 million in relief to more than 450 Australian dairy farmers. More than \$8 million has also been raised in partnership with our customers to support the vital work of key charities such as the Salvation Army, Rural Aid, Lifeline and Foodbank in these drought-impacted communities.

With the current bush fires, more than \$1.2 million has been provided by us and our customers to support the Salvation Army's work in communities, which are dreadfully impacted by the fires. This is in addition to the contributions our stores make locally in food and water to support those fighting the fires on the front line.

Now let me briefly introduce my colleagues on the stage today. On my right and your left are Brad Banducci, as you know, is our Managing Director and Chief Executive Officer. You'll be hearing from him in a moment. Next to Brad is Jillian Broadbent, the Chair of our Sustainability Committee. Next to Jillian is Michael Ullmer. Next to Michael is Kathy Tesija. Kathy is standing for reelection at this meeting, and she will address the meeting later today.

On my left and your right are Marcin Firek, our Company Secretary. Next to Marcin is Holly Kramer, the Chair of our People and Performance Committee. Holly also is standing for reelection at this meeting, and she will address the meeting later today. Next to Holly is Scott Perkins, the Chair of our Audit, Risk Management and Compliance Committee. Next to Scott is Siobhan McKenna. Siobhan is standing for reelection at this meeting, and she will address the meeting later today. Unfortunately, our new director, Jennifer Carr-Smith, is unable to attend this meeting due to a family bereavement. Out of sympathy to

this situation, the Board has agreed that Jennifer not travel to attend this AGM. She is an outstanding director and has already made a significant contribution to Woolworths. Jennifer is also standing for reelection at this meeting, and I will speak on her behalf.

Members of the Woolworths Group executive team are also with us today in the front row. And I would like to also welcome Peter Hearl, who was recently announced as the Chair-elect of Endeavour Group. Thank you, Peter. Peter is an experienced leader in the food and beverage industry, and I've had the pleasure to work with him. His appointment will take effect if the restructure scheme is approved at today's meeting, and the Woolworths Group Board subsequently determines to demerge Endeavour Group in 2020. The directors have already spent time talking to you, our shareholders, this morning, and we look forward to continuing those conversations at the conclusion of these meetings as well as testing some of our brand products over lunch.

Every year, we receive a number of questions about individual customer service, product or store-related matters. I'd really, really like to encourage you to raise these matters at one of the customer service stations in the foyer or one with the group executive team.

I also would like to acknowledge the attendance here today of Andrew Griffiths, the lead partner of our auditors, Deloitte. Andrew is available to answer questions through me on the conduct of the audit and the preparation and content of the auditor's report.

So now, ladies and gentlemen, let me turn to my Chairman's address. I wanted to focus on 3 areas that I personally am passionate about: sustainability at Woolworths Group; our culture; and finally, shareholder value.

Let me start with sustainability. This is a huge commitment for us under 3 pillars: people; planet; and prosperity, where we have 20 initiatives. Your time is precious today, so I will restrict my commentary to 4 initiatives where I have a personal involvement: climate change, gender quality, diversity and indigenous employment.

We believe the key issue in climate change is carbon reduction. And as a major corporation, we have to show leadership in this area. Accordingly, we unreservedly support Australia's commitment under the Paris Agreement, and we will report our emissions reduction according to the rules of the task force on climate-related financial disclosure.

To date, we are making great progress, reducing our carbon emissions by 18% below 2015 levels. But our ambition is to contribute to limiting warming to 1.5 degrees above preindustrial levels, and by 2030, to have reduced our emissions by 60% from 2015 levels.

Secondly, on gender quality, I'm proud of our paid parental leave for primary caregivers at 12 weeks and our secondary caregivers leave. We were the first Australian retailer to introduce superannuation contributions when team members take 12 months of parental leave. And we have pay parity in like-for-

like roles and are committed to ensuring it remains that way.

Next, let me comment on diversity. I'm one of the founding members of the Male Champions of Change, an organization led by Liz Broderick, where we're committed to changing business attitudes and practices in this area. At Woolworths, we set the tone from the top with 5 female directors out of 9 on the Board. In our leadership group, we have a number of outstanding women in key leadership roles, including leading our Australian Supermarkets business, our New Zealand Supermarkets business, WooliesX, CountdownX, Big W online, and our Chief People Officer and Chief Transformation Officer.

Finally, in July 2019, we launched our second reconciliation action plan where one of the key outtakes is our support for the Uluru statement from the heart and support for constitutional recognition for First Nations people. The year also saw a sign in extension to our government employment contract, supporting us to continue our relationship with diversity dimensions to run our Resourcing the Future program. We employed 2,279 Aboriginal and Torres Strait Islander team members under the first program with a retention rate of 72%. The extension will see a further 900 long-term unemployed Aboriginal and Torres Strait Island people employed by June 2021.

As a final word on sustainability, let me assure you, we will continue to advocate on these important issues. They are too important to remain silent on. We cannot rely solely on government to do the heavy lifting. And these initiatives are not inconsistent with creating shareholder value as some might have argued.

Now let me switch gears and address culture. A very famous management guru over 50 years ago, Peter Drucker, said it much better than I could, "Culture eats strategy for breakfast." As I reflect on our culture, there are defining moments that indicate with total transparency where we at Woolworths are on the journey.

Such a defining moment was the announcement on the 30th of October about the underpayment of around 5,700 of our salary team members in relation to our obligations under the Retail Industry Award. To discover that we have underpaid so many of our team members has been incredibly disappointing. However, I'm proud of the way we handle this, which is a testament to the strong ethics underpinning our culture.

It was brought to our attention by 3 of our team members in February this year. We immediately investigated, found the recessions about their individual circumstances to be correct, and we remedied. We then began an across-the-board investigation, which continues, given we are checking every shift for every salary team member back as far as this has been an issue or records exist.

For 2018 and 2019 alone, this involved checking 11 million data points each year. We self-reported to the Fair Work Ombudsman, and we have remained in contact with them before and after we calculated the potential quantum of the problem. We publicly apologized and have already begun making back payments for the last 2 years to team members in Woolworths Supermarkets and Metro, covering salary,

superannuation and interest. We will also make back payments for the remainder of team members impacted across the group as soon as possible. Brad and I accepted our responsibility by voluntarily taking reductions in our pay. In Brad's case, this meant forfeiting his short-term incentive. And in my case, I took a 20% reduction in my direct fees. The overwhelming reaction from our team, from our customers and shareholders has been positive affirmation for the way the company has behaved.

Let me conduct -- conclude my address by commenting on the value we have created for shareholders. Brad was appointed Chief Executive Officer in 2016. Working assiduously with the Board and his management team, together, we are transforming this business. We focus first on rationalizing the portfolio. We exited Masters. We sold EziBuy. We sold our petrol business to the EG Group for \$1.7 billion, and we will vote on the restructure of the Endeavour Drinks and ALH Hotels business at the EGM later today. At the same time, we have built an outstanding online business, which, in financial year 2019, had sales of \$2.5 billion. We also reinvested in all of our businesses, improved their competitiveness, customer satisfaction and team advocacy scores. And at the end of quarter 1 this year, we were in positive sales growth in all of our businesses.

In 2019 financial year, we returned \$1.7 billion to you via an off-market share buyback and paid \$1.3 billion in fully franked dividends. In the 3-year period from the end of financial year 2016, we've increased the value of the company by approximately \$15 billion and delivered a total shareholder return of 64%. This puts us in the top quartile of ASX 50 companies.

In conclusion, hopefully, I've been able to reassure you that we are not only living our purpose, but delivering on building a better tomorrow. This would not be possible without the care and the hard work of every one of our 200,000 team members, the leadership of Brad and his executive team, and the support and contestability from a first-class Board. Can I acknowledge and thank all of them and wish them and you a very happy Christmas.

I will now hand over to our CEO, Brad Banducci, for an update on the business. Thank you.

Bradford Leon Banducci *Woolworths Group Limited - MD, CEO & Executive Director*

Thank you, Gordon, and good morning, everyone. Before I begin, I'd like to echo Gordon's sentiments in regards to the tragedy on White Island in New Zealand last Monday. This has had a deep impact to many of our team members, particularly those who worked alongside those who lost their lives in the eruption. This is a truly tragic event, and our hearts go out to the family and friends of all of those who have lost their lives.

At Woolworths Group, we have been working hard on our culture, defined by our purpose, activated by our ways of working and underpinned by our core values. While we have made much progress in the last year, we need to lift the bar in our aspirations especially on our core value of always doing the right thing for our customers, our team and our shareholders.

On the 31st -- on the 30th of October, we announced that we have discovered an underpayment to

some salary team members in Woolworths Supermarkets and Metro food stores. Based on the available data for the last 2 years, we have already begun to make back payments to impacted team members. The review has been extended across all group of businesses, and we are working as quickly as possible to complete the review and recompense those impacted.

Given the seriousness of this issue, I felt that it was appropriate for me to forgo my potential F '20 short-term incentive. And of course, once a full review has been completed, further consequences will be considered by the Woolworths' Board as appropriate.

Looking back to F '19, which I must admit, feels like a long time ago now, we continue to progress our transformation while providing differentiated offers, services and experiences for our customers and removing complexity from our business. We also launched a number of initiatives that will materially reshape our group and accelerate our evolution into becoming a food and every day needs driven -- digitally driven retailer. We continue to measure our progress through the lens of our 6 core strategic priorities. Overarching all of our priorities is our focus on living our purpose and build in a customer-first, team-first culture. We monitor customer and team progress through our Voice of the Customer and Voice of the Team programs and try to act in accordance with this feedback. Customer scores showed good resilience in F '19, ending the year strongly despite a number of well-documented challenges, including our removal of single-use plastic bags.

Focusing on our team, a number of initiatives were launched to live our purpose of creating better experiences together for a better tomorrow. We were the first retailer -- Australian retailer, to introduce superannuation payments for 12 months of parental leave. We achieved gold tier status from AWEI for the second year running at the Australian LGBTI Inclusion Awards. We took important steps to improve the mental and physical well-being of our teams. Our mental well-being program, I Am Here, was launched during the year with over 24,000 team members having already completed this training. In January, we implemented Australia's largest [mix/price] agreements in Woolworths Supermarkets and Metro, improving the conditions for over 100,000 of our team members. And finally, we continued to progress our environmental agenda, building on our phaseout of single-use plastic bags and extending this into fruit and vegetables and bakery, lifting our game on food waste and progress in our green energy agenda.

Our second priority is to create connected, personalized and convenient shopping experiences. Online growth was robust during F '19 with penetration of 4.2% of group sales. This momentum has continued into the new financial year. WooliesX in Australia, CountdownX in New Zealand and the newly formed Endeavor X are all focused on scaling up their digital capabilities to keep pace with changing customer expectations.

Despite the rapid growth of online, we also worked on improving the operational performance of this business, and margins continued to improve. We also provided our customers with a number of new ways to shop during the year. We now have over 100 supermarket drive-ups and drive-thrus and have materially increased the number of stores offering on-demand delivery with over 730 stores across the

group at year-end providing the service, led principally by Endeavor Drinks.

In August, we announced a partnership with Takeoff Technologies to build micro fulfillment centers or e-stores, as they're often called, to better service our growth in online sales. We expect to have 4 of these e-stores up and running over the next 12 months, and there will be key learning experiences for us as to the best model going forward.

The convenience is not only for customers who want to shop online, it is also about offering more convenient urban locations through our Metro food stores and a more convenient way to shop for customers that come to one of our flagship supermarkets. At the end of the year, we had 43 branded Metro stores. And in F '20, we expect to add another 15 to 30 Metro stores as our rollout gathers momentum.

Moving to our goal of differentiating our food customer propositions in both Australia and New Zealand. In F '19, we completed 68 renewals and 80 upgrades in Woolworths Supermarkets and 10 renewals in New Zealand in Countdown Supermarkets. Particular highlights from our renewal program included our first smart store in Gregory Hills, our new in-store fresh experience in Mona Vale in Sydney and Takapuna in Auckland. In June, we opened our most sustainable supermarket yet in Heidelberg, Victoria with a 5-star rating from the Green Building Council of Australia. However, this has recently been eclipsed by our Burwood Brickworks store in Melbourne, which opened 12 days ago, includes some very exciting energy and waste-efficient features.

Differentiation is critical for what we range as we work towards ensuring our in-store ranges are curated for local customer preferences. In addition to health foods, international foods and value-added fresh solutions grew strongly during the year. In October, we completed the rollout of Fresh Made Easy into all of our Woolworths Supermarkets, which includes an extended range, new planograms, new point-of-sale material and critically importantly, team training.

Our brand or own -- owned brand or our brand, as we would like to call it, continue to grow strongly, supported by double-digit growth in macro and free from as the customers increasingly look for healthy options. We are very proud of being awarded a title of healthiest owned brand in Australia by the George Institute for Global health, with more than half of that range achieving a health rating of 3.5 or above.

We also supply to set ourselves apart for the actions of our team. Under the banner of [EverydayX], each of our food business is gazed in a number of good acts to support their local communities during the year, including our very popular Fresh Food Kids Discovery Tours. During the year, some of our local communities experienced devastating floods, fires and droughts, and we have been working closely with our partners, The Salvation Army, Rural Aid, Foodbank and Lifeline to leverage their experience in community care. Thanks to the generous support of our customers over the last 16 months, we've been able to direct more than \$10 million in support to our disaster relief partners and helped deliver a meaningful impact where it is needed most.

Our store teams living and working in impacted communities, clearly, impacted acutely. And the community spirit, we see in our teams is simply remarkable, be it supporting our community evacuation centers, coordinating the food, drinks and supplies where they are needed by our community partners or taking community service leave to give their time and support to the state emergency and rural fire services.

We've been accelerating innovation in our drinks business to better meet rapidly changing customer needs. While the financial performance of Endeavour Drinks in F '19 was below our aspirations, we took a number of very positive steps during the year, driven by our ambition to connect everyone with the drinks experience they'll love. And I've seen positive signs of improvement.

The biggest changes are happening at Dan Murphy's, with the refocus of the business on discovery. Customer First Ranging, which has been very successful in BWS, is well on way within Dan's. And at year-end, we had 351 merchants working in key Dan Murphy's stores, providing an authentic and exciting discovery experience for customers.

As mentioned, EndeavourX was established during the year to ensure a consistent digital experience across Dan Murphy's, BWS and other Endeavour Drinks businesses. Dan Murphy's and BWS made good progress in providing increased convenience to customers during the year with the scale-up of on-demand, the rollout of 30-minute pickup and further geographic expansion of Jimmy Brings.

It was also a very busy and successful year for our portfolio team as we made good progress in unlocking value for shareholders. We completed the sale of Woolworths Petrol to EG Group in April, with the proceeds returned via an off-market share buyback. We also announced the outcomes of the Big W network review. While it was not a decision taken lightly, closure of around 30 stores and 2 DCs over the next few years will lead to a more sustainable store in DC network and will provide the operational improvements -- support the operational improvements coming through the business.

We also announced one of the most significant transactions in the history of Woolworths Group, with our intention to merge Endeavour Drinks and ALH, followed by separation in calendar 2020. Step 1 in this process is the restructuring, which you will be asked to vote on immediately after our Annual General Meeting. We believe that this transaction is in the best interest of shareholders and will provide both businesses with greater focus, simplify both groups and enable Endeavour Group to pursue its growth strategy.

In an increasingly digital world, we need to leverage technology to simplify our core processes and be more efficient to ensure that our interim processes are better for customers and simpler and safer for stores. We have a number of efficiency initiatives in place across the group and are building momentum.

In Q4, we announced the first change to our Woolworths Supermarkets operating model in a number of years to ensure that our store structures reflect the way that customers want to shop. While these

changes are never easy, we are confident that it will result in a better outcome for our customers and a more sustainable operating model for our team.

Stockloss, which is the product we write off or markdown was disappointing in F '19. And we have implemented a number of measures to get it back on track, and we have started to see some signs of improvement over the half. Our Melbourne South Regional Distribution Center, or MSRDC, is now up and running, and we're looking forward to the material benefits it will provide in the future. However, we have decided to keep our Hume DC open until early calendar 2020 to ensure there is no impact on customers over this critical Christmas period.

In August, we announced our full year results. Despite a challenging start to the year, we have had a strong second half and ended the year with good momentum. Group sales from continuing operations for F '19 increased by 3.4% on a normalized basis and EBIT on the same basis increased by 5%. Sales and profit momentum improved in the second half with normalized sales growth of 4.7% and profit growth of 10%. Normalized group net profit after tax increased by 7.2%.

Group online or e-commerce sales continued to grow strongly, increasing by 32% on a normalized basis to \$2.5 billion. Big W's underlying trading performance continued to improve, with comparable sales growth of 5.3% in F '19 and 7.2% in the final quarter of F '19. We were pleased with the strong improvement in sales growth in Big W in F '19, but we're not satisfied with the rate of translation of sales growth into profit growth. As a result, we announced the outcomes of the store and DC network review in April to accelerate our profit's profitability with stores -- 3 stores already confirmed to be closed just after Christmas.

As Gordon mentioned, between the off-market share buyback and dividends paid during the year, we returned \$3.1 billion to shareholders in F '19.

In terms of F '20 so far, at the end of October, we reported first quarter sales growth for the F '20 financial year. Group sales from continuing operations increased by 7.1% on the same quarter last year to \$15.9 billion. It has been a pleasing start to F '20 with strong sales momentum across the group. Sales growth in Australian Food was particularly strong with the success of the Lion King Ooshies and Discovery Gardens continuity programs and the continued growth in online and the ongoing benefit of our renewal program.

We can't comment on Q2 in any detail at this stage, given we still have 2 very important trading weeks in the quarter to go, but are generally pleased with trading to date.

Given that it's only 9 sleeps to Christmas, the priority for all of our businesses right now is to deliver the best possible Christmas and festive service experience for our customers. We remain energized by the material opportunities we have across the group to deliver value for both customers and shareholders over the remainder of F '20, despite some uncertainty around the consumer environment.

Finally, and most importantly, today, I want to thank you, our shareholders, for your continued support and feedback. And I would like to take this opportunity to wish you all a very merry and safe Christmas, and thank you for picking Woolworths.

I will now hand back to the Chairman to continue the meeting. Thank you very much.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Well done, Brad. Thanks very much. The agenda for today's AGM is set out on Page 3 of your notice of meeting. Copies of the notice of meeting and our 2019 Annual and Sustainability Reports are available at the registration desk, if you don't already have them.

The minutes of the 2018 AGM have been signed and are available for inspection by arrangement through our company secretary. Only shareholders or their voting representatives may ask a question or make a comment during today's meeting. All questions and comments should be directed to me. I would ask that you respect this fully, and that respect will be mutually reinforced by us. That way, we'll have a lovely AGM. Lots of love in the room.

Out of consideration for everyone here today, I ask each speaker to limit their remarks to 2 questions or comment. Please keep them relevant to the item under consideration and please try to be brief and concise. If you have more than 1 point or 2 points to make or questions to ask, please raise your initial points and then join the queue again for another ton, if we have time, if we have time. I want to give as many shareholders as possible an opportunity to put their questions. So if question is could be cognizant of the fact, I want to give everyone an opportunity, not just 1 or 2.

