

WOOLWORTHS GROUP

2020

Notice of Annual
General Meeting

WOOLWORTHS GROUP LIMITED
ABN 88 000 014 675

How to participate in the Virtual AGM

The Annual General Meeting of Woolworths Group Limited will be held virtually on Thursday 12 November 2020 at 10.00am (AEDT). Important information about our virtual AGM is contained in this notice. You can participate in the following ways:

BEFORE THE AGM



AGM Notice of Meeting

- Access online at www.woolworthsgroup.com.au/agm
- Request a hard-copy Notice of Meeting by phone: +61 1300 368 664 or email: woolworths@linkmarketservices.com.au



Vote or appoint proxy

- Return the hard-copy Voting Form
- Follow the AGM voting link emailed to you
- If you appoint a proxy other than the Chairman, you must provide your intended proxy's email address



Ask a question

- Return the hard-copy Question Form
- Use the AGM voting link emailed to you



To be valid, your vote or proxy appointment must be received by **10.00am (AEDT) Tuesday 10 November 2020**

AT THE AGM



Watch online

Anyone can watch the AGM online:

- Enter <https://agmlive.link/WOW20> into a web browser
- Enter your name, phone number, email and company name (if applicable) and select 'Continue' to register
- Select your registration type: guest, shareholder (including body corporate representatives and attorneys) or proxy
- If you selected shareholder, enter your SRN/HIN and postcode. The SRN/HIN is on the top of your Voting Form or Dividend Statement
- If you selected proxy, enter the code that Link will email to you 24 hours before the AGM
- The portal will display a split screen of the live webcast and AGM presentation slide



Vote online

Only shareholders, proxyholders, body corporate representatives or attorneys can vote.

- Once you have registered via the portal, your voting card will appear on the bottom left of your screen
- Voting will open at the start of the AGM
- Select 'Vote' to complete your voting card
- If you have more than one shareholding, please select 'Vote Additional Holdings' to register and vote each holding



Ask a question online

Only shareholders, proxyholders, body corporate representatives or attorneys can ask questions:

- Click on the 'Ask a question' box at the bottom of the webpage
- Select the category/resolution to which your question relates from the 'Regarding' menu and type your question
- Questions will be read aloud to the AGM



Attend by telephone

Shareholders, proxyholders, body corporate representatives or attorneys can listen to the AGM and ask questions. To join the AGM:

- Dial +61 1800 572 288 at least 10 minutes before the AGM starts
- You will need a PIN to register. Locate your PIN on your Voting Form or request a PIN by phone: +61 1300 368 664 or email: woolworths@linkmarketservices.com.au
- It will not be possible to vote by telephone



Ask a question by telephone

- Select *1 on your handset and provide your question to the operator
- Questions submitted by telephone will be read to the meeting by a moderator in the same manner as questions submitted via the online portal

Agenda

Notice of AGM

Woolworths Group Limited (Woolworths or the Group) will hold its AGM at 10.00am (AEDT) on Thursday, 12 November 2020, to consider the business set out in this Notice of Meeting (Notice).

The items of business should be read in conjunction with the explanatory notes on pages 6 to 15. The explanatory notes form part of this Notice of Meeting.

The Chairman will call a poll on all proposed resolutions.

Items of business

1. Receive financial and other reports

To receive the financial statements, Directors' Report and Auditor's Report for the financial year ended 28 June 2020.

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

2. Election of Director

To re-elect Mr Scott Perkins as a Director.

3. Adopt Remuneration Report

To adopt the Remuneration Report for the financial year ended 28 June 2020.

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

4. Approve F21 Long Term Incentive grant to CEO

To approve the grant of performance share rights to the CEO under the Woolworths Long Term Incentive Share Plan.

5. Renew approach to termination benefits for three years

To renew for a further three years the approval for all purposes, including sections 200B and 200E of the Corporations Act, the giving of benefits to any current or future holder of a managerial or executive office of Woolworths Group or a related body corporate in connection with that person ceasing to hold that office, as set out in the Explanatory Notes.

Marcin Firek
Company Secretary

6 October 2020



Voting information

Key Dates

Eligibility to vote

You can vote at the AGM if you are a Woolworths shareholder at 7.00pm (AEDT) on Tuesday, 10 November 2020.

Appointment of a proxy

Your Voting Form must be received no later than 10.00am (AEDT) on Tuesday, 10 November 2020.

Registration and attendance

You will be able to access the online portal at <https://agmlive.link/WOW20> from 9.00am (AEDT) on the day of the AGM. You can register your attendance as a shareholder (including body corporate representatives and attorneys) or proxy before the start of the meeting.

