

**Start of Transcript**

Gordon Cairns: Good morning ladies and gentlemen. My name is Gordon Cairns and I am the Chairman of Woolworths Group. Before we start today's meeting I would like to introduce Aunty Donna Ingram to deliver the welcome to country. Aunty Donna's Aboriginal family connections are the Wiradjuri of Central West New South Wales and raised in Sydney on Gadigal land.

Aunty Donna is proud to be a cultural representative for the local Aboriginal community in Sydney. Aunty Donna has worked in Aboriginal Affairs, government and community organisations in Sydney for the past 35 years, mostly in education. Aunty Donna is involved in several community consultation groups, especially in regard to women's issues and NAIDOC week in the Redfern inner city area. Aunty Donna has joined us at previous Annual General Meetings and I think her for once again making the time to be with us here today.

Aunty Donna Ingram: Good morning everyone. It is my great pleasure to be here again with permission from my Elders to offer you welcome to country for the Woolworths Group 2021 General Meeting. 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 Island people in Australian culture and history. We are presenting to you from the land of the Gadigal who are one 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 Central West, New South Wales. I was born on Gadigal land and I have had the privilege to live, work and raise my four children on this land for most of my life. My family has grown and I'm now a proud grandmother to [Aaliyah, Elijah, Kelyla, Lakoda and Jake Junior].

My wish for my grandchildren is to grow up happy and healthy in a safe and inclusive society that offers them equal opportunities and that their culture is respected. I acknowledge the Gadigal, their spirits and ancestors who will always remain with the land Mother Earth and thank them for their ongoing custodianship.

I am also proud to be part of the oldest living culture in the world, the Aboriginal culture of Australia with their unique and distinct heritage, cultures and identities. Our culture has adapted and survived through many challenges and we remain strong. 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 in person and online. I also recognise 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 the Gadigal of the Eora Nation, wish you a safe day on the land and safe travel from the land. I have the same wish for everyone viewing online from whichever country you are on. On behalf of my community and the Gadigal, I wish you a successful and productive day at this General Meeting to share your successes over the past year and discuss focus 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, have a fantastic day. Thank you.

[Applause]

Gordon Cairns: Thank you very much Aunty Donna for that welcome to country. I would like to begin by welcoming all my fellow shareholders joining us today in Sydney and by webcast and by telephone from around Australia and overseas. By holding this meeting both in person and online all shareholders, regardless of where they live, are able to participate in this meeting.

We are holding this General Meeting today to approve the demerger of Endeavour Group from Woolworths Group, the final stage in the restructure merger and separation of the Woolworths Drinks and Hospitality business, which commenced in 2019. Do we have enough seats for the people who have just arrived? You're okay. Are you sure you are okay to stand because this could go on for a long time?

[Laughter]

If you get tired, we will find you a seat. There are some seats over there. Before we move on, for those attending in person, I would like to outline the emergency procedures for this venue. The emergency exits for this room are marked in front of me. Please take a moment to identify the emergency exits closest to you. In the event of an emergency one of two alarms may sound. The alert alarm is a warning beep. If this alarm sounds, please

stand by for further instructions from ICC wardens. If the evacuation alarm sounds, a whooping alarm, all occupants will be directed by wardens to leave via the nearest emergency exits quickly and calmly.

Everyone must follow directions by the ICC Sydney wardens to the nearest and most appropriate assembly point. You are requested to remain at this location until ICC staff advise you it is safe to return to the venue. If we are required to evacuate, please leave your voting handsets and smart card on the chair.

For those attending online, instructions to assist you to navigate the webcast including how to vote and ask questions are available in the online portal guide available on the demerger page on our website. If you are having issues logging on to the online portal as a shareholder or a proxyholder, please call Link on 1300 420 545. That's 1300 420 545 or +61 1300 420 545, let me repeat that, +61 1300 420 545, for registration assistance.

If you need help navigating the online portal, please call Lumi on +612 8075 0100 for technical support. The help numbers are also listed in the online portal guide and shown on your screen for those of you who are participating online. If we experience a significant technological issue or in the event we are required to evacuate this building, I will suspend the meeting until we are able to recommence, or if we are unable to recommence within a reasonable period of time, I will adjourn the meeting to another day and time. We will provide shareholders with details of the adjournment via ASX and our website.