If you have questions relevant to the restructure scheme, I propose to deal with those in the course of discussion of resolution 7 or during the EGM as we deem appropriate. Lunch is scheduled for 1:30 p.m. in the foyer. And I look forward to joining you there. However, if we need to run over time, we will continue the meetings. Let's hope not.

We will vote on each resolution for today's meeting by way of a poll. I will call for vote after there's been reasonable opportunity for discussion on each resolution. We will vote using electronic voting handsets. Those of you entitled to vote should have received a handset, a white plastic smart card and instructions on how to submit your vote. If you have not already done so, please insert the smart card into the slot at the top of the handset with the barcode at the bottom and facing towards you. Your name should now be displayed across the top of the screen on your handset, and my worst possible nightmare is that they don't work.

If you're voting and do not have a handset or your name is not displayed on your handset, please raise your hand now and one of our assistants will help you. There's someone needs some help up there, please. It looks like I've been spared. It did once happen at AGM where they didn't work, I've never forgiven them.

Okay, everyone, in good shape here? Good. Excellent. I'd never be able to do it, I'm technologically useless, can't even program the television. I'm going to set my alarm clock to get up at 2 in the morning to record something.

After I open a poll on a particular resolution, your handset will activate and display the voting options. Selection 1 to vote for, 2 to vote against or 3 if you wish to abstain from voting on this resolution. Your selection on the award received will be displayed on the handset screen. You can change your vote at any time while the poll is open. If you wish to cancel your vote and have no selection recorded, press the X button, the X button. Any proxy holder should vote in the same manner by pressing 1, 2 or 3. This will cast any open votes you have available.

Underlying directed votes will be cast automatically. After each poll is opened, I will give you a short time to vote on the resolution, and I will then close the poll. Once voting on an item has closed, I will show a slide with the combination of votes cast in the room and proxies received prior to the meeting. The final numbers of votes for and against each resolution will be made available to shareholders after the conclusion of the meetings when we release the poll results to the ASX. I intend to vote undirected proxies held by me for all resolutions.

If you need to leave the meetings early, please go to the registration desk where staff from Link Market Services will help you to vote on any outstanding resolutions and collect your voting handsets. Michael Spruyt, from our share registry, Link Market Services, will act as returning officer for the poll.

I now will turn to the formal business of the AGM, and I will invite questions on each item of business in turn.

The first item of business is to receive the financial and other reports for 2009 financial year. Are there any shareholders who would like to ask a question or make a comment on those reports? I'll also take general questions about the company's performance at this time. Please see the attendant at the microphone nearest to you and wait until I call upon you.

Okay. We have a question from number one.

Unidentified Participant -

Mr. Chairman, I'd like to introduce Don Adams from the Australian Shareholders' Association. Welcome, Don.

Don Adams -

Thank you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Nice to see you again.

Don Adams -

Yes, we've had some interesting conversations, haven't we?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

We have indeed.

Don Adams -

I'm here representing the Australian Shareholders' Association. And as such, I'm holding proxies for 1,227 retail shareholders, which makes it, I think, somewhere between the 10th and 11th largest shareholder on your shareholder list, but it's still quite a small portion of the whole. So it sounds a lot better than it really is. But still, it is a large number of retail shareholders.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

It is indeed.

Don Adams -

I have a question on the underpayment problem. You've addressed that in your address. The question is, how are you going to achieve your goal of making remediation? I think it was -- your objective was for the last 2 years to everybody who has affected before Christmas this year. The second part is, have you discovered further problems in other parts of the business, such as the Endeavour Drinks business, BWS and Murphy's ALH? And I suppose the third bit is, is there a revised estimate of what the total remediation costs might be?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. So thank you for that, Don. And the Australian Shareholders' Association is an important investor in our business. So, I wouldn't like anyone to think otherwise.

In terms of the remediation before Christmas, what we committed to do was the last 2 years. Clearly, we've got to go back 10 years. But the last 2 years, we're making good progress on payments we've already started. We've done, how many?

Bradford Leon Banducci Woolworths Group Limited - MD, CEO & Executive Director

We'll have everything done by next Monday, but 70% was done early last week, Don. So we will have analyzed 14,000 salary team members in Woolworths Supermarkets and Metro stores. We've communicated directly with 12,000 of them, whether they will receive the payments or not. And for those who have, we have processed the payment. And we're working through the final 2,000 as I speak with our goal to make the payment on the 23rd of December. So we'll have at least hit the first milestone that we set ourselves.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So that was your first question, Don. The second one was, have we found this in other parts of the business. We fully expect it to, and we have, although it hasn't been anywhere near the same extent as

in the supermarket business.

And then your third question was, we gave an estimate to the market of between \$200 million and \$300 million. We're very comfortable with that estimate. We think at this point in time, and I don't want to make any forecast here because that would be dangerous, we think it may well be at the bottom end of that range. And so we're comfortable sitting with the \$200 million to \$300 million provision. Thank you, Don. Number two?

Unidentified Participant -

Mr. Chairman, I'd like to introduce [Judy Depth].

Unidentified Participant -

Mr. Cairns and and Mr. Banducci.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

You can call me Gordon, [Judy].

Unidentified Participant -

Okay. No problems there, Gordon. First of all, I'd like to make a comment, like, well done in being first to go to the media in regards to their \$300 million underpayment scandal. And also Mr. Banducci, well, congratulations in getting out the 12-month parental leave and the enterprise agreement scheme. My question is, in regards to BW, you've got an additional impairment charge that's in the range of \$150 million to \$200 million. What's the difference between that and the Masters fiasco that we had like a few years ago in which you said that Woolworths can't afford to lose \$200 million a year?

And also, in regards to your loyalty program as well, it's going to find that, yes. You said the loyalty program is allocated in the account of trade and other payables in the consolidated statement of financial position. But the thing is I can see here that there has been a decrease in that amount. What is that indicative of? And is that showing that the Woolworths rewards card -- Woolworths membership is dropped off or whatsoever because there's a decrease there?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. So thank you, Judy, for your questions. Let me address the first one. The impairment that you see in the accounts for Big W is a result of us looking at all of our stores and deciding which of those stores were not trading profitably or would not trade profitably into the future. And therefore, we had decided on a closure program. So that provision that you see there is for closure.

And your second question was the loyalty program, and I can reassure you that the loyalty program goes from strength to strength.

Number three?

Unidentified Participant -

Mr. Chairman, I'd like to introduce [Robert Kadison].

Unidentified Participant -

Thank you once again for a stellar performance in a very competitive retail environment.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Sorry, could you say that again?

Unidentified Participant -

Stellar performance.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I didn't quite catch stellar.

Unidentified Participant -

Well, you can thank the man next to you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I've never doubted it.

Unidentified Participant -

Yes. Right. I think we've got one of the best CEOs in Australia at the present time.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I think the best.

Unidentified Participant -

So it's been a wonderful result. But I'd like to know particularly what strategies because you've spoken a lot about sustainability and the environment. What further action are you going to be taking to retire plastic packaging and the use of plastics in our business? Because you've got rid of the gray plastic bags, but there's now a proliferation of that \$0.15 plastic bag all over the place as well. And I like to say, less of the Woolworths brand floating around, so that we don't get blamed for any more plastic. But I think I'd like to know what actions are taken in the organization globally when it comes to produce and also the suppliers packaging their goods in plastic? Thank you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you, Robert. So your particular question is just about plastic, not about the healthy initiatives that we've taken?

Unidentified Participant -

Oh, the healthy initiatives are fine. But I think the plastic is...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

The plastic is the one that concerns you?

Unidentified Participant -

Yes, because we've seen a lot of documentary about what's in the oceans and all over the environment. And I'd like to be part of a company that is responsible in that regard.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes, we absolutely agree with you. You'll recall that we were the first Australian supermarket to take plastic bags out. We asked the government to support us. And unfortunately, they declined to help us in New South Wales. So we went ahead and did it unilaterally because we believed it was the right thing to do. Our competitor didn't follow. So we had a very nervous few weeks where we actually lost sales. We took an enormous amount of opprobrium from customers who thought that we were taking plastic bags out so we could make more money. So we had to educate them that we were doing it because it was the right thing to do.

The next thing is that it was difficult for our store staff because now instead of having plastic bags, customers were having to bring their own bags. Those bags were of different sizes and so forth. So that was difficult for our [store staff.] And despite all of that, I can assure you that we are committed to eliminating plastic from the produce in our stores. It will take time. It will take time. We're making good progress, but we are committed because we actually believe that it's the right thing to do.

Unidentified Participant -

One more further comment. I'd like to congratulate you in your efforts to look after our dairy farmers in comparison to another competitor that had to be called out.

And another thing with -- so Brad Banducci, congratulations. You're in front of the media, you take ownership, and you put your hand up, and you take responsibility. Thank you very much.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Here, here.

Bradford Leon Banducci Woolworths Group Limited - MD, CEO & Executive Director

It's very kind of you, Robert, could I -- can I just elaborate on plastic bags for a...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Bradford Leon Banducci Woolworths Group Limited - MD, CEO & Executive Director

Thank you for your kind words. On plastic, it's clearly a journey. And single-use plastic bags was the first step. We actually sell a lot less of those now. It's about 80% less than we did before. So we do have

less. But we know it's a journey, and we're working hard in particular in bakeries, probably the achievement of our year is we have gone to sugarcane composites-based packaging. This is going to make a material difference there. And in produce, where we can, we're taking plastic off if it keeps the [produce] in good shape. But we are also very critically, I mentioned our new store in [Brickworks,] down in Melbourne, we are trialing a new hessian bag so we can actually take more plastic out of produce there. And you will notice if -- we've got about 25 supermarkets right now, but you'll notice in a number of supermarkets, we're also trialing brown bags just to see how our customers resonate with them, having to scale up the manufacturing. So a long way to go. But we'll continue to work on it. Our goal is to move to a loop-based logic where you don't need to use multi-use bags of -- single-use bags of any form or covering. And so it's just part of the journey.

But rest assured, we get the message. And what's really pleasing to us, our customers are right behind it. So we'll continue to work on it.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Thanks. We have a question from number 3. Can I take 3 before we do 1. Is that okay?

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce [Elizabeth Daake.]

Unidentified Participant -

Thank you, Chair. My question relates to Woolworths' current industry association memberships and the process by which the board assesses Woolworths' ongoing alignment with these groups. In particular, I wish to ask about membership of the Business Council of Australia.

As you may be aware, the BCA has been criticized for elements of the -- its advocacy on climate change. In 2018, the BCA described a 45% emissions reduction target, a target consistent with scientific consensus and Australia's international commitments under the Paris Agreement as economy wrecking. They have never retracted this statement. This kind of advocacy is striking when compared to the very positive climate action being taken by Woolworths, such as expanding installation of rooftop solar and investing in energy efficiency in stores. And indeed, highlighted by you in your address. I note that other BCA members such as Westpac and Telstra have recently conducted policy alignment reviews of their industry association. Would the Board consider committing to a similar review to ensure all stakeholders that the policy and advocacy being made on its behalf by third party groups on the issue of climate change is aligned with the values and strategy of this company?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Thank you, [Elizabeth.] So let me say, first of all, that the Business Council have their views on climate change, as you've just articulated. I think we have made our views as an organization equally clear, and we don't always agree with everything that the Business Council articulates. However, what we do agree with is that the best way to advocate for change within organizations like the Business Council is not by withdrawing our membership and shouting from the sidelines but actually to be a

member and to articulate inside the room why our policy on climate change is the appropriate one for Australia.

Secondly, we -- as you will appreciate, there are some benefits in being members of these organizations as well as where we'll have differences. But I've always believed that being a member of these associations is like a marriage. I don't agree with everything. My wife doesn't agree with everything that I say or do. But we actually believe that the benefits outweigh the disbenefits, and I think it's the same with industry associations.

I don't think we could be any clearer on our views on the Kyoto agreement and the overspill argument there. I don't think we could be any clearer on a commitment to 2050. And we will continue to advocate for that, both publicly and privately within the BCA. And on a final point, we actually have done a review of all our industry associations, and we will continue to advocate inside those associations for those things that we believe in and publicly as well. We will not be diminished.

I said I'd come back to 1. Thanks for putting your hand up.

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce [Sharfa].

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Sorry, what was the lady's name?

Unidentified Company Representative -

[Sharfa.]

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

[Sharfa.]

Unidentified Participant -

Mr. Chairman, I'm working under contractor that supply supermarket with the spring rolls, hamburgers, (inaudible) and other frozen food. For years, I'm working with this factory, and I just being earning about 11 to 14 per hour working up to 12 hours a day. There's no sick leave, no night shift allowance and no holidays. When we see supermarket auditors come in, it's just a joke. They are not able to find the truth, and we heard from the United Workers Union members that Woolworths' audit process are useless.

When we know boss -- when the boss know Woolworths is there to check, they have change and hide everything until after you are gone. To have to stand up this exploitation, farm workers are asking that Woolworths require all the fresh food supplier to provide access to union lead workers right education session for all their farm workers and to make sure workers and their union have a role in the compliance investigation. It is simple to ask that come at no cost to Woolworths. You can easily mandate

the size and shape and color of the apples you asset. So why do you keep using weasel words

And legal fallacy to try and legal out of mandating the workers who pick and pack those apples are in subject to (inaudible) and modern slavery?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So thank you for your -- [Sharfa,] thank you for your very impassioned plea. I think the best way to handle this is, we have the people here from our sustainability group. And if we could take your question, and I'm sure there'll be more of the same outside of this meeting. And if you can give us the particulars of the firms concerned, then we can follow up and assiduously investigate which we are committed to doing. Because I think it's fair to say we've made enormous progress since last year. We have been working collaboratively with the United Workers Union, formerly the National Union of Workers. We have launched requirements for labor providers in our Australian horticulture supply chain. We have targeted intervention in hot spot areas, which includes preharvest supplier briefings, checking, surveys, a speak-up program, a worker education program and numerous site visits conducted for strawberries and scheduled for cherries and grapes. Clearly, we're not doing enough. And so our commitment is if you and your colleagues can give us the information afterwards, we will follow up. Could I then take a question from #2?

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce [Judy], again.

Unidentified Participant -

Mr. Cairns again. Just wanted to ask you in -- I'm following on with the loyalty program, based on my recollection, ALDI does not have a loyalty program. How come their stores are more profitable? And if Woolworths didn't had a loyalty program, would we be able to be this profitable as well at this point in time?

And my second question is in regards to the Coles-Ocado deal, the U.K. online grocery store. How do you feel that as a threat to us? And do we -- does WooliesX has the resources and the capacity to compete with the Coles-Ocado deal -- group?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Right. So, [Judy,] thanks for your questions. Let me start off with our loyalty program. I think we've got about 11.8 million members in our loyalty program. We think it's an important aspect of what we provide for our customers, and they certainly think so because the feedback is tremendous.

In terms of whether that diminishes our profitability relative to ALDI, I have no idea because Aldi does not report their profitability by store. So I wouldn't know. But I have to tell you, our profit margins are, I think, around where they should be. And so I'm comfortable there.

In terms of the Coles decision on Ocado, obviously, I can't comment on what our competitor chooses to

do. But suffice it to say that we're very comfortable with what we've decided to do with Takeoff, which I think gives us much more flexibility. It gives us the opportunity to do it much sooner. And I think it's appropriate for a number of our major cities around Australia and New Zealand, which Ocado doesn't. Number 3?

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce [Helen Clemens.]

Unidentified Participant -

Thank you, Mr. Chair. I'd like to take us offshore. There's growing concern that thousands of workers, mainly women in the global supply chains of major clothing companies are not paid enough to live on. Being paid a living wage would lift these workers and their families out of poverty. With regards to BIG W, why is Woolworths yet to make a credible commitment to a living wage and to publish a time frame to reach key milestones along the way? Thank you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So I might pass that to David. Do you want to take that for BIG W? We've got David here, who's the Managing Director of BIG W.

David Walker Woolworths Group Limited - Acting CEO of Big W

So thank you for the question. Clearly, we look at the living wage as an ongoing challenge for us. I mean, clearly, we have a number of our factories predominantly based in Bangladesh, and we see the ongoing commitment to a living wage is something that we are working with, and we still believe that we have a way to go in making that commitment. But it's something we're actively working on right now.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you, David. Mic 4?

Unidentified Participant -

Mr. Chairman, I'd like to introduce [Melissa George.]

Unidentified Participant -

Thank you, Chair. I wish you to clarify Woolworths public position on the Kyoto carryover credits.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Unidentified Participant -

These are left over credits accrued under the Kyoto Protocol, the global climate accord that preceded the Paris Agreement. The federal government has said it plans to use these credits to help achieve Australia's current commitment under the Paris Agreement. This is a controversial decision. If adopted, the credits would more than half Australia's current emissions reduction target. These credits are so contentious

that the federal environment department is unaware of a single country other than Australia who plans to use them, while over 100 countries have called for the measure to be banned. It would seem contrary to the risk profile of Woolworths, which identifies climate change as a material business risk to endorse a policy that significantly reduces Australia's climate commitments under the Paris Agreement. However, key spokespeople for the Business Council of Australia, an industry which is -- Woolworths is currently a member, have publicly supported the use of Kyoto carryover credits. Does the Board agree with the BCA's support of Kyoto carryover credits?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you, [Melissa.] I'm -- so let me differentiate between Woolworths policy here and my own particular predisposition. On publicly, on record, saying both as a Chairman of Woolworths and Chairman of Origin Energy that I don't believe -- this is a personal view, but I don't believe it's appropriate to use the Kyoto carryover. Because ultimately, what's important is where you end up. And if you allow the Kyoto carryover, you end up in a worst position than you'd like to be.

So now let me tell you what Woolworths position on this is, which is we've been very clear where we want to be at 2050. We've outlined where we currently are. And we're not going to use the Kyoto carryovers to get us to that position in 2050. And so rather than getting into a debate, we basically said, here's our target in 2050. And it will be consistent with the 1.5 degrees. And then the final thing I'd say is -- and again, this is reflecting personally. I think it would be more productive for us as a community, rather than debating Kyoto is to basically take a lead from Professor Garnaut's view, which is Australia can become a world leader in renewables, not only satisfying our domestic market, but the international ability to export renewables as well. If we get to there and follow that direction, Kyoto will be irrelevant. Looks like we've got number 3.

Unidentified Participant -

Mr. Chairman, I'd like to introduce [Peter Melzer.]

Unidentified Participant -

Thank you. This is another BIG W question. And I was pleased to hear your earlier reports about your attention to remedying under payments, considered as a key issue. So on Page 19 of the Woolworths corporate responsibility strategy for 2020, you state that you will collaborate to move to living wages, not just a minimum wage. What measurable steps is BIG W and Woolworths' taking so that women who make our clothes can lift themselves and their families out of poverty? So it's the question of what measurable, visible steps can we see happening in this movement?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes, it's a good question. I think I'm right in saying, and Brad will correct me if I get this wrong, that we are increasing our weekly wage rates faster than the rate of inflation. So effectively, in response to your question, what are we visibly and tangibly doing? We are increasing beyond the rate of inflation, which actually, a number of employers are just paying the rate of inflation. We are actually increasing faster than that on the belief that by doing so, we will actually catch up.