Guests can attend the AGM via the online portal or telephone and watch or listen to the webcast, but only shareholders, attorneys, body corporate representatives or proxyholders can vote or ask questions. Further details are set out in the online AGM guide.

Voting

Vote online during the AGM

During the AGM you can vote at any time while the poll is open.

Vote by proxy

Prior to the AGM you can appoint a proxy to vote on your behalf at the AGM.

You can do this using either the Voting Form sent to you or via the voting link emailed to you. Please indicate in the relevant box on the Voting Form whether you wish to appoint the Chairman of the AGM (Chairman) as your proxy or someone else. You cannot appoint yourself as proxy.

If you appoint someone other than the Chairman as your proxy, you must provide their email address. Your proxy will be sent a code via email no later than 24 hours prior to the AGM. This code is required to register to attend the AGM and vote by proxy via the online portal. If you do not provide an email address, your proxy will be unable to cast a vote on your behalf and your proxy appointment will revert to the Chairman.

If you lodge the Voting Form and do not appoint someone else, the Chairman will act as your proxy by default.

Your appointment of a proxy must be received by the share registry, Link Market Services (Link) **no later than 10.00am (AEDT) on Tuesday, 10 November 2020**. If it is not received by this time, it will not be valid.

You can lodge the Voting Form:

- Online: www.linkmarketservices.com.au
- By mail: to Link (using the enclosed reply paid envelope) to Woolworths Group Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, or
- By fax to Link on +61 2 9287 0309.

A proxy does not need to be a shareholder. They may be an individual or a company. A company that is a proxy must appoint an individual to exercise its powers at the AGM. You may appoint up to two proxies. If you do so, you should specify the proportion or number of votes for each proxy. If not specified, each proxy will exercise half of the votes.

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

If you appoint a proxy, you may still attend the virtual AGM. However, your proxy's right to speak and vote will be suspended while you are present. If you would prefer that this did not occur, consider watching the webcast as a guest rather than registering as a shareholder.

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

Voting by attorney

You can appoint up to two attorneys to attend the AGM on your behalf under a power of attorney. A copy of the power of attorney must be received by Link no later than 10.00am (AEDT) on Tuesday, 10 November 2020, unless it has been previously provided. Your attorney(s) will need your SRN/HIN and postcode to register on your behalf.

Voting by body corporate representative

In order for a body corporate shareholder to attend and vote at the AGM, an individual must be appointed to represent the body corporate. Appointed corporate representatives will need to provide a signed 'Appointment of Corporate Representative' form to Link no later than 10.00am (AEDT) on Tuesday, 10 November 2020, unless it has been previously provided. The form can be obtained online at www.linkmarketservices.com.au or by calling Link on +61 1300 368 664. Body corporate representatives will require the SRN/HIN and postcode for the holding to register as a shareholder at the AGM.

Questions

How to ask questions during the AGM

During the AGM you can ask questions via the online portal or telephone.

Questions should relate to the operations and management of Woolworths, the items of business of the AGM or, if addressed to the Group's external auditor, the content of the auditor's report and the conduct of the audit.

All questions will be read out to the meeting by a moderator. To allow as many shareholders as possible to have their questions read, please:

- State your question clearly (whether you submit it via the online portal or telephone)
- Ask questions relevant to the business of the AGM or to the performance, business or management of the Group
- If you have more than one question on an item of business, ask one question at a time.

As with every AGM, the Chairman reserves the right to determine that questions on a certain topic should no longer be asked, once he has determined that shareholders have had a reasonable opportunity to ask questions on that matter.

How to submit questions before the AGM

You may also submit written questions before the AGM by returning the question form sent to you or online through the Link investor centre at www.linkmarketservices.com.au. Questions must be submitted by 10.00am (AEDT) on Thursday, 5 November 2020. The Chairman and CEO will address the key themes from questions submitted before the AGM in their addresses.

How to ask questions about issues you are experiencing as a customer

If you have specific questions about your experience as a Woolworths customer, please raise those questions through our Customer Service team, who will be able to assist with any concerns.

Chat online to one of customer service representatives at: www.woolworths.com.au/shop/discover/about-us/contact-us or phone 1300 767 969.



Explanatory Notes

1 Receive financial and other reports

The Corporations Act requires the Financial Report, Directors' Report and Auditor's Report of Woolworths Group for the period ended 28 June 2020 to be laid before the AGM.