Now let me introduce the directors and management now that we have dealt with those procedural matters and let me introduce my colleagues on the stage today. On my far left and on your right is Brad Banducci. Brad, as you know, is the Managing Director and Chief Executive Officer. Next to me is Kate Eastoe, our Group Company Secretary. On my right and your left are Peter Hearl, the Chairman Elect of Endeavour Group and next to Peter is Steve Donohue. Steve is the Managing Director and Chief Executive Officer Elect of the Endeavour Group.

In attendance today via the website or here in the room we have Holly Kramer sitting at the front, Woolworths's nominee to the Endeavour Group Board, Bruce Mathieson Senior from the Bruce Mathieson Group and their nominee to the Endeavour Group Board, along with other Directors Elect of Endeavour Group. Duncan Makeig, who is also sitting in the front row, Colin Storrie, who is sitting next to him and Catherine West. Joe Pollard is unfortunately not able to join us today.

Your Woolworths Group Directors joining the meeting today via the webcast are Scott Perkins, Siobhan McKenna, Michael Ullmer, Jennifer Carr-Smith, Maxine Brenner and Kathee Tesija. A number of the members of the Woolworths Group Executive Team are also in attendance today. I wish to acknowledge the attendance of Phil Breden and Andrew Kim, the partners of our lawyers, Ashurst, and Taralyn Elliott, the Group Audit Partner of our independent accountant Deloitte.

As we have a quorum, I now declare the meeting open and the poll open. The Notice of Meeting is enclosed within the Demerger Booklet which sets out the business of the meeting and explanatory information about the resolutions. For those attending in person, please raise your hand if you require a copy of the Demerger Booklet and one of our team will provide one to you. If you are attending online, you can download the Demerger Booklet and Notice of Meeting from the documents icon on the top of your screen.

Now, ladies and gentlemen, let me turn to the main item of business. Today's meeting marks the final step in our three stage process to transform and separate Endeavour Group. Following your approval at 2019 General Meeting and February 2020, Endeavour Group was established through a restructure of the Drinks business, Stage 1, and subsequent merger with ALH Group, Stage 2.

It was our intention to complete the separation of Endeavour Group, Stage 3, later that year. However, in March 2020 we decided to postpone the separation until 2021 as we prioritised our COVID-19 response amid a highly uncertain operating environment. During that time Endeavour Group continued to prepare to operate as a standalone business. It's financial performance during COVID-19 has proven to be resilient and the Woolworths Group Board is confident to move forward with the separation by way of a demerger as announced in May of this year.

The Woolworths Group Board strongly encourages you to support the resolutions put to the meeting today. We believe shareholder value will be enhanced through a greater focus on each Company's business, core customer offering, unlocking growth opportunities and continuing to benefit from a win-win partnership in areas where it makes sense.

Woolworths Group will remain Australia and New Zealand's leading food and everyday needs business and is expected to remain one of the 20 largest ASX listed companies. The simpler and more agile operating model will enable us to grow our food and everyday needs retail ecosystem. Separation will also provide enhanced brand clarity. Endeavour Group is equally well positioned for success.

As a separate listed entity Endeavour Group will have a broad mandate for growth. It will be able to pursue its business strategy with flexibility to invest in its best returning opportunities and respond to changing consumer behaviours and industry conditions. It does so from a market leading position in both the retail and hospitality sectors. It will be led by Steve Donohue, as Chief Executive Officer, and an experienced management team who have especially proven themselves over the last 12 months.

We have also put together a first-class Board with the appropriate skills and experience led by Peter Hearl as Chairman Elect. I have known Peter for many years. He is a proven leader and an experienced public company director, currently serving on the boards of Santos and Telstra. Finally, Holly Kramer and Bruce Mathieson Senior, have been nominated by the Woolworths Group and the Bruce Mathieson Group respectively, to serve on the Endeavour Group Board, reflecting both Group's material shareholding post demerger.

The new structure, if approved today, also positions Woolworths Group and Endeavour Group to succeed in partnership. Both businesses will continue to work together to retain the benefits of leading infrastructure built by Woolworths Group across its core competencies.

The key anticipated benefits under the partnership agreements, include a framework that supports joint growth opportunities and further develops capabilities for mutual benefit. It enables both groups to maintain the synergies and collaborative relationships. It supports Endeavour Group with continuity of its operations and it minimises stranded costs for the Woolworths Group on the demerger.

To support this, we have key agreements in place across supply chain and stores, loyalty and Fintech, digital and media, business support and international business.