Unidentified Participant -

Right. I had a second question.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

You want to add anything to that?

Bradford Leon Banducci Woolworths Group Limited - MD, CEO & Executive Director

No, I was going to just call out the New Zealand scenario where we've just agreed with our team and with the unions to move to a living wage or sustainable wage potentially by September of 2020. So we are taking a number of actions in Australia. When we went to the last enterprise agreement, the overall increase that ended up getting passed through for good reasons, it was just 5 -- it was in the order of 5.5%. And so we've now made material commitments in New Zealand. And as Dave Walker said, in the case of BIG W and our sourcing, which particularly is centric around big -- Bangladesh, we're working towards making the right series of commitments there as well. So -- but I do appreciate the challenge, and we're well working on it.

Unidentified Participant -

The question is what actions are there because this is the part of the second question. Oxfam released a naughty or nice list a month ago. And why do you think BIG W is placed on the naughty list? And what steps will you take?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So let me just clarify that question. We're right -- we were on the naughty list. And that's because the action on living wage is currently operational in Myanmar, Turkey and Cambodia. These are not sourcing locations for BIG W. And so we continue to consult with Oxfam and the action on living wage to ensure that they have a presence in Bangladesh, where we source most of our apparel from. So just to clarify, why we got on to the naughty group rather than the nice group is basically because we're in Bangladesh, and they're monitoring Myanmar, Turkey and Cambodia.

Unidentified Participant -

Well, they are also monitoring Bangladesh, and it's a very important part of their work, and they have a person who is Bangladeshi on the working group.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So we expect to be able to join with them in the new year. We have a question 1 here.

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce, [Rehaab.]

Unidentified Participant -

Mr. Chairman, my name is [Rehaab.] Me and my friend, we've called to work in Lamattina, that was in

Victoria. So about 15 ladies, we were there, we were so exciting to get the job, driving all the way like 1 hour, some of us, 1 hour, some of us, 1.5 hours. When we were around there, we were there, they told us like you do bring your own (inaudible) gloves and everything. And then we told them, no. Because nobody told us what we're supposed to bring. And then we get inside, we start the job, we said, okay, because the first time they told us we're going to fill the paperwork there. And when we went there, there is no paperwork, there is nothing. I guess, well, as you guys go and start set the job. And then we said, when we're going to fill the paperwork. They said after when you guys finish, you're going to fill it. And then we said, that's fine because we really want the job, we want to work.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Unidentified Participant -

So we went inside, we started working. And the first time they told us, we're going to start from 7:30 to 3:30. And then we went to break, we went to the lunch room, they told us, no, you guys are not allowed to stay here, you have to go to the other area. And we didn't know why. We thought -- and then we left, we come again we start and keep doing it until 3:30 come. We said, when we're going to have a break, when we're going to leave. And then they said, no, you guys will have to finish the order and we said, so which one -- how much is the order, nobody told us. We just keep doing and doing, until 5:30. The 5:30, we finished and then they told us, you guys, today is the first and the last. And the first time they told us we're going to work for 6 months. And we finished at 5:30. They said, no, you guys today is the first and the last, I don't want you anymore to come. And then we said, why? Nobody told us. And then we just left and he said, I am not going to pay you, so there is no payment. There is nothing. So we just keep doing this for nothing.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Unidentified Participant -

And then we left. We find the union who run there, we talked to them, and when we went there, we thought maybe because of us, maybe because of the color or something that's why they don't want us. But when we went there, there is a lot of people like migrants. They've been doing, they've been working with Lamattina, they didn't pay them. So my question, why you guys are still doing business with Lamattina?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. So clearly, the facts that you've just outlined are completely unacceptable and are not part of agreed protocol with our suppliers. Can I suggest 2 things? First of all, are you here with the UWU. Because if you are, we have an agreed protocol with the UWU. They'll bring these instances to our attention so that we can investigate them. And can I suggest the best place to bring them to our attention is not here at the AGM. We have an agreed protocol with the UWU. And we are in -- and I think we have a great relationship, a great consultative relationship, and we'll obviously follow up yours and

others in the appropriate way. I also suggest that we have people here from the team. And again, consistent with the previous lady who stood up and spoke, this is completely unacceptable. If you can give us the details of the company, if you can confirm that they're actually a supplier to Woolworths, then we'll follow up.

Unidentified Participant -

What about if I just give you the detail now? And then?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

There are people here who can follow up for you. And so rather than take up the time for the meeting. And look, can I make a plea? If there are 4 or 5 others like you, I'm very sympathetic to this. It's totally unacceptable. You've made your point, we have people here today who can follow up with you, and I suggest we do it at the end of the meeting. Thank you. Number 4?

Unidentified Participant -

Mr. Chairman, I'd like to introduce [Kaz Kazen.]

Unidentified Participant -

Mr. Cairns and the Board.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Please call me Gordon.

Unidentified Participant -

I'm sorry?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Call me Gordon.

Unidentified Participant -

Oh, okay.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

That's what my wife calls me, sometimes.

Unidentified Participant -

Okay, Gordon. But look, I'd like to congratulate to you and to thank you for the progress you've made on the several issues that have been raised over the time. So you've done a good job, and I'd like to thank you. But last year, I did ask you why Woolworths was screwing the farmers, dairy farmers. And some gentleman earlier made some comment that you had made progress that you had corrected that oversight. But it -- from what I read in the paper, this hasn't been the case. Now what exactly is the position and why is the farmer having been in the dairy business -- one Queensland farmer, having been

in the dairy business for about 60 years was reported to have said that he's sending all his cows off to be killed, and he called the Coles and Woolies, dirty rotten (expletive). Is this true?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Oh, we're certainly not -- we're certainly not that.

Unidentified Participant -

He was further, but I noticed a family program here tonight. I don't want to embarrass anybody.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Shame on him. Shame on him.

Unidentified Participant -

But can I just read out part of what was reported in the paper? It said that the generation farmer called Australia's supermarket giants dirty, rotten mongrel (expletive), claiming they had pulled the wool over the nation. There are so many people out there that want to help. They can't because they're tied to whatever the supermarkets want to do. The put out -- put up all these statements about what they've done to help out the farmer. But seriously, they've done nothing. I mean, this is in a newspaper, report of October 9.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Yes, do you believe everything you see in the newspapers?

Unidentified Participant -

Well, I'm trying to -- I talked to some of the farmers after the meeting last year. And he said, "Well, look, thanks for taking up the issue."

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Okay. Well, I'm horrified by what this farmer said. Clearly, there's a -- we can't satisfy everyone all of the time. But actually, I'm very proud of the work that we've done with farmers, whether it be in terms of drought relief, we've talked about the program there. Whether it be in terms of milk, the \$0.10 per liter that we added to our milk or whether it be the food packages that we deliver. And so I -- it's just as well, you can sue for defamation if someone defames the company. Because actually, I think those comments are ill-founded and inappropriate. Brad, do you want to add to the extensive work we've done with farmers?

Bradford Leon Banducci *Woolworths Group Limited - MD, CEO & Executive Director*

Look, it's an ongoing challenge out in the rural communities, as Gordon mentioned upfront, with the ongoing drought and now the fire. So it is a dynamic situation. But if -- in milk, in the last year, we did lean in and our Head of Fresh Food, Paul Harker is here today, if you'd like to follow up later. And move the price of milk up by the \$0.10 to drought levy, which we've ensured has gone back to farmers. We've had an audit process. That process was validated by the ACCC in the review that they announced last

week. So we have been trying to make sure that the money goes back to farmers, not only in terms of the price that we pay for, but also in the incremental drought relief funds. So that's certainly, I think, a very practical example of positive things we've done.

The same kinds of actions have been taken across the meat industry, which is incredibly challenged as well. As you should be aware and many of the other farming communities out there, but it is a work in progress. I think we all need to stay vigilant. We were just at our -- we're still going on our Christmas roadshow this year, we went to the into draught review in the rural communities, and it's challenging out there. So we will need to continue to evolve and think through what we're doing going forward. But I do think the comments are very unfair that were just quoted because that's certainly not what we have done with our actions and certainly not what our aspirations are.

Unidentified Participant -

Thanks very much. I'm pleased that you're making progress. But somewhere in this article, he also had said that they held the extra payments for at least 6 months after they had publicly reported that they are going to make the payments. Now whether this is true, I don't know. But it was reported in the article. And I'm pleased to say that you are making progress, that you are -- because it makes shareholders feel uncomfortable because they're sort of riding on the back of poor farmers and things like that. So, thank you for your efforts.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, not at all. Okay, thank you. Just to reiterate, we can't be successful without them being successful, and they can't be successful without us being successful as a partnership. Yes, number 1?

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce [Diana] as a proxy for Stephen Mayne.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Where's Stephen? I saw him earlier. He's normally very able to speak for himself.

Unidentified Participant -

Gordon and the Board, as a person who has been severely affected by 1 of our family members' addiction to poker machines, I want to thank you for your decision to divest from the poker machine ownership. The past 11 years have been a struggle that has taken a big toll on our family that is still having ramifications. I can't give you the details as it would affect this family and its career, not to mention the shame and stigma that it would cause. So what would mean a lot to people like me who have family members with an addiction, if you spoke publicly about the reasons for your decision and how you came to it and what values underpin it particularly in light of the damage we know that poker machines cause. Thank you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thanks very much, [Diana,] and my sympathy for the members of your family or a member of your

family who suffered from an addiction. That's a terrible tragedy to have to suffer. Let me state straight off the bat that irrespective of whether Woolworths owned 100% of ALH or whether Woolworths ultimately divest its drinks and hotel business, we are committed to the highest standards of responsible gaming in Australia. And that will continue irrespective. And I have to say that since we found ourselves, perhaps not living up to our standards at the last AGM, when we reported, we have been assiduous in ensuring that we do, that we make sure that the culture is appropriate, that we have measures in place to ensure that people who are addicted and who self-report are no longer allowed into our gaming rooms. And there's still more to do. There's still more to do.

And so it's not a question of whether we divest or not. The key question is, as a 100% shareholder or as a 15% shareholder, are we committed to continuous improvement in this area? And let me assure you that we are. And it's better in our hands as a responsible custodian than in those who don't feel the same way.

Unidentified Participant -

I think for people like me, there really isn't such a thing as responsible gambling. So let me tell you that. But before you divest, would you consider reducing the operating hours? Because our family member has been using poker machines on all hours of the night?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Yes. So thank you for that question. That clearly will be a decision that the new Board of Endeavour will take. And what we don't want to do is we don't want to set them up with preconditions prior to divesting. And I'm sure that if they believed that, that would be a significant step in the reduction of people who are irresponsible, then that would be something that they should consider. Number 2?

Unidentified Participant -

Mr. Chairman, I'd like to introduce Mr. [Waljean.]

Unidentified Participant -

Thank you very much, Mr. Chairman. Let me, first of all, say that you and your fellow board members must be very, very time consumed because a lot of these issues, I'd have a lot of problems getting over-the-top of. And obviously, trying to stay on top of them is very, very difficult. But I'm very much into the occupational health and safety and I must apologize because I haven't fully looked into that issue this year. I have at other companies and as you may know from originally rise usually fairly obviously to say occupational safety.

I did see a figure outside, 11.99. What it relates to, I have no idea. Whether it's better than last year, I have no idea. But obviously, I have been to other companies and I see a figure that's a hell of a lot lower. Now I have a feeling it's got to do with accounting sort of issue where, how do you account for it, how do you add -- how do you add up the numbers? Can you perhaps more fully inform these members and some of your staff members? Because if I had look at occupational health and safety, as you well know, from yourself and any other organizations you've been a member of, is an area -- if you're not looking at

occupational and safety, what else aren't you looking at? I did have a word with one of your sustainable people out there, very, very good. I'd like to hear -- I like what I hear. But I'm just -- I'm occupational health and safety. Thank you, Mr. Chairman.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you. Thank you for bringing that to the attention of the meeting. I wanted to reassure you that we are committed to the people who work in our supermarkets and the customers who shop in our supermarkets zero harm. Zero harm. So when we have our huddles at the beginning of every day in our supermarkets, clearly, occupational health and safety is an important topic that we discuss. You would also appreciate, sir, that this is a never-ending journey of continuous improvement. We're not where we'd like to be. And I think it's fair to say in 2019, one of the areas where we fell short of our target was in operational health and safety, where the numbers came down, the numbers of incidents came down, but the severity actually increased. And so what we've done is we've redoubled our efforts in this area here. I also wanted to reassure you that when the board actually goes out as it does on a regular basis and inspect sites from an OH&S point of view, we want to reinforce to the management team that we are 100% committed to zero harm.

Unidentified Participant -

Thank you, Mr. Chairman. And as one of your predecessors have said, if you don't look at it, you loses millions and perhaps thousands of dollars, hundreds of thousands of dollars because this is an area that becomes very, very expensive very, very quickly. You yourself know, closure of a dock can be very, very expensive. So thank you, Mr. Chairman.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, just to reinforce, it's not about the dollars and cents. It's not about the dollars and cents. We want everyone who comes to our supermarkets or to our DCs or to our warehouses, we want them to feel that they're safe and that zero harm is our objective and their safety is our #1 concern. Not the money.

Unidentified Participant -

You're doing your job properly and saves money.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you. Thank you for your comments. #1.

Unidentified Participant -

Mr. Chairman, I'd like to introduce Mr. Berger.

Unidentified Participant -

Hello Chairman and Board. First of all, I was pleased to see aggrieved farm workers here today, because although you might have good relationships with their union, if the farm workers come and say something about it at an AGM, it draws public spotlight to the matter. And then you really do have to do something about it. So I'm glad that they came.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I just answered that question.

Unidentified Participant -

Well, it's not a question. It's a comment.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, let me respond to that comment. We would do something about it if it's wrong, not because they come to the AGM and point it out. And my only point was, why wait until the AGM if they have an issue, then we have a Speak Up program, we work collaboratively with the union and we're very happy to take the responses either directly or through the union. So my strong plea is, if there are suppliers of ours who are not behaving to our standards, we should know about it immediately, not wait til the AGM.

Unidentified Participant -

Thank you. Okay. Thank you for undertaking to investigate these grievances and also thank you for the lunch to come. Now my question.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Let's hope we can get there.

Unidentified Participant -

I want to help in creating a better shopping experience in our Leura, New South Wales supermarket. So could you point out to me which of your managers here today has oversight of the Leura store? So I can show them over lunch some photographs I took of -- unfortunate pictures I took of unmapped displays in that store on Saturday.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Great. Well, thank you for your question. Claire Peters is sitting here in the front row. She just put a hand up. She's a lovely lady, and she will answer your questions much better than me. Thank you. Okay. I think we're -- I think we're -- do we have a question 4?

Unidentified Participant -

Mr. Chairman, I'd like to introduce as Kaz Kazam again.

Unidentified Participant -

Just a quick one. Last year, you spoke valuably about your fellow Mossman residents. What progress have you made in getting a store up in Mossman? Have you been able to exercise that you -- been you able to exercise the charm that you exercise on us and make some progress on that front?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, this is the question I hoped I wouldn't get because I'm a Mossman resident.

Unidentified Participant -

Yes, that's why I'm asking.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. Not only that, but let me share with you a small domestic issue, which I happen to have. My wife is not convinced we should have Woolworths supermarket in Mossman. So before I answer your question, I have to spend a lot of time at home convincing her it's the right thing. The truth of the matter is, we did want to pursue a supermarket. We absolutely thought it was the right thing to do. If you look at Double Bay in Sydney, where we put a supermarket, and we've regenerated that precinct with a library and other shops and so forth, we thought it was the right thing for Mossman. I personally supported it. Unfortunately, the Mosman Club did not agree that it was the right thing to do. And so our next plan in order to bring great prices, great produce, great service and a great supermarket to Mossman, is to grow to a much smaller format where we don't need to include the club and we are now in discussions with council to get their support to that.

Unidentified Participant -

So what are you going to do with all the properties that you bought around...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

We'll use those properties in order to put a much smaller store, about 900 square meters as opposed to 4,000 square meters, which would be a full-sized supermarket. Do you live in Mosman?

Unidentified Participant -

No, I did. You were speaking how friendly and polite they were, but I had lived in Mossman once upon a time. I live in a more humble suburb called Randwick and I think I drew attention to the fact that Mossman people don't have a monopoly of virtue, wisdom and civility.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

How's the Randwick store? I hate to ask.

Unidentified Participant -

I was -- I can't get ahead of the store right now. It's -- it needs a bit of work and it's getting done in March.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

It's a work in progress.

Unidentified Participant -

Well, I was told at the last annual AGM that work was going to start within 6 weeks. It's now 12 months. You've had 3 manager changes...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Oh dear, I'm sorry, I asked the question. Apologies. Could we go back to Mossman?

Bradford Leon Banducci Woolworths Group Limited - MD, CEO & Executive Director

No, it's been very good feedback. We actually felt that the plan wasn't sufficiently aspirational. I think it now, from memory, is March that -- and I will personally be there in March if it is -- if we're not doing it. I'm looking at the team. It's March that it gets materially upgraded and we needed to lift our game in terms of what we wanted to do in that store, given the nature -- change in nature of the customer base around it. Thank you for all the comments in our previous store managers in Chelsea, who's doing very well, which she just got a promotion. But yes, some work to do and we're running late.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. Okay. Apologies for that.

Unidentified Participant -

No. Really, I think it's a very important store. You've got a captive market. You've got the university. You've got the hospital and you've got all the students and all the other people shopping there. It's a rundown store. You see these broken refrigerators. I mean, it's embarrassing. I mean, really. I can send you some pictures.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I'm sorry, I'm sorry. (inaudible) I'm sorry.

Bradford Leon Banducci Woolworths Group Limited - MD, CEO & Executive Director

We don't disagree and we are running late, and we absolutely agree. So take it as given. I'm looking at (inaudible) in front of me, who -- we'll both make sure we're there in March and will open.

Unidentified Participant -

Okay. I'll hold you to that.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you very much, sir. Okay. No more questions on Randwick. Microphone 1. I think we've got a number of questions from microphone 1. Let's see where we can get through them.

Unidentified Participant -

Mr. Chairman, I'd like to introduce Trish Hepworth from the Foundation for Alcohol Research & Education.

Unidentified Participant -

Thank you, and good morning, everyone.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Good morning, Trish.

Unidentified Participant -

Unfortunately, I'm taking us all a long way from Randwick up to the Northern territory, where the foundation, along with a lot of community groups, local drug and alcohol services and indigenous medical services are currently sort of being dragged through the courts as Woolworths is contesting a decision of the Northern Territory Liquor Commission. Their building a Dan Murphy's in Darwin would lead to an unacceptable risk of harm in that area.