If you have registered as a shareholder (including body corporate representatives and attorneys) or proxy, you will be able to ask questions.

General questions not related to the other Items of Business of the AGM should be asked at this time.

There is no requirement for a formal resolution on this item. Accordingly, there will be no formal resolution put to the AGM.

2 Election of Director

Background

Mr Scott Perkins will retire by rotation at this AGM and offers himself for re-election.

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

Woolworths has robust processes that underpin the Board's assessment whether to recommend a candidate for election to the Board. The Board, incorporating feedback from the Nomination Committee:

- Reviews the skills and experience of individual Directors and the Board as a whole, having regard to a skills matrix. An assessment of the optimum mix of skills, experience and diversity takes place annually, taking into account the strategic positioning of the Group. A summary of the collective skills, experience and diversity of the current Directors, assessed against those identified in the skills matrix, is set out on page 43 of the 2020 Annual Report
- Evaluates the performance of each Director annually. These evaluations are facilitated by an external advisor based on feedback from other Directors and senior management. The Board expects superior performance from each Director
- Requires that appropriate checks into a candidate's background and experience are made before appointing a new Director or recommending an existing Director for re-election. The Group operates a number of businesses that require regulatory approval before a candidate can become a Director
- Assesses Director independence annually. The Board considers Mr Perkins to be independent
- Considers the workload of each Director. Prior to offering himself for re-election, Mr Perkins has confirmed that he will have sufficient time to fulfil his responsibilities as a Director
- Reviews potential conflicts of interest. The Board is satisfied that any risk of potential conflict due to Mr Perkins' other roles is able to be managed within the Board's conflict management practices
- Regularly confirms that no change in circumstances has occurred that could affect any of the above assessments with respect to a Director.

Assessment of Director standing for election at AGM

The Board and Nomination Committee assessed Mr Perkins' candidature for re-election. The assessment took into account the outcomes of his external performance assessment, his skills, experience, personal qualities and attributes, his other commitments, potential conflicts and independence status, as well as the diversity of the overall Board.

The outcome of this assessment is that Mr Perkins has made, and is expected to continue to make, a strong contribution to the operation of the Board and its oversight of Woolworths Group.

On this basis, the Board and Nomination Committee, with Mr Perkins abstaining in relation to his candidacy, recommends that shareholders re-elect Scott Perkins as a Director of Woolworths Group Limited. Details of his skills and experience are set out overleaf.



Re-elect Mr Scott Perkins

BCom, LLB (Hons)

Mr Perkins was appointed to the Board in September 2014.

He is Chair of the Audit, Risk Management and Compliance Committee and a member of the Nomination and People Performance Committees.

Mr Perkins has extensive Australian and international experience as a leading corporate adviser on strategy, mergers and acquisitions and capital markets matters. He has held senior leadership positions at Deutsche Bank from 1993-2013, including as Managing Director and Head of Corporate Finance of Australia and New Zealand and as a member of the Asia Pacific Management Committee. Prior to that he was CEO of Deutsche Bank New Zealand and Deputy CEO of Bankers Trust New Zealand.

Mr Perkins will commence as Chair of Origin Energy on 20 October 2020, having been a non-executive director since 1 September 2015. He has also been a non-executive director of Brambles since 1 June 2015.

The Board considers that Mr Perkins brings deep analytical and purpose-led rigour to the Board's discussions. This is complemented by his extensive corporate advisory and capital markets experience, curiosity and passion for innovation, and proven track record in leadership roles. As the inaugural Chair of the Sustainability Committee, Mr Perkins led the Committee's oversight of the Group's development and review of progress against its 2020 Sustainability Strategy. More recently, as Chair of the Audit Committee, Mr Perkins has led the Board's oversight of the Group's financial reporting and accounting practices, risk management and internal controls systems.

Mr Perkins noted, "Since joining the Board I have been part of the team comprising my fellow Directors and our management team, that has been working hard on the transformation of Woolworths. This has called upon my professional experience in various roles, as matters of strategy, the composition of our portfolio and the allocation of capital have been consistently in focus. Looking ahead, I am excited by the opportunities afforded by an increasingly digitally led business, providing customers with seamless and inspiring experiences in-store and online. If I am re-elected I will work hard, alongside my colleagues, to realise the full potential of Woolworths for you all."

Board recommendation

The Directors (other than Mr Perkins in respect of his candidacy) recommend that shareholders vote **FOR** the re-election of Scott Perkins.