Woolworths Group will hold a 14.6% interest in Endeavour Group, at the time of the demerger, to reflect the importance of this partnership. Woolworths Group's long-term joint venture partner, Bruce Mathieson Group, will also hold a 14.6% interest in Endeavour Group at the time of the demerger.

The demerger will create two leading ASX-listed companies. Endeavour Group will be Australia's leading drinks and hospitality business with a portfolio of strong retail and hospitality brands and products. It will have more than 28,000 team members united around the Group's purpose of creating a more socialable future together. Its portfolio of

trusted brands includes Dan Murphy's and BWS, as well as the nation's largest portfolio of licensed hospitality venues.

Following the demerger, Woolworths Group is expected to remain one of the 20 largest ASX-listed companies and will continue to own some of the most recognised and trusted brands in Australia and New Zealand including Woolworths, Countdown and Big W.

We will benefit from a continued focus on our food and everyday needs markets and further opportunities to build the Woolworths Group ecosystem.

Post demerger, Woolworths Group will retain its strong balance sheet with pro forma and cash, excluding lease liabilities, as at 3 January 2021, of \$75 million. The Board will consider Woolworths Group capital management options and, subject to trading conditions and Board approval, between \$1.6 billion and \$2 billion - sorry, \$1.6 billion and \$2 billion could be returned to shareholders. Further updates will be provided to shareholders when a decision has been made.

If approved today, eligible shareholders, at the time of demerger, will retain their existing shareholding in Woolworths Group. Will also, immediately following implementation of the demerger, own the same number of Endeavour Group shares as Woolworth Group shares. So, if you like, if you own 100 Woolworths Group shares, you will keep those. But, in addition, you will receive 100 Endeavour Group shares.

However, the total number of shares on issue in Endeavour Group will be higher than the Woolworths Group shares, reflecting the shares retained by Woolworths Group and BMG a demerger.

It is expected Endeavour Group will start trading on the ASX on 24 June on a conditional and deferred settlement basis.

Finally, on behalf of the Woolworths Board, I encourage all of you to vote in favour of this important proposal to demerge and publicly list Endeavour Group, Australia's leading retail drinks and hospitality business.

The Woolworths Group Board believes that a demerger is the most value accretive path for shareholders. We are confident that Endeavour Group has strong foundations for success and growth as an independent company.

At this general meeting, we are seeking your approval on the proposed demerger of Endeavour Group from Woolworths. The final step, as I said, in the restructure and separation of Endeavour Group, which began in 2019.

For those attending online, please submit your written questions and comments, during the meeting, by clicking the question icon at the top of the screen. Compose your message or comment and then, please, hit send. You're invited to submit your questions online now.

For those attending in person, please see the attendant at the microphone nearest you, which is here and here. In the interests of giving all shareholders a fair opportunity to have their questions addressed, I'll ask, please, all shareholders to ask one question at a time. If you have more than one question or point to make, then I will, in person, attend these. Please ask your initial question and then see the microphone attendant for another turn, if we have time.

For online attendees, please submit separately, each question. I've also asked the moderators to group online questions that are substantially identical, so that they can be read and answered together, where possible.

Only shareholders or proxy holders, may ask a question or make a comment during today's meeting.

I ask that all questions and comments be directed to me, as the Chair of the meeting. If you're asking your question as a representative of an organisation or group of shareholders, please include that information in your question.

As always, we will conduct the meeting in a responsible manner and ask that shareholders are respectful when they're asking questions. I note that we have received a number of questions in advance of the meeting. I will endeavour to address the key themes arising from those questions, during today's meeting.

To vote at today's meeting, you need to be registered as a shareholder, this includes body corporate representatives and attorneys, or as a proxy. We will vote on each resolution for today's meeting by way of a poll. Voting can be performed at any time during the meeting, until I close the poll at the conclusion of the meeting. The final votes for and against each resolution, will be released to the ASX after the meeting has closed.

For in-person attendees, you 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've 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. Now your name should be displayed across the top of your screen on your handset.

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 the assistants will help you.

Using your handset, select one to vote for, two to vote against or three if you wish to abstain from voting on any resolution. Your selection and the word 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.

Shareholders attending online, you can vote by clicking on the voting icon, on the navigation bar, which will open a list of all resolutions and voting options. You can vote for, against or abstain by selecting the options for each resolution once the poll has opened. If you change your mind and wish to change your vote, simply select another option. If you wish to cancel your vote, please press cancel. There is no need to press a submit or send button. Your vote is automatically counted.