I understand ahead of the split off of the alcohol business, there may be a bit of an incentive to sort of fatten the appearance of a growth prospect for Dan Murphy's. But I'm here to ask you today as a Board to try to put a stop to building what would be the Northern Territory's biggest bottle shop within walking distance of 3 vulnerable indigenous communities.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So thank you, Trish, for that question. So you'll know that we've been working now for 4 years on this application to bring Dan Murphy's to the Northern Territory as part of the Darwin Airport central development. Despite your comments, which I fully respect, the development has overwhelming support from the community, who just want the same shopping experience and choice that consumers enjoy in other capital cities in Australia. In fact, as recently as the other day, the Chief Minister of the Northern Territory government, Michael Gunner, has also publicly declared his support for this development, and privately. It is hugely important for the Northern Territory economy. There's never a right or wrong in this, and it will inject about \$30 million in a new vibrant shopping hub for the residents and tourists alike. But I wanted to give you a reassurance that the reason why the minister is so supportive and -- is because we have a strong track record in responsible service in the Northern Territory, and we will continue to work with the police, the licensing, the government and various community groups to proactively address community concerns around alcohol misuse and our store network. We have also undertaken broad-based community consultation through the planning process and the development would see 150 local construction jobs and around 30 permanent roles. And finally, last but not least, I am very sensitive to the local indigenous community group. And we are in constant consultation with them to assuage their concerns and find locally-based solutions. As you know, in the Northern Territory now, we have very strict regulations and rules, arguably the strictest in Australia. Our job as a responsible custodian is to enhance -- is to enact those rules.

Unidentified Participant -

Can I just ask a very quick follow-up? I understand you've got very strict responsible service of alcohol provisions. But what responsible service of alcohol does not cover is what happens to that our alcohol once it leaves the shop. Now I'd just point you again to the fact that we've got concerns being raised from the local communities and from the local drug and alcohol centers and from the local community groups because they know that no matter what you do at the front end, putting that store within walking distance of those indigenous communities is going to cause more harm.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, again, I think you make your point in a very dignified way. I'd point to the evidence. And the evidence is, as a result of the Northern Territory government introducing these tougher alcohol measures, there's been a 17.3% reduction in ED presentations in the Northern Territory. There's been a 23% reduction in alcohol-related assaults in the Northern Territory. There has been a 27% reduction in higher range drinking offenses and a 63% reduction in protective custody episodes. So what we're focused on is the responsible sale of alcohol as a way to solve the problem.

Unidentified Participant -

Thank you. And look, I agree that reforms in the Northern Territory have been absolutely life-changing for a number of people, and it is our very strong hope that nothing happens that would undermine or unravel those.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

That would be our intention as well. Thank you. Thank you, Trish. Another question from 1.

Unidentified Participant -

Mr. Chairman, I'd like to introduce Kate Hepworth from the ACCR.

Unidentified Participant -

Hello, Mr. Chairman. I am no relation of Trish. As I don't need to tell you, ACCR has been engaging on wage theft, bond slavery and other exploitation on Australian farms for over 3 years. We chose not to file a resolution against Woolworths this year in good faith of ongoing negotiations. However, those negotiations have stalled and a lot of events have happened since last year's AGM. I, along with a number of your staff, have met hundreds of farm workers like the 2 that have stood up today and the 1 that's still ready to stand up today, who all share similar stories. We've seen the University of Adelaide release a new report that confirms that nothing has changed since slaving away first broke in 2015. The Farmers Federation has come out and said that 71% of their members use undocumented labor, and have wondered about the farms that refuse to admit that they're doing illegal things. And we've seen media reports of wage theft, farmers demanding sexual favors in return for favors and pays. You say that there's progress. But if there is, it's been glacial.

I repeat to you the question that I asked you last year, which is, when will you stop proposing solutions that (inaudible) fell here and other supply chains around the world and commit to a multi-stakeholder agreement with these farm workers and their union?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

And what do you exactly mean by a stakeholder agreement with the union?

Unidentified Participant -

We've been talking about it with you as shareholder. We've been talking about a formal process where workers have formal role in grievance procedures, in disputes, that there's a formal education process

that is peer-lead and that there is a role for workers within a multi-secular agreement that involves the union, the workers themselves, other organizations like the church. This has been proposed to you in a pilot that has been negotiated and aware of this.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. So I'm not across the details of that specific request that you've just asked for. So why don't I suggest that, again, we have people here from our responsible sourcing program. Why don't we agree -- as I'm sure we've extended an invitation to come and discuss this with us. Why don't we agree that we'll meet you after the meeting to see what we can learn from your proposal?

Unidentified Participant -

The reason that we come to these AGMs is that we we repeatedly meet with your staff around the year, and there's always a block in this. So we're bringing it to the Board's attention because, ultimately, it is the Board that is responsible for the modern slavery risks in their supply chain as will become very clear when we get to the first reporting period that will start next year.

We have seen Brad already take responsibility for wage theft in his own supply chains, and what we want to do is see that the Board is taking that kind of responsibility for the supply chain.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Excuse me. Excuse me. Let me correct you, it was not wage theft.

Unidentified Participant -

We can debate how we use wage theft, but it's definitely underpayment.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

That's different.

Unidentified Participant -

Maybe that's what you share. That's -- maybe that's what you get from the BCA because I also disagree with the concept of wage theft. So I'm just going to leave it there.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, no. We're not disagreeing on the concept of wage theft, Trish. We're actually disagreeing on whether that definition is appropriate for our underpayment over the last 10 years.

Unidentified Participant -

Okay. We can agree to disagree on that one. But will you commit to a time line on a multi-stakeholder agreement?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

What I've agreed with you is that you're complaining that you can't get access to our management.

We're giving you that access today at the end of this meeting.

Unidentified Participant -

Okay. We'll talk at the end of this meeting.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Look forward to. Yes?

Unidentified Participant -

Mr. Chairman, I'd like to introduce Peter Star from Star Stocks.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes, Peter.

Unidentified Participant -

Good morning, Gordon, and good morning, Board. Good morning, Brad. And welcome to mom and dad shareholders here and to the number of shareholders that I represent, and some are here in the building. I have to say this, Gordon, through you, to Brad. This is the CEO of our company who understands. Back in 2017, on a Saturday morning, used up his time. And what a lot of people don't know is that he does this regularly and doesn't make headlines in the paper or anything, turned up and came out to the Burwood store, we spent 2 hours there, talk to everybody, listen to people. And then -- because what's happening there is there's a lot of units are now being built there as -- and the customer, instead of going to benefit the store, is going to be absolutely brilliant. So first of all, after that, he went down, had a look at the Westfield store as well. So I think it's a credit to the shareholders here that we have such a person who really does take the business serious and does commit. And there's not a lot of CEOs in this ASX 200 companies that are people persons and actually come and spend Saturdays and Sundays in stores. That's the first point.

Second, it's to the credit of both Gordon and to Brad that on the wage issue, you want to think about who makes payments to people? It's done in HR. It's done in payroll, okay? It's to their credit that they put their hands up, 2 or 3 weeks ago, about the reduction that we're going to take for that. And to that last speaker, she might want to go down to CBA. I was there this morning. You might want to ask Matt Comyn if he is going to take the \$53 million they've had to pay back to CBA workers.

And there's just one other thing, Gordon, if I could say?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Unidentified Participant -

Is that with the demerger, some shareholders have raised with me about, if they're existing Woolworth shareholders, will they get shares like they did when they did the property? If you could just clarify that.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Yes. One for one. Yes, one for one. If you got 1 Woolworth share, you got 1 share in the demerged. If you got Woolworth 10 shares, you get 10. It's one for one.

Unidentified Participant -

And Gordon, if I could ask -- if Brad, you'd like to respond to that so people do have an idea.

Bradford Leon Banducci *Woolworths Group Limited - MD, CEO & Executive Director*

Conceptually, pending any other offer we may get, Peter, at the end of this process, which, this is a critical first step on to create a new entity, it would, in some ways, look very similar to what happened with Wesfarmers and Coles in the terms of how the structure would work with a demerger and a given of shares into the new entity. So very similar, certainly not in strategy or in business, but very similar in structure to what happened there if that is the way the process worked through.

Unidentified Participant -

Excellent. Thank you.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

And just to confirm, if we demerge, you don't pay tax. So there's a benefit.

Unidentified Participant -

I'm aware of that. But it's good to -- for the mom and dad shareholders.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

So thank you for your very generous comments on Brad. I don't need to repeat. He doesn't just work occasional Saturdays and Sundays. He works every Saturday and Sunday. He is the hardest working. I used to think I work hard. My God. Nowhere near as close, and he sets the pace from the front. So thank you for those comments.

In terms of Brad voluntarily giving up his short-term incentive. Let's be clear, that's \$2.7 million. This is not an insurmountable -- this is not an insignificant amount. It's \$2.7 million. And he did that voluntarily because he accepted responsibility. So yes, to his credit.

Unidentified Participant -

(inaudible)

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

So I won't comment on any of those and how they behave. But we actually -- Brad and I both agreed that in this instance, we should do not what's legal, but what's right. And we should actually set the gold standard in terms of behavior for corporate Australia so that we never find ourselves in a position where people like yourself, said to us, well, why didn't you do this? Yes. Okay. We'll do one because we've got

about 6 or 7 waiting on one. If there are more questions for farm workers, could I -- for the sake of the audience here, I absolutely am empathetic to your request. But if they're the same request, could you keep them and could we meet with our representatives at the end of the meeting. That's far the best way to deal with your issues. We can get specificity. We can get the names of the companies. We can get the way that you've been ill treated, and we can get that on the record and do something about it.

Unidentified Participant -

Mr. Chairman, I'd like to introduce Hugh Von.

Unidentified Participant -

Thank you, Mr. Chairman.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Welcome, Hugh.

Unidentified Participant -

Thank you. According to the 2019 Ethical Fashion Report released in April this year, Big W received a score for C- for its environmental management, which includes governance, materials, emissions and chemical use. The report state that Big W has not made any commitments for a net 0 carbon emissions target by 2050 for its supply chain nor lobbied for the target in the countries that it is operating in. Now our group's 2019 sustainability report also states that the group has not formally engaged with global supply chain on specific climate change strategies. So could I ask when will the board start engaging with its supply chain on climate change and make a commitment to a net 0 carbon emissions target by 2050 for its supply chain?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So the -- as you'll appreciate, there are 3 targets: the Scope 1 emissions, Scope 2 emissions, Scope 3 for carbon reduction. Scope 3 emissions refer to our supply chain or to the customers that we sell to. They are much more difficult to measure and track, as you'll appreciate. And so we have focused on our Scope 1 and Scope 2 emissions, which we have committed to being 60% below by 2030. We've done some initial screening on our Scope 2 -- Scope 3 to understand where we can make the biggest impact, and that's the commitment we will give you.

Unidentified Participant -

Okay. So can you put a time frame on that? As an example, I have a specific question...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, we'll do the scoping between now and the next AGM, how's that?

Unidentified Participant -

Okay. All right. I'll hold you to it, all right? I'll leave it there.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

That's fair. Thank you.

Unidentified Participant -

Mr. Chairman, I'd like to introduce [Kate Dacosta] as a proxy holder for David Mayne.

Unidentified Participant -

Thank you, Gordon and the Board. I'm also here as a representative of the Alliance for Gambling Reform. And I note that you have already stated your intention that there be 0 harm in supermarkets and distribution centers, excellent, and that you have also said that your intention has been to operate to the highest standards of the gaming industry without any specification of what that might be.

So against that background, I have 2 questions, 1 specific and then 1 leading into the demerger. On the specifics, you said, and I remind everyone in the room that Woolies referred 22 venues of your own to the independent liquor and gaming authority in New South Wales because of your concerns over behavior in those venues, potentially leading to harm. You said that you had in place measures that would prevent people who had self excluded from entering any of your gaming rooms. So I invite you to tell us what those measures actually are, I'm assuming we're talking about in pubs. And secondly -- and sorry, and the follow-on to that is, that although this may become the responsibility of the new Board if the demerger is voted on, you still have a liability for all the actions that have occurred in pubs up until that demerger. So you might want to perhaps work that into your answer.

And secondly, could you give us some specifics on why you believe, as a Board, the demerger is in the best interests of shareholders. Thank you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So could I take your third question last because we're going to have an extraordinary general meeting to talk about it. And I think that's best left until then so that we can have a fulsome discussion.

Unidentified Participant -

Sorry, Chair. Some people may leave before that and will cast their vote beforehand. So perhaps, they might want to know why it's in their best interests. Thank you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, I think we've stated on the public record, why we think it's in the best interest of shareholders that we demerge. The first one is that by separating the businesses, we free up the growth opportunities for both businesses, both Woolworths and drinks and hotel business by getting -- by bringing greater focus to those businesses. There are plenty of precedents in corporate Australia when demergers take place, if that's the case. So we think there are enormous growth opportunities. Secondly, it gives shareholders like yourselves, the decision as to whether you want to hold Woolworth stock and whether you also want to hold stock in a gaming and drinks business. So you have what's called liquidity. You can make a decision, which gives you freedom of choice.

The third thing is a number of our institutional shareholders are finding it more and more difficult to invest in Woolworths if we're in gaming. And so they now have the choice, which improves the liquidity in our share register. And so those are the main reasons why we think it's in the right interest of shareholders, largely about giving you freedom of choice, and more importantly, freeing up both businesses to pursue the enormous growth opportunities. And in Hotels, in particular, those growth opportunities are in food and beverage, where we can do a better job, and say see that quite categorically. In accommodation, where we are only starting at that process of improving our offering and accommodation. And so I think you look at that business and go there's opportunities there. And as Brad will tell you, in Woolworths itself, the opportunities are just enormous. So that's the reason why we're demerging.

In terms of our obligation between now and demerger and post demerger. Those obligations don't change. Those obligations are to be the most responsible custodian of gambling -- of gaming in Australia. And whether we're 100% shareholder or 15%, they remain. You cannot abdicate that responsibility. And the third thing I'd say is, quite frankly, we let ourselves down. This time last year when I was here in front of you, we let ourselves down. But the most important thing is, did we learn from that? And have we put in measures to make sure that we improve and continuously improve, and we are doing. And you asked a question about how do we ensure that problem gamblers are not admitted to a pokie room? Well, the first thing we do is we allow people to self-exclude. That's the first.

Unidentified Participant -

Sorry, you're obliged to do that. So I'd like to know what you do about that.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Well, if you'll let me finish, I'll get to it. I can't finish if you interrupt me. So the first thing is we self-exclude. The second thing is we have people in the rooms who are following the amount of time people spend at the machines and we intervene. The third thing is we no longer make it the rule that people in these rooms can have drink in the rooms or food in the rooms. So if you get hungry or you get thirsty, you want to be it, you've got to leave.

Unidentified Participant -

Thank you. That wasn't actually the answer to the question I asked. You had said earlier that you make sure people who haven't self-excluded into the rooms and I'd just like to know if that's true or whether there's other measures, which you point out, which are valuable, and I acknowledge those to help people break the spell and leave the room and that's good. But you specifically said that you are preventing people entering the rooms. So if that's not yet the case, is that your intention?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

No. What I said was people who have self-excluded will try to get back into the room, as you know, because it's so addiction, and we exclude them. For those who we identify with as spending too much time in the room or spending too much money or whatever, obviously, we take them aside and we

council them. But at the end of the day, if someone insists on coming in and spending their hard earned weekly wages or their salary, all we can do is we can implore them and not encourage them.

Unidentified Participant -

So you're not excluding them. You're encouraging them to leave.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I think I've made it clear what we're doing.

Unidentified Participant -

Mr. Chairman, I'd like to introduce Stephen Mayne.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

You who needs no introduction. Welcome, Stephen. You've been very patient.

Unidentified Shareholder -

Good afternoon, Chair. Good to see you. My first question -- I'm representing myself as a shareholder and a proxy holder. The first question is, I appreciate your comment about embracing total transparency, which was a phrase you used in your formal address. Could you please advise the shareholders how much Australian gamblers lost on your 12,200 poker machines in 286 gaming venues across Australia in 2018, 2019?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I have no idea, Stephen.

Unidentified Shareholder -

Is anyone on the Board have any idea?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

In the spirit of total transparency, I have no idea.

Unidentified Shareholder -

Does anyone have any idea?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I have no idea.

Unidentified Shareholder -

Okay. All right. Well, it sounds like I'm going to need to follow-up. So we know from government data in Victoria that it's about \$670 million.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Are you going to tell me how much we lose there?

Unidentified Shareholder -

I don't know. That's why I'm asking you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, no, no. I thought you're about to tell me.

Unidentified Shareholder -

Yes. So in Victoria, disclosed venue level losses, we've got 82 venues, 51 of which run the maximum 20 hours a day, which you haven't changed in 15 years, and you could have. The data shows that \$670 million or thereabouts of Victoria is \$2.7 billion in pokies losses is at our 82 venues. And Brad was quoted when talking about the demerger saying that, "gaming was only about 7% of the \$10 billion in revenue." So that would suggest that it's \$700 million of \$10 billion. Now that's obviously wrong because we're now at \$670 million in Victoria. So every other gaming company from Tedcor to Crown to the Star announced their gaming revenue gross. They don't deduct government taxes. Now you appear to have been deducting more than \$500 million a year of government taxes in deliberately therefore understating your gaming revenue. So I'd like to hear from the auditor, I'd like to hear definitely from Scott Perkins, the Chair of the Audit Committee, as to why Woolworths has been releasing public figures which deliberately understate your pokies revenue by deducting \$500 million plus in taxes before you get to the figure? And when will you finally give us the figure, which you must know rather than standing up there as a whole Board of management team saying, I don't know because you're too embarrassed to admit that it's actually probably around \$1.6 billion, and you are easily the biggest pokes operator in Australia. And you're not 2.5x smaller than Crown, as Brad claims. You're not half the size of Star Entertainment, as Brad claimed. You are the biggest in Australia. You are the biggest suburban pokies operator in the world, and you've been so embarrassed by this. You're finally demerging the business. I've been coming to your AGMs for 15 years, I've never once seen a poker machine in the shareholder display. You've taken \$20 billion from Australian gamblers plus. Since 2004, you've hidden it. You've been embarrassed about it. You've understated it and now, finally, you're divesting it. And you won't even say you're divesting because you're embarrassed about the fact that contrary to what you're claiming, you have been the most aggressive, the most ruthless, the most irresponsible, large-scale operator of poker machines in Australia as demonstrated by...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Stephen, control yourself. Control yourself.

Unidentified Participant -

That you your pokies venues, 20 hours a day, you run 51 of your venues in Victoria.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Stephen, I said -- let's be respectful. Let's be respectful to each other. Try and reduce your intemperate language. It's not healthy. You and I like each other. Let's not ruin a great friendship here.

Unidentified Shareholder -

We do. I just have a major problem with you claiming you are the most responsible operator when I've watched you for a long time and I have the view, which we're all entitled to have a view, but I have the view that you are the most irresponsible of the large operators as best demonstrated by the fact that you continue to run 51 of your 81 venues in Victoria the maximum 20 hours a day and you have close to 40 of them open at 4:00 in the morning. Nothing good is happening. If you were responsible, you would not be doing that.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So thank you, Stephen. So let me -- as you correctly pointed out, let's agree to disagree on this. We are not the most irresponsible. In fact, the opposite is the case. Secondly, the way we present our accounts is entirely appropriate. We are doing nothing illegal in the way that we present our accounts and we're not trying to obfuscate. Do you have another question?