3 Adopt Remuneration Report

Woolworths' Remuneration Report for the financial year ended 28 June 2020 is set out on pages 52 to 73 of the F20 Annual Report. The Annual Report is available on Woolworths' website at www.woolworthsgroup.com.au

What is Woolworths' remuneration framework?

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

The Group's remuneration framework outlined in the F20 Remuneration Report has applied throughout F20. Full details are set out on pages 55 to 60 of the Remuneration Report.

The Board is satisfied that this remuneration framework continues to be aligned to the Group's business strategy and is delivering the desired result. Based on the input of the People Performance Committee, the Board will continue to review these arrangements so that they support the business.

Explanatory Notes (continued)

What was the Board's response to the salaried team member underpayments?

The Board was greatly disappointed to discover that the Group had been inadvertently underpaying some of our salaried team members over a number of years.

The Chairman and CEO took accountability for this situation. The Board and People Performance Committee carefully reviewed the consequences that should apply. The Chairman voluntarily reduced his F20 fees by 20% and the CEO and Chief People Officer voluntarily forfeited their entire F20 STI award. The Group Executive Committee collectively received a 10 percentage point reduction in their F20 STI result.

What was the Board's assessment of the Group's F20 performance and link to remuneration?

F20 was a challenging year, marked by natural disasters across Australia and New Zealand and the COVID-19 pandemic worldwide.

The Group's performance in F20 was positive, achieving a business outcome of 104% of STI target. The COVID-19 pandemic, in particular, created significant volatility across the Group's businesses. Supermarket sales rose, offset by substantial investments in store safety and supply chain, and the temporary closure of the ALH venues adversely affected Group sales and profitability. These events had the potential to deliver STI outcomes that were more a reflection of uncontrollable circumstances than business and management performance. Given the uneven impacts of these events across the Group's businesses, the Board decided to award all Australian team members who participate in the STI the same scorecard result of 80%. The NZ team has slightly different STI arrangements, so a higher 90% STI payment was considered appropriate.

As described above, the F20 STI outcomes for the CEO and the Group Executive Committee were reduced as a result of the underpayment of some of our salaried team members.

To thank and reward the front-line team members not eligible for the Group's variable reward schemes, the Board also announced our Better Together Recognition Award. This grant of up to \$750 of Woolworths Group shares and a \$250 gift card created the largest share ownership plan in Australia and New Zealand.

What were the outcomes under the Group's executive F18-20 LTI plans?

The second of the Group's three-year LTI awards made under the Transformation Incentive Plan vested in August 2020. As a result of sustained progress on the Group's transformation over the F18-20 three year performance period, 64.3% of the performance rights vested with an aggregate outcome between target and stretch.

The Board is especially pleased with the significant value that the team has delivered to shareholders over this period, with TSR growth of 59.4%, including share price appreciation of 43.2% since July 2018, ranking Woolworths Group at the 86th percentile of the comparator group.

The Board is seeking shareholder approval for the F21-23 period grant of LTI to Mr Banducci. Full details are set out in resolution 4.

A more detailed summary of the Board's assessment of the Group's F20 performance, and the remuneration paid to the CEO and the Group's other KMP is set out on pages 61 and 63 of the Remuneration Report.

Are any changes to the LTI proposed for F21?

No changes are proposed to the LTI Plan for F21.

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

Board recommendation

The Directors recommend shareholders vote **FOR** resolution 3.

4 F21 Long Term Incentive grant to CEO

Mr Banducci's F21 LTI grant is subject to Woolworths meeting performance conditions that have been determined by the Board, and that are designed to align the Group and Mr Banducci's interests with those of shareholders. Details of the performance conditions are on page 10 of this Notice.

Why is shareholder approval being sought?

ASX Listing Rule 10.14 requires shareholder approval for the acquisition of securities by a Director under an employee incentive scheme. Approval is sought to grant Mr Banducci performance share rights under the LTI Plan.

Shareholder approval under Listing Rule 10.14 would not be required if the shares to be allocated on vesting of the performance share rights were purchased on-market (as opposed to being issued).

While it is not currently intended that shares will be issued to satisfy any award under the LTI Plan, shareholder approval is nonetheless sought to preserve flexibility in case it is considered in Woolworths' best interests to issue shares rather than source them on-market when the performance share rights vest.

If shareholder approval is not obtained, then, subject to the achievement of the performance and service conditions described in this Notice, Mr Banducci will receive a cash payment at the end of the performance period, equivalent in value to the LTI he would have received had shareholder approval been obtained.

What is the CEO's proposed F21 LTI grant?