Once again, you can vote at any time while the poll is open. If you have multiple holdings, you will need to log in separately with each individual holding to lodge your vote. Log in using the SRN-HIN and postcode for each holding and repeat the voting steps each time.

I intend to vote undirected proxies, held by me, for all resolutions.

Michael Spruyt from our share registry, Link Market Services, will act as returning officer for the poll.

Having gone through that, I will now turn to the formal business of the general meeting.

The first item of business relates to the demerger resolutions. Part A of Item 1 is the Demerger Approval Resolution, that the demerger of Endeavour Group from Woolworths Group, as described in the demerger booklet and all arrangements and arrangements entered into by Woolworths and Endeavour Group to effect to that demerger - to give effect to that demerger, is approved for all purposes.

Part B of Item 1, is the Capital Reduction Resolution, that the share capital of Woolworths be reduced by the capital amount - capital reduction amount on the implementation date, as described in the demerger booklet. The Demerger Approval Resolution and the Capital Reduction Resolution, are interconditional. So, that if one of these resolutions is not passed by the required majority of shareholders, neither resolution will be considered as having been approved.

Are there any shareholders who would like to ask a question, or make a comment, in relation to the demerger resolutions? Don, if you'd like to go to microphone 1.

Don Adams: (Australian Shareholders Association) Thank you, Gordon. I'm Don Adams from the - representing the Australian Shareholders Association. Today, I've got 580 proxies from retail shareholders.

I'm pleased that we have a hybrid meeting. The Association is lobbying for that to be the standard form for general meetings in the future, because it serves useful purposes for all types of shareholders.

The question I have is, since we really approved the spin-off of Endeavour in December 2019, you've opted for the demerger option. To what extent did you consider the other possible options, like a trade sale or an IPO?

Gordon Kearns: Thank you, Don. We, obviously, looked at all options. We - the Woolworths Board came to the conclusion that this was the most value accretive option for the shareholders of Woolworths. You will recall that you get - while I can't advise you on your individual tax circumstances, the broad ruling is that you will obtain demerger tax relief on this.

Thank you, Don. If I could go now to the online question.

Unidentified Male 1: Chairman, I have a question from shareholder [Steven Main]. The question is, when the Endeavour Group demerger move was first announced in mid-2019, Woolworths CEO, Brad Banducci, told ABC's The Business, that 7% or a little bit less than \$700 million of Endeavour Group's total revenue was from poker machines, based on 2017/2018 figures.

Did that figure exclude Bruce Mathieson's 25% stake and all state government poker machine taxes? What is our gross gaming revenue?

Gordon Cairns: So, thank you, Steven, for that question. I'm very comfortable with the disclosures that we've given in the demerger booklet. I'm happy to relay them to you again.

For financial year '20, our revenue for the Endeavour Group was \$10.6 billion, of which 88% of that revenue was retail and 12% was our hospitality business. Our earnings for financial year '20, were \$693 million. Again, 77% of that was retail and 23% of that was hospitality.

We think that these are the appropriate metrics for shareholders to decide on the performance of the business and I'm happy to leave it at that.

Unidentified Male 1: Thank you.

Gordon Cairns: If I could take - is there a question from microphone 2? No? Microphone 1? No? So I'll then go back to online. I'm trying to go online, in house, online, in house but it looks like online are going to hog it.

Unidentified Male 1: Thank you, Chairman. I have a question from shareholder, Smart Art & Design Proprietary Limited. The question says, does the demerger mean that Woolworths will not be able to sell alcohol in the future?

Gordon Cairns: Well I should point out that we sell alcohol in Countdown in New Zealand but we do have a - we do have, Brad, I think I'm right in saying and you can correct me here, I think we do have an agreement that we will not sell alcohol provided the shareholders agreement remains in place. So thank you for that. Online again. You're doing well.

Unidentified Male 1: Chairman, I have a question from shareholder, [Malcolm Cousland]. The question is, why was 800 chosen as the small shareholder limit? How was this number arrived at?

Gordon Cairns: Yes, well thank you for that question. 800 was chosen both based on the advice and market practice and having regard to shareholder numbers and holdings. Another online question?

Unidentified Male 1: Thank you, Chairman. I have a question from [Christopher Harkin] and [Steven Hart]. The question is, assuming the demerger goes ahead, what will happen to the Group's franking account balance? Will both Companies be able to pay fully franked dividends?