Unidentified Shareholder -

I'm going to throw in a climate-related question. I'd like to hear from Julian on this as the chair of the...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Stephen. I said at the beginning, questions will be directed to me.

Unidentified Shareholder -

Through you, Chair. I'd like to hear from Julian on this question as the Chair of the Sustainability Committee. I'd also like to hear from Siobhan McKenna as the Chairman of Sky News. How can this company be credible on climate change when we have on our board the chair of the media outlet, which is the home base of all climate denialism in Australia? It just does not make sense. This is responsible -- We are responsible for -- it's a hoax. It's a hoax. It's all rubbish, and on our board is a representative from that company. So how is that consistent?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Stephen, Stephen. You're normally very rational, but this is -- you're losing it.

Unidentified Shareholder -

I've got a question here. Why are we using our advertising dollars -- so I bought Sunday Herald Sun yesterday. Front page ad, Woolworths. So we're obviously spending tens of millions of dollars a year with News Corp and News Corp, as the corporation, is the #1 opponent of climate action in Australia. Have we ever looked at using our advertising spend and using our access to people like the chair of Sky News to actually try and present the argument for genuine climate action rather than commercially supporting the #1 institution in Australia, which tries to wreck, break and stop serious action on climate change?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. Stephen, I don't know how -- I don't know how much more of a leadership role we could take on

carbon reduction, which is the major part of climate change. We've set our targets. We've publicly announced our targets. 2050, 1.5%. And that's at the leading edge of corporate Australia. Everyone in the Board is committed to those targets. And so what appears on Sky News, I'm sure I don't agree with everything that's on Sky news. I'm sure that Julian doesn't. I'm sure that Siobhan doesn't. That's not important. What's important is what we, as a Board of Woolworths, have agreed to do. And at no time in your diatribe did you ever criticize what we have publicly committed to do.

Unidentified Company Representative -
(inaudible)

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. As Julian points out, we're actually doing better than the targets we've set. So, okay. We've got -- in about 2 minutes time, we're going to have a minute's silence. So we're currently sitting at what, 9 minutes past? We're sitting at 9 minutes past. I'll only take a question. In fact, I prefer -- I'm not sure we'll get through the question in 2 minutes. So if a questioner is prepared to give the question quickly, then I'll answer it after the silence.

So number one, is this going to be a 2 minute?

Unidentified Participant -

Mr. Chair, I'd like to introduce Daniel Gocher.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I have a feeling this is not going to be 2 minutes. For the record, Daniel.

Unidentified Participant -

Good morning, Mr. Chair. It's not going to be 2 minutes. I'll wait.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

You'll wait?

Unidentified Participant -

Yes.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Good. Thank you. We've got 1 minute. So I suggest what we do is, we just give ourselves a little breathing opportunity here. And then 11 minutes past, I'll announce the 1 minute silence. So everyone, everyone take a chill pill.

We're nearly there. So this is happening across the entire Woolworths population today in Australia and New Zealand. All right. Can we start now? 1 minute silence, please. Thank you.

Thank you for your respect, ladies and gentlemen. Daniel, welcome back to the microphone.

Unidentified Participant -

Good morning.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I hope so.

Unidentified Participant -

Thanks and good afternoon. I have a question actually to carry over, but it's a slightly different take. As we've seen in the last 2 weeks, the talks in Madrid have catastrophically failed. This is the global talks on climate change, largely due to Australia. Australia advocating for Kyoto carryover credits and a rural change that is disputed by at least 100 of the countries.

This is really sad, to be honest. It's sad because companies like Woolworths are not prepared to challenge companies like BHP in the business council. BHP is the only member of the business council that's publicly declared its support for Kyoto carryover. And yet, we have barely a handful of companies that are prepared to go on the record and say they don't agree with Kyoto carryover. It's one thing to say it, but go into the business council and challenge the likes of BHP and Woodside. It has to be done. And that's the question to you, Mr. Chairman, is what is Woolworths going to do about the BCA's advocacy? Because they're not only just wrecking climate policy in this country, they're now taking it global.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. So thank you for your question, Daniel. And let me go back to what I said. I have a private view that we will not be able to rely on governments to make the appropriate changes that are required. The leadership in this has to come from businesses like ourselves. And that's why we've taken our leadership role and publicly announced a commitment to 1.5% by 2050. And not only measuring our improvement but reporting under the TCFD every year.

Your point about why won't we challenge in the business council, I think, makes an assumption that we don't. And we may not publicly cast opprobrium at people like BHP and Rio because we don't believe that that's the best way to do it. We believe the best way to do it is to do it privately and behind doors and convince them of the rightness of what we're doing.

We think that's much better bilateral diplomacy.

Unidentified Participant -

Unfortunately, those private conversations don't appear to be working, Mr. Chairman. I do have a follow-up question.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, what more would you like me to do? Would you...

Unidentified Participant -

This is the first time we've actually heard Woolworths on record today to say that it actually doesn't agree with Kyoto carryover. It has taken until December 15.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, no, no. Let's be clear what I said. I don't agree. I said Woolworths has a position that says irrespective of Kyoto, the important point is where you end up, not whether you count the Kyoto carryover, where you end up. We've committed to where we end up. That's the important thing. And the third thing I said is that if you follow Professor Garnaut's latest book on what Australia can do, the future lies in renewables and committing to renewables rather than having an RG barge of coal or Kyoto carryover.

Unidentified Participant -

I might quote that one at RG next year. That's in June.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, come on, we've committed to that at our AGM.

Unidentified Participant -

The follow-up question is in relation to one of the 2020 commitments, commitment 12. It says to achieve net 0 supply chain deforestation for high-impact commodities in our own brand products, such as palm oil, timber, pulp and paper and packaging. It doesn't include meat. Now McDonald's has committed to a deforestation in its meat supply chain by next year. Now whether or not it meets that commitment is going to be up for debate. But I want to know why Woolworths doesn't classify meat, particularly beef, as a high-impact product and whether or not it will make a commitment to address or to commit to stopping deforestation, it's meat supply chain.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. So Daniel, could I ask, we've got 2 ladies down the front here who are from a responsible sourcing team from our ESG team. Could I ask that you actually meet with them after this? And let's see whether we can answer your questions.

Unidentified Company Representative -

I can say, just according to just short circuit, it is a really good question, and it is in consideration. So thank you for the observation. And I think, hopefully, you'll see that addressed in some form in our reissued plans for 2025.

Unidentified Participant -

Okay. I look forward to it.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you, Daniel. Microphone 1 is going to run out of energy soon.

Unidentified Company Representative -

Mr. Chairman, could I please introduce Putri Nazri.

Unidentified Participant -

Mr. Chairman...

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Is this just another question on the fact that you haven't been paid properly that one of our suppliers is not treating in the appropriate way and so forth and so forth?

Unidentified Participant -

Similar.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Is it?

Unidentified Participant -

Similar, but different. First of all, thank you. You give opportunity to us to discuss things later. But United Workers Union -- I know that United Workers Union have involved in many conversations with Woolworths representative and many other farm worker who still pick and pack your fruits and vegetable, but nothing much has changed.

So what happened to my friends here, me also work at Lamattina for 17 months and they will -- for 1 day, Lamattina has been produced us salary at -- to Woolworths for years. But until now, they're still operating like nothing happened. So this is not about individual issues, but this is about -- this is about systematic exploitation in rural supply chain. And the problem is that the Board is not taking responsibility.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

So let me reassure you that the Board is taking responsibility. We cannot abdicate that responsibility. We are committed to ensuring that people are appropriately paid in the supply chain.

Contrary to what you said about no progress being made, we have made significant progress with the United Workers Union. We've been working collaboratively with them since December 2017 to address your rights as a worker in the horticultural business. The first year agreement focused on a prequalification of labor hire providers, which Woolworths formally launched in 2019.

Since then, we've signed a collaboration protocol to continue quarterly meetings and investigations, such as yours. We did that in May. We attended 2 UWU worker briefing sessions in Robbinsville and Elizabeth. We held multiple meetings and agreed to work on piloting a joint risk management approach to hot spot areas, such as Sunraysia, which has come up. And in December 10, we attended the UWU roundtable

and we're now finalizing the details of a joint industry approach ahead of the peak harvest season.

Unidentified Participant -

Yes. Noted that. But my friend here work October this year. So this still happen. My question is you make commitment to me here last year, but will...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

What would you like me to do over and above agreeing for you to meet afterwards with our people and give them the details of the company that you work for, give them your details or your friend's details of your underpayment, and we will follow-up on it. You have my commitment.

Unidentified Participant -

What I want to say here is when will we stop talking and do start doing things that the farm worker wanted you to do to stem out the wage theft and exploitation. So that's what we want. We want to have an immediate action about these.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So this is, as you'll appreciate, this is a long-term systemic problem, which we will not stamp out overnight. But I would suggest to you, in all seriousness, that we are making progress. We are working collaboratively. And we both have -- we all have your interests at heart.

Unidentified Participant -

Yes, but we want to stop talking and start doing things. That's what we want.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you. We're going to do #3. The people at the back are getting -- and then we'll come to 4.

Unidentified Participant -

Mr. Chairman, I'd like to introduce Mr. Schwartz.

Unidentified Participant -

Mr. Chairman of the Board, good morning and -- my wife and I have been shopping at Erina Fair shopping center on the central coast for 19 years, about. And we are very happy and satisfied with the stores there. And I'd like to come back once more to the issue of plastic. We now have a refund system \$0.10 per bottle. What sort of influence do we have to increase that to \$0.20? I would recommend even \$0.50 a bottle. And if you see a plastic bottle laying there and you get \$0.50 for it, well most people will pick it up.

And the other thing I would like to mention too. There was a program last night, you are drowning in plastic, on SPS. There is 1 million plastic bottle produced every minute. That's 1,440 million a day. That's 1.4 billion.

Now recently, water and plastic bottles, why don't we stop selling water bottles? There's nothing wrong with the drinking water here in Australia. It doesn't matter you live in Sydney, on the central coast or wherever you live and reduce the amount of plastic bottles or raise the price up to \$0.20 or even \$0.50 a refund. Do we have any influence about this? Thank you.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Thank you, Mr. Schwartz, and thank you for your loyalty over 19 years to Erina Fair. In terms of plastic, you make an interesting point on the amount that we can refund and it's something that, quite frankly, I hadn't considered, so let's give that some serious thought. We'd obviously have to do that in consultation with our major suppliers. The second thing is, you may not be aware, but we've just negotiated with a company from the U.K. to actually come here and do large-sized refillables. So that if you have detergent in plastic bottles or whatever, they will come to your home and instead of you having to buy another plastic container, they'll actually work on a refillable process. And we think that's a way to reduce the incidence. And I've forgotten what that your third question was now. But hopefully, I've addressed the issue of how we might reduce plastic. I saw the SBS program as well. It's horrific that we're drowning in plastic. And we, as a leading retailer, doing everything we can to reduce it. Okay. We've got 4.

Unidentified Participant -

Mr. Chairman, I'd like to introduce Freeman Sang.

Unidentified Participant -

Good afternoon, Chairman and also the Board. My question is from the annual report. Okay? So back to the business.

I will, first of all, congratulate Brad and the team to produce a good result under such a challenging year for us. My question is on the Page 19, on annual report, regarding the capital management for the company. Now it's half a page. Understand that we will continue to invest and grow the company. And I want to ask the Chairman to share with us the vision for the company for the next 5 or 10 years, what the Board will brought us to in the future?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Yes. So let me just address your first question on capital management. So we're clearly -- I mean, if you look back in -- we're clearly committed to a disciplined capital management process. We are committed to a strong investment-grade rating, which we currently have. And in particular, we've not made any comments about what we do as a result of the expected proceeds from the exit of Endeavor.

And so in terms of the -- our vision for the future, I would have to say that -- and I think I made this point about the demerger. The opportunities for the group to grow post the Woolworths business and the Endeavor Group business, hotels and drinks, the opportunities to grow are enormous, provided that we have the courage and the division and also the intellect to take advantage of those opportunities. Those opportunities are enormous. We're prepared to spend the capital on those opportunities. As you can

see, we spend almost \$2 billion of capital a year. We make a significant return from those -- from that capital expenditure. So there are no limiting factors. The only limiting factor to our progress in the future lies between our ears.

Unidentified Participant -

Thank you. But I think as far as our shareholders' concerned, I would like to see a bit more detail. Obviously, it may not be in this meeting. But it will help us to understand more about the group, how we're going to vision for expansion. I think that will be helpful.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. I would commend you to some of the pages in the annual report, which show the significant change we've gone through in the way that customers shop with us, where our online business is actually now nearly 5% of our grocery business in Australia, 7% of our grocery business in New Zealand. And in fact, in some stores, it's up to 20% of our business. So we're going through a radical, radical transformation in the way that shoppers shop with us, and our job is to make sure we satisfy that. That will be our vision for the future. Number 3, and then I'll come back to number 1.

Unidentified Participant -

Mr. Chairman, I'd like to introduce Evon Chan.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

If anyone would like a comfort break, I'm happy to stop and do a comfort break. Is there -- I think there may be a need on the -- maybe a need amongst the floor here for for a comfort break. So while I'm answering questions, will you excuse some of us here? Thank you.

Unidentified Participant -

Okay. Good afternoon. Mr. Cairns, Chairman and the Board.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. Good afternoon. What's your name?

Unidentified Participant -

Evon Chan.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Welcome.

Unidentified Participant -

First of all, I thank you and the Board for your wisdom, strength commitment, integrity and grace to lead Woolworths from the top down. The Woolworths team is getting strong. Thank you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

That's very nice of you to say so.

Unidentified Participant -

Your results speaks loudly. My question come due is leading onto what you said earlier on is that there are more work to be done. Now my question is, could you store audit please action to improve the weakest stores in my area? I shop in 3 stores.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes? Where are you?

Unidentified Participant -

I wouldn't tell you where, but I...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Why not? Why not? Why not?

Unidentified Participant -

These are -- there are 1 store very outstanding, but the other 2 are weaker. So you -- I think the strength lies in the weak link. So could you please tell me how do I do that?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, if you can tell us where you're -- you probably -- if you were here 3 years ago at the AGM, a shareholder stood up and said, my store stinks. And I said, "Well, I'll go and have a look at the store." And I went and she was right. It was not a store we should be proud of. We've made significant alterations, modifications to that store. And the truth of the matter is that a refurbishment program and our renewal program and our store opening program will not get to every store immediately. It will be a 3- to 5-year program. And so I can't guarantee that we'll fix your stores, but I can guarantee you that we are radically improving the fabric of our stores.

Unidentified Participant -

That's correct. And what you just said, yes, that's a particular store, but more work needs to be done.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. I agree. More work always needs to be done. It's a never-ending battle.

Unidentified Participant -

Yes. The next question is, I'd like to also ask you, whom do I see to keep the feedback on very outstanding, dedicated employees who need to be acknowledged and encourage?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Right. Well, again, we're always happy to feed -- to get positive feedback. More and more of it's welcome at these AGM's. And so Claire, who runs our Australian supermarket businesses there, she'd be happy to

take the name of one of our dedicated team members. Thank you.

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce Stephen Mayne.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Again?

Stephen Mayne -

Just 2 more on general business, Chair. The first is it's pleasing that you've acted so quickly on remediating the underpayments with your staff.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Stephen Mayne -

And you've paid back by next week, you will have paid back more than \$200 million, recognizing you've done the wrong thing. If you look at our...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, we won't. Stephen, can clear it to you? By next week, we won't have paid back \$200 million.

Stephen Mayne -

December 23.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

We'll have paid by the first 2 years of what we think would be a \$200 million to \$300 million bill.

Stephen Mayne -

Okay. So look, it's a very impressive -- you recognized you've done the wrong thing, and it's a very impressive action, and you're saying to class action people, don't sue us, we're fixing this anyway?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, we're not saying to the class action people, don't sue us. We're saying to the class action people, if we remediate and pay back the money, there's no cause.

Unidentified Shareholder -

Yes, that's right. So you're saying we're fixing this. Don't, litigate.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, we're not telling them whether they should litigate or not. Let's be quite clear. They can choose to do what they want to do. What we're saying to them is, there is no reason for a class action if we have

remediate it.

Stephen Mayne -

Okay. So question that I've got to ask you is that the big 4 banks or post the Royal Commission, the big banks have committed to \$10 billion of customer remediation, \$10 billion. It's a huge commitment. Your poker machine customers have lost about \$20 billion. Have you ever remediated any of them for applying them with free alcohol, for applying them with free, alcohol when that was against the law in New South Wales. So I'd like to ask you to consider establishing a relatively modest compensation fund for people whose family members have suicided, for people who finished up in jail, for people who've got addicted, for people whose marriage have broken down, for people who've suffered enormous harm, \$20 billion worth of losses, have you ever compensated anyone to your knowledge? And would you consider setting up a compensation fund so that, like with the wage situation, you don't have to actually litigate before you get an answer?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Steve, I detect from the mood of the room that actually, there's not many people who are agreeing with you. So let's say, the answer to your question is, no, we haven't considered it. And no, I wouldn't consider it.

Stephen Mayne -

Okay. My second question is to the auditor from Andrew Griffiths from Lloyds. Could he please get up and explain the audit process, which allows for revenue figures in gaming to deduct \$0.5 billion worth?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I've answered that question, Stephen.

Stephen Mayne -

No, no, I'm asking the auditor.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, no.

Stephen Mayne -

The audited accounts deduct the revenue? I think that's a mistake. It's different to the practice that (inaudible) every other gaming company. I'd like to hear from the auditor as the law allows for the process that he used to satisfy himself that the audit accurately reflects gaming revenue at Australia's biggest poker machine operator, because I think you understand it by \$0.5 billion a year.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So Stephen, I've already answered that question. You asked it before. And I've said to you that we're perfectly comfortable with the way that we present our earnings. And therefore, there's no need to interrogate the auditor through me. And can I make a plea, for 2.5 hours, we're 2.5 hours now into an

AGM. There are some of the questions, quite frankly, which are not on topic and are mischievous and under repetitive. I'm happy to go all day, but I'm sure the rest of the audience are not. And so what I'm going to do, what I'm going to do is if there are more of these repetitive or mischievous questions, I'm going to take a point of order from the room to see whether the mood of the room is that we stop these questions. Okay. I think maybe I can move on.