The proposed F21 grant to Mr Banducci is 120,557 performance share rights. This is the maximum number of performance share rights that will be granted to Mr Banducci, and represents the LTI component of his F21 remuneration package.

The initial face value of the maximum number of performance share rights represents 170% of Mr Banducci's total fixed remuneration as at 1 July 2020. Mr Banducci's remuneration package for F21 also includes:

- Total fixed remuneration of \$2.6 million
- STI equal to 100% at target (and 150% at maximum) of his total fixed remuneration (paid 50% in cash and 50% in share rights deferred for two years). STI is payable based on the performance of the Group and Mr Banducci against the Board-approved performance measures.

The actual value (if any) that Mr Banducci will receive from the LTI grant cannot be determined until the end of the three-year performance period, and will depend on the extent to which the performance conditions are achieved, the number of Dividend Equivalent Rights allocated on vesting, and the Woolworths share price at the time of vesting.

The Board determined the value and legal form of Mr Banducci's LTI award in performance rights with regard to his overall remuneration package, the nature of his position, the purpose of the LTI component in Woolworths' remuneration strategy, and independent benchmarking regarding current market practice. The grant of performance share rights under the LTI Plan is designed to align the Group and Mr Banducci's interests with those of shareholders by providing an incentive linked to the Group's performance over the performance period.

How was the number of performance share rights calculated?

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

$$\begin{array}{rcl}
 \text{Number of} & & \\
 \text{performance} & & \\
 \text{share rights} & = & \frac{170\% \times \$2,600,000}{\text{VWAP of Woolworths shares}} \\
 & & \$36.6630^1
 \end{array}$$

¹ VWAP is the volume weighted average price of Woolworths Group Limited shares traded in the five days up to and including the effective date of grant (1 July 2020).



Explanatory Notes (continued)

What are the key terms of the CEO's proposed F21 LTI grant?

TERM	DETAIL																				
Entitlements	<p>Each performance share right is a right to acquire one share in Woolworths, subject to the achievement of the performance conditions set out below.</p> <p>Performance share rights are granted at no cost to Mr Banducci. They are non-transferable, except with the express approval of the Board or its delegate or by force of law on death or legal incapacity. They do not carry any dividend or voting rights prior to vesting.</p>																				
Grant date	<p>If shareholder approval is obtained, the performance share rights will be granted to Mr Banducci as soon as practicable after the 2020 AGM, but in any event, within 12 months of the 2020 AGM, and will have an effective grant date of 1 July 2020. This is consistent with the effective grant date for the other team members participating in the LTI Plan.</p>																				
Performance measures	<p>The performance share rights are subject to three equally weighted independent performance measures that will be tested separately:</p> <ol style="list-style-type: none"> Relative total shareholder return (Relative TSR): Measured by taking into account the change in the Woolworths share price over the relevant performance period as well as the dividends received (which are assumed to be reinvested into Woolworths shares). The comparator group is the ASX30 excluding metals and mining companies. This condition was chosen because it provides alignment with shareholder value creation Sales per square metre (Food Group, Endeavour Group and BIG W): Measured by dividing annual reported turnover by the average market reported trading square metres at the end of the performance period. Efficient use of our physical network for in-store and online sales is core to our success Return on funds employed (ROFE): Measured by dividing Woolworths' earnings before interest and tax (EBIT) by average funds employed. ROFE is an important measure to drive the delivery of long term shareholder value. 																				
Performance targets	<p>Relative TSR (33.34%) This measure requires minimum performance at or above the 50th percentile of the comparator group over the performance period before vesting commences. Stretch performance is reached at the 75th percentile of the comparator group.</p> <p>Sales per square metre (33.33%) and ROFE (33.33%) The targets are based on the Group's strategic plan and are reflective of the Group's continued growth objectives and market conditions.</p> <p>The Sales per square metre and ROFE targets are published following the end of the performance period given the commercial sensitivity of this information.</p>																				
Vesting schedule	<p>The vesting schedule for each performance measure is:</p> <table border="1"> <thead> <tr> <th>F21-23 LTI PERFORMANCE</th> <th>RELATIVE TSR</th> <th>SALES PER SQUARE METRE</th> <th>ROFE</th> </tr> </thead> <tbody> <tr> <td>Below Entry</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>At Entry</td> <td>16.7%</td> <td>6.66%</td> <td>6.66%</td> </tr> <tr> <td>At Target</td> <td>n/a</td> <td>20%</td> <td>20%</td> </tr> <tr> <td>At or above stretch</td> <td>33.34%</td> <td>33.33%</td> <td>33.33%</td> </tr> </tbody> </table> <p>Vesting between each performance level will be on a straight-line basis. Each performance measure operates independently and will be tested separately.</p>	F21-23 LTI PERFORMANCE	RELATIVE TSR	SALES PER SQUARE METRE	ROFE	Below Entry	0%	0%	0%	At Entry	16.7%	6.66%	6.66%	At Target	n/a	20%	20%	At or above stretch	33.34%	33.33%	33.33%
F21-23 LTI PERFORMANCE	RELATIVE TSR	SALES PER SQUARE METRE	ROFE																		
Below Entry	0%	0%	0%																		
At Entry	16.7%	6.66%	6.66%																		
At Target	n/a	20%	20%																		
At or above stretch	33.34%	33.33%	33.33%																		
Performance period	<p>The performance period is three years, commencing on 1 July 2020 and ending 25 June 2023.</p>																				
Malus	<p>Before it approves the vesting of this LTI grant, the Board will consider whether any reduction should be made. The Group's Malus provisions enable the Board to adjust unvested awards (including to reduce them to zero) where appropriate to do so. The Board may determine that any unvested LTI awards will be forfeited in the event of wilful misconduct, dishonesty, a severe breach of the Code of Conduct, where there has been a material misstatement of the performance outcomes that led to the vesting, or where the Board determines in its absolute discretion that the vesting outcome results in an inappropriate benefit.</p> <p>Any decision to adjust or forfeit an unvested award will be based on a recommendation from the People Performance Committee and will also reflect input from the Board's other Committees.</p> <p>This same approach will apply to all Executive KMP.</p>																				

TERM	DETAIL
Discretion	<p>In addition to these matters, the Board retains broad discretion over the Group's share plans. This may be used to adjust awards based on adjustment principles agreed with the People Performance Committee, including in cases of unexpected or unforeseen events impacting performance outcomes, material structural changes (for example, a separation of Endeavour Group Limited), or a significant divergence from the macro assumptions underlying the F21-23 ROFE and sales per square metre performance measures. An exercise of discretion would be disclosed in the relevant year's Remuneration Report.</p>
Allocation of shares on vesting	<p>On vesting, each performance share right will convert into one Woolworths share. The allocation of shares on vesting may be satisfied by issuing new shares or by acquiring shares on-market. However, the Board may, in its discretion, decide to satisfy performance share rights by Woolworths making a cash payment to Mr Banducci of an amount equivalent in value to the number of shares to which he would otherwise be entitled on vesting of the performance share rights. If the performance measures are not achieved for some or all of the performance share rights granted, those performance share rights will lapse immediately without re-testing.</p>
Dividend Equivalent Rights	<p>At the time of vesting, Mr Banducci will be allocated additional share rights based on an amount equivalent to any dividends that would have been paid and reinvested on the shares underlying his vested performance share rights during the performance period (Dividend Equivalent Rights). These Dividend Equivalent Rights will immediately convert into shares upon vesting of Mr Banducci's performance share rights.</p>
Cessation of employment	<p>If Mr Banducci ceases employment with the Group before the end of the performance period, the Board will assess the treatment of any unvested performance share rights. Shareholders approved the instances where the Board could exercise its discretion on cessation of employment for KMP at the 2017 AGM. A renewal of this approval is set out and described in further detail in resolution 5 of this Notice.</p>
Change of control	<p>The Board has discretion to determine whether some or all of the unvested performance share rights held by Mr Banducci will vest, remain 'on-foot' (i.e. remain subject to the original performance/vesting period and performance conditions) or lapse, having regard to all relevant circumstances.</p>
Other details	<p>Further information in accordance with ASX Listing Rule 10.15</p> <ul style="list-style-type: none"> • No Director other than Mr Banducci is currently eligible to participate in the LTI Plan • No Directors other than Mr Banducci have received a grant of any equity securities under the LTI Plan since the last approval given by shareholders under ASX Listing Rule 10.14 at the 2019 AGM • Mr Banducci has previously been granted 811,091 performance share rights under the LTI Plan as part of his remuneration package without an acquisition price specified for that component of his package • No loan will be provided by the Group in relation to the grant or exercise of the performance share rights proposed to be provided to Mr Banducci. <p>Details of any securities issued under the LTI Plan will be published in the Group's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the LTI Plan after this resolution is approved and who are not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.</p>

Board recommendation

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

Explanatory Notes (continued)

5 Renew approach to termination benefits for three years

Why is shareholder approval being sought?