So I'd like to thank everybody for their contribution to this discussion.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

If we can now move to the next item of business, the director elections. This year, Holly Kramer, Siobhan McKenna and Kathryn -- Kathee Tesija are standing for reelection, and Jennifer Carr-Smith is standing for election. You will be asked to vote on each candidate separately. Each candidate except Jennifer will have the opportunity to address you shortly. You should direct any questions about their candidacy to me. The candidates themselves will not answer any questions, as is custom. The Board believes that having diverse skills, backgrounds and experience among its directors is critical for the effective governance of the Woolworths Group and for robust decision-making. The Board follows a structured process to assess the skills and experience of directors, both individually and collectively. This input is combined with the outcome of an annual external Board performance evaluation when determining whether to support the reelection of existing directors. Having forward that process, your directors, excluding each candidate in respect of their candidacy, recommend that you vote for the reelection of Holly, Siobhan and Kathee and the election of Jennifer. I will start then with Item 2a, the resolution to elect Holly Kramer as director. As I said earlier, the Board's recommendation is that you vote for a reelection. I'll now invite Holly to address you directly, and to make some brief remarks on her candidacy. Thanks.

Holly Suzanna Kramer Woolworths Group Limited - Independent Non-Executive Director

Thank you, Chairman, and good afternoon. It has been a privilege for me to have served on the Board for the past nearly 4 years and to have been part of the team that turned Woolies back into a truly customer-centric organization. And in doing so, Woolies has delivered strong financial returns for those investors who've been on this journey with us.

I believe that I've helped contribute to this team effort in a number of ways. First, as a customer-focused business leader during my own career, I've been able to bring that customer voice and the market perspective to the Board table. Our customers' expectations, as you've heard from Brad earlier, are increasing faster than ever before, a desire for healthier foods, for sustainable packaging as we've heard so much about today, 24/7 convenience. The list goes on and on. So the challenge is to stay connected and my role in helping doing that is an important one.

Second, as Chair of the People Performance Committee, my committee and I have structured a remuneration framework that I believe rewards the right outcomes. It delivers for our executive when they deliver results for customers and shareholders.

We have also been acknowledged as a leader in transparency with the market, which is one of our guiding remuneration principles. Transparency, as you've heard, again, many times today, be critical also in our approach to sustainability, another committee, of which I'm a member.

In addition to these roles, I also took on an additional task of chairing the search committee this year, which has been working to identify the Chair, Board and key executives for the new Endeavor Group. We're very happy with the selection of Peter Hearl as our Chair elect, and I'll be working closely with him to ensure that we build like Woolworths, a high-caliber team with the diversity of skills and experience to lead this new business.

And finally, I've taken seriously our Chairman's mantra to the Board, and that is the obligation to decent. Boards are most effective when their participants challenge convinced on a wisdom, challenge management and challenge one another, and I try to do just that. I believe I've also demonstrated that despite my other commitments, I do have the time required to devote to Woolies, and I will continue to do so into the future.

Thank you for the opportunity to serve as a director on this Board, and I ask for your support in my reelection. Thank you.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Thank you, Holly. Are there any questions in relation to Holly's candidacy?

QUESTIONS AND ANSWERS

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce Stephen Mayne.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

He needs no introduction. Stephen, welcome back.

Unidentified Shareholder -

Thank you, Chair. Look, I was surprised before, Chair, when you said you weren't going to allow our for -- I think this is a record, I've never seen an ASX 100 company with 4 female directors up for election on the 1-day and no men. So we've made history, I think, today. But the idea that they're not allowed to speak, you'll speak for them, a male chair will speak for the female directors. I just find that very disappointing. Could you allow the candidates to answer questions, now ask through you?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

No, you can direct the questions through me.

Stephen Mayne -

Through you, but you said you wouldn't allow them to answer questions?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

I'll determine that.

Stephen Mayne -

Okay. All right. So look, my first question for Holly is that -- I mean, Holly was on the AMP Board. I think Holly was voted off the AMP Board when there was a very big shareholder backlash last year after a series of Royal Commission scandals. I think that when you assess directors, it's a reasonable to look at their CV. That was a fairly major event in Holly's CV. And I'd just like to hear her explanation as to what happened? And why -- in light of the AMP shareholders voting her off? Why we shouldn't take that into account here? Or how should you learn from that experience? Because it was a big event, and I'm present at an event to have so many directors pick to be voted off. And I think we deserve to hear something from the candidate, given that it's relatively reasoned.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

So I'm happy to answer that myself, Stephen, which is, as you would expect, we did our due diligence on Holly before we appointed her. During the AMP time, I personally consulted with Holly, and I came to the view, as did the rest of the Board that the way she had handled herself on the AMP Board was exemplary. She did not get voted off the AMP Board. She took the decision to resign. And then the next thing I'd say is, irrespective of that, what we want to assure ourselves of is that she is performing on the Woolworths Board as a first-class director, and we have done that both internally and externally. So I have no hesitation in extolling her virtues and on behalf of the Board, unanimously agreeing with her reelection.

Stephen Mayne -

Could we see the proxies on this resolution, please?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

We'll see -- you will see them.

Stephen Mayne -

I understand some shareholders and some proxy advisers have taken a view that Holly has Chair of the people committee is the candidate to vote against if you're looking for board accountability on the wage underpayment issue.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

I'm not aware of that.

Stephen Mayne -

Well, some press reporting of the ASA, taking that business.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

We're not aware of that. I know, I can assure you that no institutional shareholder or a proxy adviser has said that to me personally.

Stephen Mayne -

All right. So I guess, the procedural question is best practice. I know it's in the ASA guidelines is to disclose the proxies before the discussion so if there has been a material protest, I think you'll be able and ask why.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I think you'll be overwhelmed at the percentage vote for holding.

Unidentified Shareholder -

1

Yes, I can't sort with all future resolution, if you could put it up first, that would be great because it would help with the discussion. Now this isn't relevant to Holly, but it's relevant overall. As I mentioned, we've got 5 female voters, which is fantastic. Why have we never appointed a female director to the ALH Board? Why is it an entirely male board? I personally have the view that if we had some diversity on that board, we wouldn't have had such aggressive practices. So why hasn't this Board ever dealt with the 100% male composition of the ALH board?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

It's a great observation, Peter, Peter -- Stephen. It is a great observation, Peter. And I know Peter and I have have had discussions on that point. And I think you can be assured, Stephen. That we will have diversity on the Board of the Endeavour Group should be should we decide to demerge to fix the very problem that you've identified.

We'll now vote on this resolution. The proxy position prior to this meeting is shown now on the screen. Sorry, do we?

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce Katie Hepburn from ACCR.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. See the proxies there Steven?

Unidentified Participant -

It's a different one. So Gordon, you mentioned diversity as a core pillar of Woolworths, but Board diversity is that more than gender. Proxy adviser ISS is increasingly recommending against elections where white director is being elected to an all-white Board. They note that companies with diverse boards historically performed better and deliver better returns to shareholders. So this probably goes at

all the elections today. Do you believe that an all-white Board can properly -- sorry, properly reflect your customer base? And the workers throughout your supply chain upon who your profits depend?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So I think we're at the leading edge in terms of diversity in Australia. And I think if you not only look at the gender diversity, but also the diversity of countries that the people on this board come from, whether it be from Australia, England, Scotland, South Africa, United States, New Zealand. I could go on and on and on. I think we're making pretty good progress against diversity targets here.

Unidentified Participant -

We'll see. We'll talk to ISS. Thank you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

All right. Okay. So the vote on this resolution is now open, please use your electronic voting handset and press 1 to vote for, 2 to vote against or 3 to abstain from voting.

(Voting)

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Has everyone had the chance to vote? Yes, I can see on the monitor in front of me that most of you have voted or wait another couple of seconds for the final few words to be cast.

Yes. Okay. I now declare the vote closed. And the final result is now displayed on the screen. This includes a combination of proxy votes and those cast here today. On that basis, the resolution has passed and congratulations to Holly. Well done.

I'll move to Item 2b, the resolution to reelect Siobhan McKenna as a director. As I said earlier, your Board's recommendation is that you vote for her reelection. I'll now invite Siobhan to make some brief comments and remarks on her candidacy. Thank you.

Siobhan Louise McKenna Woolworths Group Limited - Independent Non-Executive Director

Thank you for allowing me to represent you, the shareholders of Woolworths as a director on Woolworths' Board for the last 3 years. Gordon Cairns, as the Chairman of our Board, has assembled a strong team of colleagues who are my fellow directors, and he ensures that Woolworths is governed well. My colleagues and I, all bring different capabilities to the table and our Board discussions, and we ensure our deliberations are informed by our collective experience. Brad Banducci has likewise, assembled a strong team of executives, many of whom are with us today, who have begun the process of transformation of Woolworths retail conglomerate into a customer-focused food-focused growth company. At Woolworths, the Board and management worked very closely together to set the strategy and monitor its delivery for the effort of all shareholders and other stakeholders. My experience in setting strategy, understanding customer behavior, and benefiting from the changes to customer and consumer technology has allowed me to contribute to the formation of Woolworths strategy. And my

experience as an Executive has allowed me to contribute to ensuring delivery by management of their plans. I'm pleased my colleagues have recommended me to you, to continue to represent you again for the coming 3 years. Thank you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you, Siobhan. Are there any questions in relation to Siobhan's candidacy. 1?

Unidentified Company Representative -

I'd like to introduce Stephen Mayne.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

There's no need to introduce him. Stephen, why don't you stand it like on one, and we can get through all your questions.

Stephen Mayne -

For so on this resolution, there, I got 3 broad issues. There's a workload issue. There's a performance issue and there's the climate issue, which I alluded to earlier. I want to start with the performance issue with Siobhan. So 17,000 shareholders in Ten Network Holdings. We're very disappointed when the company went broke in 2017. So \$2 billion was lost between period from 2010 to 2017, and the business went broke. Now the performance issue is, for me, is that Siobhan was on the board for 5 years, resigned a few weeks before the business went broke, and then was on the Board of another company, Illyria, which wrote to her old colleagues on the Board of Ten and threaten to sue them personally if certain actions didn't happen. And the directors responded by putting the business into her administration. So I can't recall another situation like this in Australia where a public company director, resigns from a Board. I mean imagine someone resigned from this Board and then, threatened to sue you personally if you didn't do something, which was -- would have been a related-party transaction. So I do think as public company shareholders, we deserve an explanation from Siobhan about, how her actions at Ten line up with proper process, good performance and fair treatment of shareholders and what exactly what she's doing, working with Illyria to threaten to Sue, Channel Ten, forcing it happened too early, in my view, the business to actually go broke because of these legal threats coming from Siobhan?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So which issue would you like me to address first? The workload issue or...

Stephen Mayne -

I'd like Siobhan to deal with them, not you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

It's coming through me, Stephen.

Stephen Mayne -

Why can't female directors speak for themselves?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Stephen. I don't.

Stephen Mayne -

Let them speak.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

How many times I need to tell you, it's coming through me.

Stephen Mayne -

You didn't do this.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Stephen, which part of the English language that I'm speaking do you not understand? I know I may have a Queen Scottish accent, but I'm making it perfectly clear, it will come through me. I'm chairing the meeting, not you. So with respect, which issue would you like me to deal with first? The workload issue?

Stephen Mayne -

No, the \$2 billion loss (inaudible). And actions at Ten. It's a big blot on the CV, in my view.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

That's enough. I got it. So firstly, on your question concerning the Ten Network. I can assure you, and as importantly, everyone in the room here today that we did extensive due diligence before we appointed Siobhan. And more recently, we further reviewed this as a result of a request from one of the proxy advisers, and we did that in private with the proxy advisers. This confirmed that Siobhan had acted at all times in the best interest of Ten, and overall, in an exemplary way and the proxy adviser came to the conclusion that there was no case to answer and was completely satisfied. If you have similar concerns instead of getting up here at an AGM, we're quite happy to sit down and give you the same detailed briefing. So that's the first point I'd like to make.

The second is in terms of performance, again, we do an internal and an external review at Woolworths, in terms of directors' performance, it is consequential and Siobhan, both internally on the review and externally has conducted herself to the highest standards, which is why we are absolutely as one as a Board committed to her reelection.

And the final thing you asked about was workloads. Some we'll get to that because you're going to ask it anyway. And I think the numbers speak for themselves. We had 26 scheduled meetings in at 2019, Siobhan attended 25 of them. And the only one she missed was a special one that I organized at the last moment, which she couldn't attend because she was elsewhere. And she not only attends all of those meetings, but she is well prepared, and my colleagues can actually reinforce this, she asked the most penetrating questions of the Board and of management. So on the workload issue, I have no concerns

whatsoever. And on the issue of Ten, we have reviewed it extensively, with detailed explanation from our lawyers and from herself, and I am completely satisfied as is my Board colleagues.

Stephen Mayne -

Could you clarify, Siobhan, an executive at News Corp? Like, is it still an executive position because that wasn't the case when she joined the board. She presented as a professional nonexecutive director, and a year later, took up a full-time executive position at News Corp. Is that still the position? You're a full-time executive?

Siobhan Louise McKenna Woolworths Group Limited - Independent Non-Executive Director

Would you like me to answer that?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

That's an easy one.

Siobhan Louise McKenna Woolworths Group Limited - Independent Non-Executive Director

Stephen, I believe you'd be referring to my title at News Corp, is that right?

Stephen Mayne -

Yes.

Siobhan Louise McKenna Woolworths Group Limited - Independent Non-Executive Director

I don't think that title, which is one of my titles at News Corp is Executive Director, broadcasting? Is that the one that you're referring to?

Stephen Mayne -

Group Director, broadcasting. Yes.

Siobhan Louise McKenna Woolworths Group Limited - Independent Non-Executive Director

Executive doesn't mean full time.

Stephen Mayne -

All right. And then my final comment is just a request. Could Siobhan who is obviously not a full-time person at News Corp but is Chair of Foxtel, Fox sports and Sky News. In order to line up with our position on the climate change, would she be prepared to step down from the Sky News position so that people like me are not holding her to account for all the climate change denialism that happens on her watch at Sky News completely embarrassing Woolworths and completely in contrast to our excellent position on climate.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

It's not embarrassing Woolworths.

Stephen Mayne -

I think it is.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, you're not entitled what you think? Stephen, I think it's fair to say we're not going to agree on everything here today. Siobhan's position on Woolworths' position on climate change is entirely consistent with Woolworths' position on climate change, which she 100% endorses. She doesn't agree, nor do I -- nor there are a number of my colleagues in the Board agree with everything that's on Sky or on Foxtel. But as you would appreciate, you wouldn't deny the freedom of speech.

Stephen Mayne -

All right. And just finally, could finally, could we have the related party transactions disclosed in next year's annual report? So obviously, there's many tens of millions of dollars of advertising spend at News Corp and also with Lachlan's private interest where Siobhan's a director at Nova. In the interest of -- I mean, we're spending -- we're 1 of the biggest advertisers. Could you please disclose that? Because I think there is a little bit of a debate about Siobhan's independence on that question because it's a big relationship, and I think it should be disclosed to fully inform shareholders.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. Just to reinforce our position there, Stephen, and you'll appreciate this, being a corporate governance expert. We review each of those related party transactions, and we only declared them if we believe that they're material and would have a significant impact.

Okay. Thank you, ladies and gentlemen. We'll now vote on this resolution. The proxy position prior to this meeting is shown now on the screen. Please press 1 to vote for, 2 to vote against or 3 to abstain from voting.

(Voting)

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. I can see in the moderate in front of me that most of you have voted. I'll wait another couple of seconds. We're just getting in the final few votes. Good. I now declare the vote closed. The final result is now displayed on the screen. The resolution is passed. Congratulations, Siobhan.

Before I move to the resolution to reelect Kathee as a director. I just wanted to make an observation. And express personal disappointment here. I made it available to the people who were complaining about underpayments in the supply chain to stay behind, and we would make our executives available. It looks to me like they've left. We had to go down. You still here, are you?

Unidentified Participant -

We're still here.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Good. Thank you. I just wanted to make sure you are still here. Okay.

Unidentified Participant -

(inaudible)

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So I'll move to Item 2C, the resolution to reelect Kathee as a Director. As I said earlier, your board's recommendation is that you vote for reelection. I will now invite Kathee to make some brief comments on her candidacy. Thanks, Kathee.

Kathryn A. Tesija Woolworths Group Limited - Independent Non-Executive Director

Good afternoon, everyone. I was elected to the Woolworths' Board 3 years ago, and I must say, time has flown by. Under the leadership of both Gordon and Brad, much has been accomplished over this time frame. The Woolies team has focused on customer satisfaction, including improving things like fresh fruit and vegetables, easy-store navigation and improving range of products that we offer based on customer preferences. In doing so, we have made significant improvements in customer satisfaction scores. We have also improved the shopping experience at Woolies, whether that's opening new stores in convenient locations, remodeling our existing stores, shipping items to customers' homes or enabling pickup and drive-up opt-ins. I'm proud of the improvements we have made, and there is still much to be done. I am energized to continue our journey to be Australia and New Zealand's preferred shopping destination. I bring to the table my experience in both stores and online retailing. I will contribute strategic insights on retail best practices, talent and team development and a laser focus on customers and shopping experiences. Woolworths is a wonderful company with great people and a bright future. I would be honored to be reelected, and we'll work hard to ensure we deliver for our customers, our team, our communities, and our shareholders. Thank you.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you, Kathee. Are there any questions in relation to Kathee's candidacy? #3?

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce [Reginald William Lobb].

Unidentified Participant -

Thank you, Mr. Cairns. I would -- it was unusual about 20 years ago for there to be any women on boards. Last month, I was trying to get on the agenda or at least willingness for the Acting Chairman of a transport -- passenger transport company to see the wisdom of at least having some -- a female member on the board. I was almost belittled and the skills of the males were reiterated. I'm -- you know that women think differently, Mr. Cairns, because you have a woman at home. I too have a woman at home. But seriously, as you're not allowing questions through to the people being reelected, how do you see women thinking differently and acting differently to assist this company in the fulfilling of its role?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you very much. I have to tell you that on the Woolworths board, the quality of the contestability that we get, I could shut my eyes and I wouldn't know where the questioning was coming from a women or from a man, and we don't distinguish in terms of the quality of the conversation, and I've never believed in the view that women bring a different way of thinking. The only thing I can say is that all of our women directors bring in the quality of thinking that is of the highest standard.

So thank you, ladies and gentlemen. We'll -- sorry, not another.

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce Diana as proxy for Stephen Mayne.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. Well, welcome, Diana. You're a proxy for Stephen.

Unidentified Participant -

That's correct. Yes. It's a question for Kathryn. As I mentioned before, I'm a person who has been severely impacted by a family member who gambles on poker machines. And I just wondered if Kathryn has had personally met anyone who has lived experience with gambling harm and if she believes that there is such a thing as responsible gambling.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So rather than direct that to an individual, I think the Woolworths Board position on that is very clear. And so I'm not going to take individual comments on that. We are united as a Board and our commitment to minimizing harm and responsible gaming.

So thank you, ladies and gentlemen. We'll now vote on this resolution. The proxy position prior to the meeting is shown now on the screen. Please press 1 to vote for, 2 to vote against and 3 to abstain from voting.

(Voting)

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. Someone's gone back, not a comment back again. Good. I can see on the monitor in front of me that most of you have voted. Yes, I'll give it a couple of seconds for the final few votes to be cast and I think reached it. I'll now declare the vote closed. The final result is now displayed on the screen in front of you. It's a phenomenal endorsement, 99.27%. Congratulations, Kathee.