The law in Australia restricts the benefits that can be given without shareholder approval to team members who hold (or have held within the previous three years) a managerial or executive office (as defined in the Corporations Act) on cessation of their employment with Woolworths Group Limited or its related bodies corporate (Relevant Team Members). Under section 200B of the Corporations Act, a company may only give a Relevant Team Member a benefit in connection with their ceasing to hold a managerial or executive office if approved by shareholders or if an exemption applies.

The Group's position in relation to grants of equity securities under current or future Woolworths Group Share Plans (together, Team Member Share Plans) is to treat departing team members appropriately having considered the relevant circumstances in which the Relevant Team Member is ceasing employment, and in accordance with applicable laws, market practice and Group policy.

To allow this policy to be achieved, the Board has determined that it is appropriate to seek shareholder approval of the approach that it proposes to take to these benefits, now, in advance of any such potential benefits being provided. Approval of this approach was previously granted by shareholders at the 2017 AGM.

No additional benefits

Shareholders are not being asked to approve any change or increase in the remuneration or benefits or entitlements for Relevant Team Members, or any variations to the existing discretions of the Board.

Board discretion

The Board has an overriding discretion in relation to the treatment of grants under the Group's Team Member Share Plans on cessation of employment. The Board may determine that awards are forfeited, partially forfeited or retained, cash settled, replaced by equity in another entity as part of a corporate restructure, and that vesting remain unchanged or be accelerated on cessation of employment.

In exercising its discretion, the Board will consider all relevant circumstances in which the Relevant Team Member is ceasing employment. However, in order to provide transparency, the Board proposes to adopt the following positions as its likely default treatment:

REASON FOR CESSATION OF EMPLOYMENT	DEATH, SERIOUS ILLNESS, INCAPACITY OR GENUINE RETIREMENT	RESIGNATION OR TERMINATION FOR MISCONDUCT OR POOR PERFORMANCE	OTHER MATTERS, INCLUDING MUTUAL AGREEMENT, CORPORATE SEPARATION/RESTRUCTURE, REDUNDANCY OR OTHER CIRCUMSTANCES DETERMINED BY THE BOARD
Default for deferred STI	<ul style="list-style-type: none"> Up to all awards will vest The Board will consider immediate vesting for some or all awards in extenuating circumstances (e.g. death) Otherwise, vesting will remain at the end of the deferral period, unless the Board determines that vesting should be accelerated 	<ul style="list-style-type: none"> All awards will lapse on date of cessation of employment 	<ul style="list-style-type: none"> The Board will determine treatment in the circumstances
Default for LTI or future LTI plan	<ul style="list-style-type: none"> Pro rata lapse to reflect the performance period elapsed, unless the Board determines a different treatment in the circumstances Vesting will remain at the end of the performance period and subject to the performance conditions, unless the Board determines that vesting should be accelerated 	<ul style="list-style-type: none"> All awards will lapse on date of cessation of employment 	<ul style="list-style-type: none"> The Board will determine treatment in the circumstances In the case of a corporate separation/restructure the treatment may include the grant of substitute incentive rewards (for those lapsing on cessation of employment with Woolworths Group) in a related body corporate

Shareholder approval is sought for the purposes of sections 200B and 200E of the Corporations Act for any 'termination benefits' resulting from the future exercise of the Board's discretion under the Team Member Share Plans.

If shareholder approval is obtained, the value of the above benefits will be disregarded when calculating the Relevant Team Member's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act.

If the Board exercises discretion to allow a member of the KMP to retain any equity securities under any of the Group's Team Member Share Plans that would otherwise be forfeited, this will be fully described in the Remuneration Report.

This approval does not guarantee the Board will exercise the discretions set out above. Depending on the circumstances of cessation, any specific individual may not ultimately receive the benefits covered by this approval or may receive benefits that are different from the default position noted above.

Explanatory Notes (continued)

The value of the benefits or entitlements

The amount and value of the benefits being approved is the maximum potential benefit that could be provided under the Group's Team Member Share Plans as a result of the exercise of the Board's discretion. The amount and value of the benefits that may be provided cannot be ascertained in advance. This is because various matters, events and circumstances will or are likely to affect the calculation of the amount and value. These include:

- The Relevant Team Member's base salary at the time of cessation of employment
- The length of their service with Woolworths and its related bodies corporate and the portion of any relevant performance or qualification periods that have expired at the time they cease employment
- The number of Group Team Member Share Plan equity securities held by the Relevant Team Member prior to cessation of employment and the number that the Board determines to forfeit or leave on-foot in accordance with the relevant plans
- Woolworths' share price at the relevant time
- Any other factors that the Board determines to be relevant when exercising a discretion (such as its assessment of the team member's performance up to the termination date)
- The jurisdiction in which the Relevant Team Member is based at the time they cease employment, and the applicable laws in that jurisdiction, and
- Any changes in law prior to the date they cease to hold office.