Okay, I'll move to Item 2D, the resolution to elect Jennifer Carr-Smith as a Director. It's the Board's recommendation is that you vote for her reelection. As I said earlier, the board has given Jennifer leave from attending this meeting to deal with a family bereavement. As with other U.S.-based directors, Jennifer attends in person at least 4 board meetings in Australia and 1 overseas, attends them

personally. She participates in the other meetings for video, which we found a very effective way of engaging. Despite not currently serving as a member, she has also attended almost all other board committee meetings since her appointment. The Board and management team have found her insights into cutting-edge retail and consumer digital and data innovation in the United States to be of enormous value. She has an inquiring mind, the confidence to challenge and is a great team player. We look forward to her continuing contribution. I'll now answer any questions about Jennifer's candidacy.

Thank you, ladies and gentlemen. We will now vote on this resolution. The proxy position prior to the meeting is shown now on the screen. Please press 1 to vote for, 2 to vote against or 3 to abstain from voting.

(Voting)

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

I can see on the monitor in front of me that most of you have voted. Yes, I don't think there's any need to wait a couple of seconds. Now I'll now declare the vote closed. The final result is now displayed on the screen. The resolution has passed, and I've sent here a "Congratulations, Jennifer."

Okay. I now move to the third item on the agenda, and I would remind you that we are now 3 hours in? We're now 3 hours into the meeting. I don't know how you're feeling, but I'm getting hungry. The third item on the agenda, which is the adoption of the 2019 remuneration report. This is an advisory resolution that gives shareholders the opportunity to provide feedback on the company's remuneration policy. The remuneration report sets out details of the company's remuneration framework and the remuneration arrangements in place for the directors, CEO and other key management personnel. The Board is satisfied that the current remuneration framework continues to be aligned to the company's business strategy and is delivering the desired results.

I'd like to make a few comments before we open for discussion. Firstly, as we have discussed today, Brad and I made the personal decision that as leaders of Woolworths Group, we should take responsibility for the payment shortfall to our salaried team members. We will conduct a thorough review of this issue before the end of financial year '20. Once this is finalized, the Board will consider what further consequences for the payment shortfall should apply.

Secondly, it's important to reinforce that the underlying performance of the group continues to be positive. I now open this resolution up for discussion.

Unidentified Company Representative -

Mr. Chairman, Stephen Mayne.

Stephen Mayne -

First, up Chair, I mentioned to hear your summary of where the proxy advisers are at on the remuneration issues. And I also wanted to get you just to clarify, Peta Credlin on Sky, the other night,

said the following about proxy firms. "These proxy firms are an on your pests wreaking havoc on the business. They invite small shareholders to assign to them their proxies and then try to end public company AGMs into town hall debates about climate change, gender equality or bringing bold people to Australia." Now is that, from your experience with proxy advisers, is that right? Is that what they do? And what have they recommended on the remuneration issues today?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. Great questions, Stephen. So first of all, let me say, we have an excellent relationship with all of our proxy advisers and have had for a number of years now. In fact, a number of them, if you speak to them, we say, we are -- in terms of our engagement with them and our transparency with them, we're at the leading edge in terms of corporate Australia. We think that they have an important and responsible job to do, and I don't agree with Peta Credlin.

Stephen Mayne -

Okay. Why haven't any other directors or executives joined in the pay haircuts that you and the CEO have voluntarily done?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No idea. You should ask them.

Stephen Mayne -

Okay. I'll ask them. Well I haven't -- Julian, Michael? Kathryn?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, no, no, sorry. When you said other directors, I thought you meant of corporate Australia.

Stephen Mayne -

No, I mean, this board?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, that one is very clear. That we took a decision as a board informed by 2 things. First of all, we felt that the Chairman has a larger responsibility for an issue like this. And therefore, it was appropriate for the Chairman to stand up. Secondly, we did not feel it was appropriate that all directors take a cut, which might imply that we are in the same egregious position as the banks.

Stephen Mayne -

Okay. I actually support what you've done. I think it's appropriate that you've done it. Just one final question on rem for Brad.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Through me.

Stephen Mayne -

Through you, of course. Obviously, whenever someone walked away from \$2.6 million before we even have a discussion about -- in this year's bonus severance as well, that's amazing. And I was reading the press the other day. Brad's a \$19 million shareholder in the newly floated ZIP business, which is, I think, the first CEO I can remember of a top 50 company who has a bigger investment in another company than their own company. So I'm interested in hearing from Brad, how he's balancing up the fact that he doesn't need to work again now that ZIP has come through because of his long ago positioned as CFO and he shares and as the right result of well done, most shareholders are very happy. But how is that situation affecting his long-term commitment to Woolies, given that he's got this other big play, which has come forward? And was that a factor in him voluntarily walking away from the \$2.6 million.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I can answer all of those questions. First of all, we were aware of his investment, there is no conflict of interest because we check. Secondly, it does not impact his commitment to Woolworths, in any way, shape or form. As I said earlier, he works 7 days a week. So there is no conflict. There is no lack of commitment and quite frankly, what it means in terms of his tenure going forward. He's given no indication other than he's committed to Woolworths.

Stephen Mayne -

Could we hear that from Brad directly?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, you've heard it from me, and you can rest assured that, that's the case okay. Are there any other questions on #4 and then #2, take #4, first.

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce as [Kas Kazam]. Kashan.

Unidentified Participant -

I think you've shown a degree of pragmatism, which gives me confidence that you're going to be addressing the issues that have been raised from time to time.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Is that a Scottish accent?

Unidentified Participant -

Well, I thought I tried. I'm not sure whether you accept it.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, where is your passport from?

Unidentified Participant -

Australia.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Well, let's look forward to independence.

Unidentified Participant -

Yes, indeed, and some peace. Look, I have no problems with Brad's rem report. My concern is more -- I've been a lifelong Woolworths customer. As the first act that I somebody who had a face covered with babies bum fluff, I bought something from Woodward in -- sorry, Kingsford. So I've been a consistent and Woolworths customer. My concern is for those, I walk through Woolies almost every day, and I see those hard-working people on the floor. It's repetitive. It's hard. It's boring. So what I need to know is what provisions have you made for them to encourage them, to motivate them, to recognize them and reward them. I mean, we hear -- you're giving big biggies to all the others, but what are you exactly doing for those that produce the work, produces the benefits on which...

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

No, it's a great question. Brad and I and a number of other directors went out into stores to talk and listen to our people as a result of the wages underpayment. And it was humbling. It was extremely humbling because what became very clear is that people are proud to work at Woolworths, that they see it as a job and they see it as a job where they're actually there to serve customers. And quite frankly, a number of them have been there for a large number of years. And they were disappointed at the reputational damage. The reason why they are so engaged is because they actually believe in our values, and they believe in the culture that we're trying to create, and they believe in the teamwork that we see at Woolworths. Those are far more important than the fact that they earn a salary, and they reinforced that to us. And a number of them, including one of the people who brought to attention wages underpayment. He said, "Look, at the end of the day, it's not about the money. I'm paid to do a job. And I'm committed to doing that job, whatever it takes."

Unidentified Participant -

That's why. I accept that. All I'm asking is the rewards other than just the pay. I mean, there are bonuses for the executives and what else? What about how do you reward the ones at the very bottom of the scale? And an associate question is, do you have a job satisfaction survey independently carried out?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

We actually have a Voice of the Team, which is where we audit our team on a regular basis to actually see how they feel about Woolworths, in particular, their advocacy. Two questions. Would you recommend this as a place to work to your colleagues and friends? Secondly, would you recommend the products of the company to your colleagues and friends? And both of those scores have been growing inexorably over the last 3 years, which suggests to us that actually, we are one of the distinguishing factors that Woolworths has, one of the secret ingredients is the advocacy of our teams. And that's something that you won't see in a strategy document but distinguishes us from our competitors.

Unidentified Participant -

But do you have anybody carrying out an independent survey, though? That's more important.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

That's -- it is done independently. Good. #1?

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce Mr. Peter Star.

Unidentified Participant -

Gordon?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes, Peter.

Unidentified Participant -

Just for the benefit of the last shareholder question, I can clearly state that when the 2 Chairmans back for the 75th anniversary of Woolworths or Woolworths people across the board receive 75 shares as a mark of anniversary?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you. No, I didn't go into detail on all the things that we do for our team members. But clearly, their numerous and effective. So do we have #2?

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce [Duddy].

Unidentified Participant -

Mr. Chairman, I just want to ask you a question in regards to remuneration report. You said last time that safety was a big issue in Woolworths and that you've implemented that on the short-term incentive. Another issue would be the wages underpayment scale, which I congratulate you, both you and Mr. Banducci for taking a leadership position. About that, how come that's not -- is that going to be part of the short-term incentive so it doesn't happen again? I'd like to add also, is the malice policy sufficient enough so that scandal doesn't happen again and make sure it's a one-off, and that's it because it's been happening for over 10 years. And that's for the short-term incentive. And for the long-term incentive, congratulations on smashing that target. In regards to the credit rating, that's a BBB, will you be aiming for AAA?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. That is a whole host of questions. Let me start with the last one, and I'll move back. Solid investment-grade rating. So we haven't identified exactly where we'll be on either Moody's or S&P. But rest assured, a solid investment-grade rating. In terms of the -- whether we put measures into the short-

term incentive to ensure this doesn't happen again. We don't think that's the appropriate way to handle this issue. We're doing an investigation. We'll get learnings from the investigation, and then we'll apply those learnings going forward. In terms of why it didn't impact on the F19, short-term incentive, the answer to that quite simply is we published the rem report in August. We didn't know the full extent of this until October. So it was too late. We didn't worry about that because effectively, what we're planning to do is if the eventual amount, let's call it, \$200 million, is the eventual amount is \$200 million, we will take that to the financial year '20 accounts in a onetime hit. We're not necessarily obliged to do that, But we think that's the best way to do it. That will effectively impact on the STI for 2020 because 1/5 of that STI, as you'll recall, is on the earnings. So if you take \$200 million to earnings, it will impact on the earnings. It will also impact on the long-term incentive because 1/3 of the long-term incentive is on return on capital employed. And clearly, if you change the numerator by taking \$300 million down on the numerator, that will affect the long-term incentive. So we believe, from a reward point of view, the -- both the short-term incentive scheme and the long-term incentive scheme, have the balances within them to basically take into account what's happened. And that's over and above what Brad and I have already committed. Thank you. Yes?

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce Don Adams from the Australian Shareholders Association..

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Don, yes. He doesn't need any introduction. Thanks, Don.

Unidentified Participant -

I'm not that quite tall. No, that's good. Just on that point. First, let me say about the rem report. I thought it was -- we thought it was a very well-designed rem report, except there was so much detail whether times have got confusing. The only policy we disagreed with was the 3 years for the long-term incentive, we prefer 4 to 5 years. On what you just said about short-term incentives this year being affected by the lower return on funds employed. I'd like to point out that the remediation is not new spending, the remediation is a makeup for spending, which should have taken place in prior years. And in those years, the return on funds employed would have been correspondingly higher. And so STI would have been slightly higher because of that failure to recognize those expenses. So it doesn't entirely wash as a way of compensating for the -- well, it's not compensating for, but penalizing for the underpayment.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Right. It's actually more punitive. And it's more punitive because if we had said, "Okay, let's call it \$200 million that we have to provide for. If we said, 'Okay, that's \$200 million over the last 10 years. That's \$20 million in each of the last 10 years in restated accounts,'" then it would have made no difference whatsoever to the short-term incentive payments or the long-term incentive payments. Whereas if we take it in one hit in 1 year, it does make a substantial difference. So it's more punitive.

Unidentified Participant -

Well, one would have to look at the numbers to do that. But...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I can assure you the numbers. Just take \$200 million in 1 year. We make about \$1.7 billion. Take \$200 million of that as opposed to [\$20 million] every year. That's why we're doing it. Trust me, it's more punitive. I mean, I don't feel good about that, but that's what we decided to do.

Okay. Thank you for those questions. As set out in the notice of meeting, your directors recommend that shareholders vote for the resolution to adopt the remuneration report. I also intend to vote all open proxies I have for the resolution. We will now vote on this resolution. The proxy position prior to the meeting is on the screen. Please press 1 to vote for, 2 to vote against or 3 to abstain from voting.

(Voting)

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. It looks like we're stuck there. So monitor in front of me, it looks like most of you have voted. There's no point we're waiting for a couple of seconds. I'll now declare the vote closed. The final result is now displayed on the screen. The resolution is passed. Thank you, ladies and gentlemen.

So the next item of business is to approve the grant of performance share rights to the CEO. The proposed financial year '20 long-term incentive grant to Brad Banducci is for a maximum of 133,050 performance share rights. I'd like to stress that Brad will only receive the maximum value of this award if our transformation targets are exceeded, not met, exceeded, over the 3-year period to the end of financial year 2022. Details of those performance hurdles and the other key terms of the performance share rights are set out in the Notice of Meeting. As set out in the Notice of Meeting, the directors, other than Brad in view of his personal interest in this resolution, recommend that you vote for this resolution. I also intend to vote all open proxies I have for this resolution.

Are there any questions or comments in relation to this?

Unidentified Company Representative -

Mr. Chairman, Stephen Mayne.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. Hi, Stephen.

Stephen Mayne -

So well done on more than 94% on all resolutions so far. You obviously -- shareholders are very happy on all issues with the company thus far. I've got a detailed question on this one. So why are we including Endeavor Drinks in the sales per square meter metric as it possibly could be sold as early as the first quarter of next year? And also, could you clarify that the -- it's measured by dividing annual reported turnover by the average market reported trading square meters at the end of the performance period. So that's presumably excluding the pokies tax revenue, which is how you're currently reporting. So I

haven't had any answers today having tried twice. Could you confirm that your reporting on gaming revenue is net of government tax, and that's what we'll be applying with this incentive scheme?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

So Stephen, can I take your question on notice and formally get back to you?

Stephen Mayne -

All right. Because what you're currently doing, and I know it's right, is that you're not including tax, I amazed you just can't say that. But if you were to change that and normalize your reporting and go like Tabcorp and Crown and Star, if you were to make a change, you would be increasing your gaming revenue by \$500 million a year. So all of a sudden, Brad would look like a wonderful performer because the revenue figure would jump. So can you give us an undertaking that if you do normalize your accounting and stop understating your gaming revenue that this won't allow some gaming of the performance metric here, where it's very relevant?

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Yes, sure. I agree. Now that one is much easier. We won't game the system. You have my assurance on that.

Stephen Mayne -

And I look forward to you getting back to me on the question of the pokies tax revenue, and if you could also get back to me on the question of the total losses, which you said you had no idea about, that would be great, too.

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Yes. Okay. Thank you, ladies and gentlemen. We'll now vote on this resolution. The proxy position for this resolution prior to the meeting is shown now on the screen. Please press 1 to vote for, 2 devote against or 3 to abstain from voting.

(Voting)

Gordon McKellar Cairns *Woolworths Group Limited - Independent Chairman*

Okay. I can see on the monitor in front of me that most of you have voted. There's no reason to wait a couple of seconds, which we've stalled at [255]. I now declare the vote closed. The final result is now displayed on the screen. The resolution has passed. Well done, Brad, certainly deserved.

The next item of business is to approve the grants of Woolworths equity to U.S. resident nonexecutive directors under the U.S. Nonexecutive Director equity plan for the next 3 years. The company, as you remember, introduced a nonexecutive director equity plan in January 2018 to further encourage and facilitate shared ownership for nonexecutive directors by salary sacrificing some of their fees into shares. The U.S. Non-Executive director equity plan extends this opportunity to the U.S.-based directors, Kathee and Jennifer, in a manner that complies with both U.S. and Australian rules. Further details of the plan

were set out in the notice of meeting. This is fairly, fairly standard. Are there any questions or comments in relation to this resolution? I'd be horrified.

Thank you, ladies and gentlemen. We'll now vote on this resolution. The proxy position prior to the meeting is shown now on the screen. Please vote, please press 1 to vote for, 2 to vote against or 3 to abstain.

(Voting)

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I can see that most of you voted. No need to wait to find a couple of seconds. We've stalled at [254]. I'll now declare the vote closed. The final result is now displayed on the screen. The resolution has passed.

The next item of business is to approve an amendment to the constitution. This amendment will provide the board with the flexibility to implement an SPC dividend and return of capital or both.

At this time, the Board has not made a decision whether it would proceed with a demerger of Endeavour Group if you approve the restructure today. However, it's prudent to seek shareholder approval for this amendment to the constitution so that the Board would have the flexibility to distribute Endeavour Group to shareholders by way of an in-species distribution, if it considers this would be in the best interest of shareholders.

I now invite questions from shareholders.

Unidentified Company Representative -

Mr. Chairman, Stephen Mayne.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes, Stephen?

Stephen Mayne -

I'll just clarify, are you -- is lunch on?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

It was actually on 1.5 hours ago. So you're the only thing between us and lunch.

Stephen Mayne -

Yes. For shareholders who are not interested in the gambling discussion, lunch is available now. Are you confirming that?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. Yes.

Stephen Mayne -

It is great. Okay, that's good practice.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Anyone want to leave?

Stephen Mayne -

So there's obviously 2 resolutions today to do with the Endeavour situation. I think there will be quite a few questions about the pokies business and the hotels.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. Can we leave that to the EGM?

Stephen Mayne -

Well, we -- it probably is more private. So just in relation to this, and I think it's a good move. It's less expensive and less risky in order for the Board to do this. Can you just clarify which is the conventional constitution amongst the ASX 100? Is it our current constitution? Or is it with this change? Like what's standard practice?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

All right. I've no idea the answer to that question.

Stephen Mayne -

Okay. Because we are slightly watering down shareholder rights by doing this, by reducing the 75 to the 50. But look, I support it and it will...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No.

Stephen Mayne -

Sorry, I got that wrong, okay. So I'd support this, and I think that we're really hoping that you do go ahead with the demerger. So please actually use this once we give you this power.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. Thank you, Stephen. Good.

So thank you for those questions. We will now vote on this resolution. The proxy position prior to the meeting is on the screen. Please press 1 to vote for, 2 to vote against and 3 to abstain. By now, you've got really into the swing of things here. Fast on the gun.

(Voting)

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I can see on the monitor in front of me that most of you have voted. I will wait another couple of seconds.

Okay. I now declare the vote closed. The final result is now displayed on the screen. The resolution has passed.

Thank you, ladies and gentlemen. That concludes all the items of business in the AGM Notice of Meeting. I will now turn to the formal business of the EGM Restructure Scheme meeting. The agenda for today's EGM is set out on Page 82 of the Restructure booklet. The procedures outlined at the commencement of this meeting continue to apply. At this EGM meeting, we're seeking your approval for key aspects of the proposed internal structure of Woolworths Group to create Endeavour Group. This will allow combining the Woolworths' strengths business and the ALH Group in a single legal entity for the subsequent separation of Endeavour Group through a demerger or other value-accretive alternative.