Approval is sought for a three-year period

If approval is obtained, it will be effective for a three-year period. That is, shareholder approval will be effective:

- If the Board exercises discretions under the Group Team Member Share Plans
- In relation to any grant of equity securities by the Group
- In relation to a replacement grant of equity securities in another entity as part of a corporate restructure
- If the Relevant Team Member ceases to hold office.

During the period beginning at the conclusion of this AGM and expiring at the conclusion of the AGM in 2023. If considered appropriate, the Group may seek fresh shareholder approval at the AGM in 2023.

It can be reasonably anticipated that Relevant Team Member remuneration and aspects of the Group's Team Member Share Plans, and the rules that underpin them, will be amended from time to time in line with market practice and changing governance standards. Where relevant, changes in relation to KMP remuneration will be reported in the Remuneration Report.

However, as set out above, the Board has an overriding discretion in relation to the treatment of grants of equity securities on cessation of employment. Subject to the three-year approval period, it is intended that this approval will remain valid for as long as the Group Team Member Share Plans provide for these Board discretions.

Board recommendation

The Directors (with Mr Banducci abstaining) recommend shareholders vote **FOR** resolution 5. Mr Banducci does not make a recommendation in respect of the resolution in view of his personal interest in the resolution.

Voting exclusions applying to resolutions 3, 4 and 5

Resolutions 3, 4 and 5 directly or indirectly relate to the remuneration of KMP. The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and the Group must disregard any votes cast by or on behalf of certain persons, on these resolutions.

Woolworths will disregard any votes cast on resolution 3:

- By or on behalf of a member of the KMP whose remuneration is disclosed in the Remuneration Report or their closely related parties (any spouse, dependent, certain other close family members or any company they control) (Closely Related Parties), or
- By a member of KMP at the date of the AGM or their Closely Related Parties as a proxy,

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

- In accordance with a direction as to how to vote in the proxy appointment, or
- By the Chairman of the AGM pursuant to an express authorisation in the proxy appointment to vote undirected proxies as the Chairman sees fit.

Woolworths will disregard any votes cast:

- In favour of resolution 4 by or on behalf of Mr Banducci or any of his associates, or
- On resolution 4 by a member of KMP at the date of the AGM or their Closely Related Parties as a proxy,

unless the vote is cast:

- As proxy or attorney for a person entitled to vote on the resolution in accordance with the directions in the proxy appointment
- By the Chairman as proxy or attorney for a person entitled to vote on the resolution in accordance with an express authorisation given to the Chairman to vote as the Chairman sees fit, or
- By a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution, and
 - The holder votes on the resolution in accordance with the directions given by the beneficiary.

Woolworths will disregard any votes cast on resolution 5:

- By or on behalf of an executive member of KMP and any of their associates, or
- By any other team member who holds a managerial or executive office of Woolworths or a related body corporate (or is expected to in the future) and any of their associates,

unless the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution and is not cast on behalf of the persons specified above.

Additionally, Woolworths will disregard any votes cast on resolution 5 by a member of KMP at the date of the AGM or their Closely Related Parties as a proxy unless the vote is cast on behalf of a person entitled to vote:

- In accordance with a direction as to how to vote in the proxy appointment, or
- By the Chairman of the AGM pursuant to an express authorisation in the proxy appointment to vote undirected proxies as the Chairman sees fit.

Undirected Proxies and Chairman voting intentions

If you appoint the Chairman as your proxy and do not direct him how to vote, you are authorising the Chairman to cast your undirected vote on all proposed resolutions as the Chairman sees fit.

If you appoint any other member of Woolworths' KMP or their Closely Related Parties as your proxy, they will not be able to vote your proxy on resolutions 3, 4 or 5 unless you direct them how to vote.

If you intend to appoint a KMP or their Closely Related Party or the Chairman as your proxy, you are encouraged to direct them how to vote on Items 3, 4 and 5 by marking 'For', 'Against' or 'Abstain' for each of those items of business.

The Chairman intends to vote undirected proxies on, and in favour of, all the proposed resolutions.

The Chairman's decision on the validity of a direct vote, vote cast by a proxy or vote cast by a shareholder (including by body corporate representative or attorney) is conclusive.

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