The resolution requires approval by more than 50% of shareholders voting on the resolution and at least 75% of the votes cast on the resolution. Over the last 3 years, Woolworths Group has been simplifying its business portfolio. As I said earlier, we've exited masters, we've sold Petrol for 1.7 billion. We exited Easy Buy. Shareholders have benefited from this rationalization with total shareholder return of 64% over the 3 years to June 2019.

This transaction is but the next stage in that journey. By separating Endeavour Group from Woolworths Group, we believe both businesses will be able to focus on the changing customer needs and realize the latent growth potential in both. Both businesses will have strong leadership positions in their respective markets with balance sheets to enable them to capitalize on their growth potential. If the separation takes place by way of demerger, Woolworths Group intends to maintain approximately a 15% shareholding in the new group.

What this proposal is not motivated by is Woolworths Group getting out of pokies and abandoning our commitment to the highest standards of responsible gaming. On the contrary, we are appointing a Board and management who believe and will commit to delivering on those high standards. To achieve this, we need to undertake a series of structural changes within Woolworths. Today's restructure scheme resolution is the first stage of the Endeavour transformation that will enable us to create Endeavour Group through a combination of drinks and hospitality business, Endeavour Drinks and the ALH Group. The restructure scheme is subject to approval by shareholders today and also by the Federal Court later this week. If approved by both of you, we intend to implement the restructure in early February 2020.

Following this, we will lead to complete Stage 2 in quick succession being the ALH merger. Once implemented, this means that our joint venture partner, Bruce Mathieson Group, will own a 14.6% stake in the newly formed Endeavour Group. Then the third and final stage will be the separation of Endeavour Group by way of a demerger or other value-accretive alternative. Any separation there is currently

expected to take place some time in calendar year 2020.

I stress that any separation remains uncertain. And should a separation proceed, we currently intend to seek shareholder approval at an appropriate time in the future. Today, you're only being asked to vote on Stage 1, which is the restructure scheme resolution. Importantly, the restructure scheme will not result in a change in the number of shares that you hold, will not cause any income tax consequences for you, will not negatively impact the ability of Woolworths to pay dividends, and the directors unanimously recommend that you vote in favor of these restructure scheme resolution. Each director intends to vote any shares he or she holds or controls in favor of the restructure scheme resolution.

I now invite questions from shareholders.

Unidentified Company Representative -

Mr. Chairman, Don Adams.

Don Adams -

Just a couple of quick questions. Can you give us any idea of the timing of the shareholder vote? Is it likely to be at next year's AGM? Or will it be somewhere earlier than that?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

We've got a -- Don, we've got a -- you'll appreciate that this is an extremely complex process, where we have got to separate IT, transport, I mean, everything. And so we basically said, look, our timetable see us probably towards the end of 2020.

Amanda Bardwell Woolworths Group Limited - MD of WooliesX

Okay. And the other question is, you've mentioned, I think, 3 possible transactions, a demerger, a trade sale or a...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Or anything else that's -- yes.

Don Adams -

You would know what the other one was. Are you leaning in any particular direction yet? Or you went in to get into...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, we have to be open-minded and have to take what's in the best interest of shareholders.

Don Adams -

All right. Thank you.

Unidentified Company Representative -

Mr. Chairman, [Kate da Costa] as proxy for [David Mayne].

Unidentified Participant -

Thank you, Gordon and the Board again. And can I say we, as shareholders and the Alliance for Gambling Reform, congratulate you on separating and moving to this restructure. And we take your point that institutional investors are finding it increasingly difficult to square with their values, investing in gambling and alcohol businesses. And in that vein, could you explain why, therefore, the Board considers it responsible to continue to have a 15% investment in the business, given the concerns of your institutional investors?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

It's a great question. It's a great question. There are 2 reasons. The first is that when we separate these businesses, we will have a number of functions where Woolworths will be providing services to the new company under a service level agreement or more appropriately under a partnership agreement. And it may well be that the new company decides that, that partnership agreement is in its best interest and might prevail for 5 to 10 years. So that's the first reason given this is a partnership that we continue to have an interest.

The second is our commitment to ensuring, and I think this was the part of an earlier question, that our commitment to responsible gaming does not stop the day that we demerge. We want to ensure that Peter and the Board that he constitutes is similarly, similarly aligned to our values as I'm sure they are. So those are the 2 reasons.

Unidentified Company Representative -

Mr. Chairman, Stephen Mayne.

Stephen Mayne -

Yes. So the first question. Bruce Mathieson Group has some unusual powers in the current joint venture for a minority 25% shareholder. Could you just clarify and explain what those unusual powers are?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, I mean, some of the things are publicly recorded and others may not be on the public record. And so given that they were in confidence, I'm probably prescribed from announcing them, but he gets a special dividend dependent on the performance of the business. And the good news, Stephen, is that we looked at all those things that you've just talked about when we did the shareholding evaluation. And basically said, here's the earnings multiple of his business, putting those in -- sorry, the ALH business. Here's the earnings multiple of the Endeavour Drinks business. We apply the same multiple to those 2 earning streams, and we arrived at 14.6%. So that wraps them all up.

Stephen Mayne -

What about powers to appoint the CEO?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No. I can categorically tell you, the power to appoint the CEO will rest with the Board.

Stephen Mayne -

No, currently, under the joint venture. Do you have any management powers, which go beyond the normal 25% minority shareholder?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

To appoint the -- so if we restructure, your question is...

Stephen Mayne -

No, no, the current -- history, going back over the last 15 years...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

The ALH.

Stephen Mayne -

What is his extra super management power in the joint venture if there is any?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Why is that relevant? Why is that relevant going forward?

Stephen Mayne -

Because you've had to negotiate that a while. I want to understand when that falls away.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, when the new group -- I just answered that question. When the new group is constituted, the Board of the new group will decide on the CEO and the respective managers.

Stephen Mayne -

Yes. But can the current ALH Board, can Woolworths select the current CEO of ALH? Can you choose to have a non-Mathieson run this business?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I don't see how that's relevant.

Stephen Mayne -

Well, just -- can you just answer the question? Do you have that power?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I've answered that question. I don't see how it's relevant going forward. And it's not germane to this restructuring in any way, shape or form.

Stephen Mayne -

So are there any unusual preemptive agreements or arrangements in the new structure with Mr. Mathieson?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, other than when he has 14.6% of the demerged business, he will have 1 representative on the Board.

Stephen Mayne -

All right. So has he met with Mr. Hearl?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Stephen Mayne -

And has he approved? Did he have approval rights?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, he did not have veto rights. But you will appreciate that in a partnership, it's appropriate that we introduced the new chairman to Bruce Mathieson. And I have to say, he enthusiastically endorsed it.

Stephen Mayne -

Okay. All right. And he only has 1 nominee on the Board.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Stephen Mayne -

Yes. Okay, right. Because I'll make a comment now about why I think this is a good thing. My personal view, and I've watched this pokies issue for a long time, is that the problem has been with the management out of Melbourne a long way away from Woolies head office, and you've always made these motherhood statements about we're responsible and all those stuff. But meanwhile, management has gone on same as usual. And we saw that with the breaches, with the free grog, where you think you're currently being prosecuted in New South Wales for offering -- illegally offering free grog to gamblers all through the night. So I'm going to see a new management in this new business, which is genuinely interested in being more responsible and doesn't litigate core people into sales, all those other things that Bruce has done over a long 20-year career being the toughest republican in Australia. And my view, quite aggressive and sometimes ruthless operator.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Stephen, I think you're overlooking one important change that we made. As a result of what happened

last year where we let ourselves down badly, we appointed Brad to the Chair of ALH, and he's been the Chair since then.

Stephen Mayne -

Yes. But before that, you had this great mate, Roger Corbett, as your nominee as Chair, and they're in business together.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. No, no, what I'm trying to do is outline to you what changes we made as a result of letting ourselves down, and then reassure you that the new Board of this demerged group will be committed to the highest standards.

Stephen Mayne -

All right. So can the new Board shut the South Yarra office and run this business from somewhere else? And can we also appoint a non-Mathieson CEO? Can you commit to that?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Stephen, you're asking me to look at a crystal ball and decide what the new Board of the company wants to do. I mean you give me a break.

Stephen Mayne -

All right. This one's slightly operational, but I think it is relevant in light of...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Stephen, how many questions do you have?

Stephen Mayne -

Two more.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Two more? You're only allowed two, and you're already full in.

Stephen Mayne -

I'll give someone else a go, and I'll come back.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

You're the only one who wants to ask a question, you may as well come back.

Unidentified Company Representative -

Mr. Chairman, [Diana] as proxy for Stephen Mayne.

Unidentified Participant -

Hello again.

Unidentified Participant -
(inaudible)

Unidentified Participant -
Good thing I can't hear out of my right ear.

Unidentified Participant -
That's why you cannot vote. Get the (expletive) (expletive) speaker himself. It doesn't matter who ask.
(inaudible)

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman
Yes, well, I'll tell you what, if you'll indulge me, we'll just -- we'll allow this.

Unidentified Participant -
It's a very quick question. It's about responsible gambling, which I think is to the issue here. You've mentioned that you're committed -- Woolworths is committed to responsible gaming. And I just wondered if you could explain what you mean by that. And also, if Woolworths is committed to responsible gaming, would it retire 1/3 of the poker machines after this merger?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

So I don't know how you want me to define responsible gaming other than we have a view the same as we do with health and safety that we actually should create zero harm when it comes to the people who are irresponsible. And we go out of our way to ensure that we do that in our hotels. I have to tell you that the people who've been most vocal in Woolworths, so I'm talking about Andrew Wilkie and I'm talking about Tim Costello, actually are cognizant of the fact that it's better that Woolworths or the Endeavour Group actually are controlling these pubs than the cowboys. So that's the first thing I'd say.

And in terms of whether we're going to get out of pokie machines, that's not our plan between now and demerger.

Unidentified Company Representative -
Mr. Chairman, Stephen Mayne.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman
How many have you got, Stephen?

Stephen Mayne -
A couple more. For the \$2 billion loan, the \$2 billion loan that we've made from Woolworths to ALH, why have we done that? What's the history of that? And when's that going to be unwound?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes. No, that was done well before my time. And I think I gave a category assurance that when we demerge, the balance sheets of both companies will be appropriate. There will be investment-grade rating, both companies. We haven't yet decided on what we would do with that loan. And in the fullness of time, we'll obviously decide.

Stephen Mayne -

Now if we don't do a demerger, it seems to me that the only viable likely other scenario is a private equity sale. It was private equity that took Coles' pokies business, private equity has got more risk appetite for socially controversial assets. And this is a \$10 billion-plus business. So it's now our corporate that would be up for it, I suspect. So have you had any preliminary discussions with any potential private equity bidders? And do you agree that if it was to happen, it would likely be multiple private equity firms because it's such a big bite?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, we haven't had any discussions with private equity whatsoever, so I can clarify that for you. It's somewhat difficult for a private equity bid to come in as you'll appreciate because they have to overcome the tax leakage. And the benefit of a merger -- of a demerger is people don't pay tax. If it's a sale, people will have to pay capital gains tax. And so that makes the ticket, not just 10 billion, but significantly more. So while I don't discount private equity interest, I can assure you that we haven't had any at this stage. And not only that, the agreement we have between the Mathieson Group and ourselves is that if either one of us does get an approach, we have to make it clear to the other party because the only way that we can proceed is if this is done in our joint interest.

Stephen Mayne -

Right. So effectively, the Mathieson interests have a veto right over any sale to trade by.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, no, no, that's not what I said.

Stephen Mayne -

Now? So joint interest?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

What I said was, if they get approached, they have to make it known to us, and then we jointly decide whether it's in less interest of shareholders.

Stephen Mayne -

Yes. So someone offers to buy your 86% stake after the restructure, Bruce doesn't have a veto right, you're saying, but he has an entitlement to receive the same offer. Is that what you're saying?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, what I'm saying is if we are approached, we have to make the other party known. We have to make it one to the other party. And then we'll jointly decide what's in our best interest.

Stephen Mayne -

Jointly decide. Okay. So you can't have different views on private equity deal?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No.

Stephen Mayne -

But that's not in detail?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No.

Stephen Mayne -

Okay. All right. So and also, if private equity came along and offered 12 billion, effectively, what you're saying is we would have a big tax bill as Woolworths is what you mean.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

The shareholders would have a tax bill.

Stephen Mayne -

But the Woolworths would have a tax bill. So you...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

As with Mathieson.

Stephen Mayne -

Yes. So you're skeptical as to whether...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, I'm not skeptical. I'm not skeptical, Stephen. I'm just pointing out that an outside bid would have to overcome.

Stephen Mayne -

Yes.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

That's all.

Stephen Mayne -

So therefore much more likely to get the demerger it seems, and the tax factor is a big driver in that.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Well, your probability assessment is probably as good as mine.

Stephen Mayne -

Because a 12 billion weight up for billions in tax wouldn't we, as a company?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Stephen Mayne -

Billions.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Stephen Mayne -

Yes. And no tax gets paid with the demerger. So okay, I've got one last operational question, and that will be it. It's a question for Brad. We've seen AUSTRAC stitch up the Commonwealth Bank, stitch up Tabcorp, drop a nuclear bomb on Westpac. As the recently installed chairman of ALH, which is Australia's biggest pokies operator, are you confident that none of our 286 pokies venues are being used to clean or launder the proceeds of crime? Is ALH fully compliant with AUSTRAC and relevant state money based -- money laundering legislation? And the reason I ask that is that in New South Wales, which is Sydney is the gambling capital of the world, people are allowed to load up \$7,500 of cash into a poker machine, whereas in South Australia until a few weeks ago, it was coin-operated. It was illegal to even put a \$50 in, let alone loading up \$7,500. So I used to work at the Alliance for Gambling Reform, and when we say why is it that Canterbury Bankstown has \$530 million a year of pokies revenue, and why is it that Fairfield has \$480 million? Pivot out of the back of the hands would always say, it's all the money laundering. It's all the drug dealers that are loading up \$7,500 in cash and then pressing collect. And it's just a lot of washing of crime. And it's quite common. And you know there's a few capital operators out there, and you know which venues and this sort of stuff. So apparently, this is pretty out of control and widespread. So what's the Woolworths' position with someone who comes in, loads up \$7,500 in cash and then hits collect? We got policies that we're absolutely confident that criminal gangs are not using our poker machines, particularly in Western Sydney, to wash the illegal proceeds of crime.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

You want to call it, (inaudible)?

Unidentified Company Representative -

Sure. Stephen, we obviously take this issue very seriously, and we do have processes in place. Colin Storrie is the Head of our Audit and Risk Committee for ALH. If I could put them on the spot just to

elaborate on those processes.

Colin Grahame Storrie Woolworths Group Limited - MD of Group Portfolio

Hi, Stephen. Yes, we do have processes in place. So if checks are issued at a venue over a certain level, that's logged with AUSTRAC. So they're monitored. And also if there's any check buying at the venue, then patrons get banned as well.

Stephen Mayne -

Okay. Final question here. We've covered a lot of territory today. It's great that you have a webcast. Can you make a transcript of today's proceedings available as well?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Why would you find that helpful, Stephen?

Stephen Mayne -

Well, a lot of territory has been covered. And it's quite common. I get them off -- Tabcorp gave me one and Transurban did one. So it's pretty common. So I can spend \$1,000 and get a transcript and make it public because I can just take it off the webcast.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Stephen Mayne -

Or you can do one, which you'll do anyway.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

If you'd find it helpful.

Stephen Mayne -

Yes. I mean you can make it privately available to people who request or best practices on all aside. But if you can just make it available, just people -- it's a lot of interesting discussions today and sure it's a better way than having to troll through a 3.5 hour video.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes, we're happy to do that.

Stephen Mayne -

Okay. Thank you very much.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you.

Good. So thank you for those questions. We'll now vote on -- sorry, sorry. Yes?

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce [Salim].

Unidentified Participant -

Good afternoon, everyone. I have 2 questions. First, it was Masters, then it was Petrol, now it's ALH. What's next? Does it mean that we are short of money?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, no, no. We're not doing this because we're short of money. As I explained earlier, there are different reasons for Masters. There are different reasons for Easy Buy. There are different reasons for Petrol. But in this case, here, quite frankly, is to release the growth opportunities in both businesses.

Unidentified Participant -

And my second question is where does the Woolworths insurance stands here? Is it next in line?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Woolworths?

Unidentified Participant -

Insurance.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

No, it's not next in line, no.

Unidentified Participant -

Sorry, can I ask another question?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. I'll allow you as you're such a nice guy.

Unidentified Participant -

Thank you. Is Woolworths thinking of expanding its insurance into private health insurance sector?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I have no idea at this point in time. I haven't discussed it.

Unidentified Participant -

That's it.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you. Good.

Unidentified Company Representative -

Mr. Chairman, I'd like to introduce Judy.

Judy Ebner -

Mr. Chairman, it's me again.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

I know it's you again.

Judy Ebner -

Okay. First of all, I'd like to congratulate [Mr. David Marney's] promotion.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Yes.

Judy Ebner -

And also, with the -- I heard from -- okay, the Endeavour Group, how much will the firm will be valued at, like in regards to Woolworths' internal calculation? And in regards to -- you had an impairment charge of the Summergate, which has access to the Chinese market. Why -- I know there's an impairment charge, why haven't you been able to access the Chinese middle class market and make a growth story there if...

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Good. So in answer to your first question, what do we think is the approximate size of the Endeavour Group will be if we demerge it. I'll take a guess, but let's say and I'll get it approximately right, about \$10 billion.

And then secondly, in terms of Summergate, you're right, we had to restructure that business to take advantage of some of the opportunities up there in the Asian market.

Judy Ebner -

And will you expect to have a proper bid?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Two questions.

Judy Ebner -

Oh, come on, you can't get out of it.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Okay. Well, as you got a big smile, as you got a big smile, I'll give you one more.

Judy Ebner -

What about the profitability of that Summergate business, will you expect -- when will you expect to breakeven?

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

We haven't forecast, and we don't give guidance.

Judy Ebner -

Okay. Thanks.

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

Thank you. Okay. It looks like we're -- it looks like we've reached the end of our -- so thank you for all the questions.

We'll now vote on this resolution. The proxy position prior to the meeting is on the screen. Please press 1 to vote for, 2 to vote against or 3 to abstain.

(Voting)

Gordon McKellar Cairns Woolworths Group Limited - Independent Chairman

It's pretty compelling. I can see on the monitor -- I don't want to lead the witness, but I can see on the monitor in front of me that most of you have voted. Let's just leave it for a few seconds. A few people still to make up their mind.

Okay. So I now declare the vote closed. The final result is now displayed on the screen. The resolution has passed. Thank you, ladies and gentlemen.

As set out in the restructure scheme booklet, we expect the restructure scheme to be implemented early next year, and we'll have more to say about the progress preparing Endeavour Group for the separation from Woolworths Group next year.

That concludes all the items of business for the AGM and EGM. As I said earlier, the final numbers of votes for and against each resolution will be released to the ASX and posted on the company's website.

I thank everyone for their attendance and participation here today, and I'd now like to invite you to join myself, my fellow directors and our senior management in the foyer side for some well-deserved refreshments. Our food team are preparing some of their products.

Thank you.

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