Gordon Cairns: Yes, that's a - it's a very good question. Let me answer it on behalf of the Woolworths Group. So we have a substantial franking balance as you know. So obviously our intention going forward is to utilise that franking balance.

The Endeavour Group, once it's independent, that's up to their Board to make up their mind how they want to handle the franking credits that they will have. So while I wouldn't like to forecast how they would actually handle that, I'm sure that they'll act in the best interests of the shareholders with that franking credit. Do we have another online?

Unidentified Male 1: Chairman, I have a question from [Henry Kaye]. The question is, will Everyday Rewards be accepted at all hotels within the Endeavour Group?

Gordon Cairns: I might pass to Brad to - that's an operational question.

Brad Banducci: No, it - the partnership with Everyday Rewards centres on BWS as the participating partner in Everyday Rewards.

Gordon Cairns: Okay, next question online? Looks like online's dominating here. Hey, Warwick, I didn't see you in the audience there. It's been a long time.

Unidentified Male 1: Chairman, I have a question from the Foundation for Alcohol. The [unclear], AMSANT, NTCOSS, Danila Dilba Health Service, [Loja] Institute, NATSILS and FARE wrote to the Endeavour Chairman Elect, Mr Peter Hurle, expressing their disappointment at the response provided by Endeavour to the Woolworths commissioned Gilbert Review.

To date, Endeavour has only made commitments to meeting with the organisations but not to addressing the 24 recommendations from the Gilbert Review. Given the serious and systemic issues raised in the Gilbert Review about the practices of Woolworths and Endeavour, will Woolworths commit to making it a condition of the proposed demerger that Endeavour Group commits to adopting all 24 recommendations and provide a public implementation plan for addressing the social and corporate governance issues identified?

Gordon Cairns: Thank you for that question. The entity is not yet standalone but Peter, on behalf of the Board Elect and Steve as the Chief Executive Officer, on behalf of Management, wanted to publicly acknowledge the report and commit to considering it more deeply as they commence as an independent Company.

It will be the responsibility of Endeavour and not Woolworths to communicate further with shareholders on this topic if the demerger is approved but because of the seriousness with which we take your question, what I will allow at this meeting is for Peter to actually answer as Chairman Elect. Peter?

Peter Hurle: Happily, thanks, Gordon. Thanks for the question. Firstly, as Gordon's already outlined, the Endeavour Board Elect is not yet constituted as the Endeavour Board but CEO Steve Donohue and I both feel very strongly that it was important that we recognise the report publicly via our cojoined response with Woolies to the independent panel review.

The Endeavour Board elect has discussed the report as a group and if the demerger is approved, we'll be asking Endeavour Management to engage deeply with all relevant

stakeholders so that we can more formally and fully consider the report in the context of management's learnings.

I'm also aware that Steve has recently written to some stakeholders and indicated that he and I will be looking to meet with them - with each of them in person to discuss in much greater detail. Hopefully that answers your question.

Gordon Cairns: Thank you, Peter. Just to reinforce, Brad and I and a few others were planning to fly up to Darwin to meet with the people who've asked the question on Monday. Hopefully we've the opportunity to see them and I'm sure that the Endeavour Board, once it's constituted, will follow suit. So thank you for that. Is there another online question or - yes?

Unidentified Male 1: Chairman, I have a question from shareholder, Stephen Mayne. The question is, the arts industry has been smashed by COVID. Endeavour Group will be Australia's largest for-profit funder of musicians in our 330 pubs.

Do you know roughly how much we spend on musicians this year and can this be increased coming out of COVID to help the music industry get back on its feet?

Gordon Cairns: Thank you, Stephen. That question is definitely beyond my pay grade. As an old rock 'n' roller though, I'm - yes, there's a man here who's an old rock 'n' roller as well I'm sure that the Endeavour Board will continue to ensure the support for the music industry in Australia so thank you, Stephen. Another question online?

Unidentified Male 1: Chairman, I have a question from shareholders, Smart Art & Design Proprietary Limited. The question reads, will Woolworths through its ownership of Endeavour support the necessary changes as reflected in the Gilbert Independent Report to Endeavour's [RAP] and acknowledge the harm done by alcohol sales in the Northern Territory and Indigenous communities and the social responsibility Endeavour has to these communities going forward?

Gordon Cairns: So I think, let me give you the answer in two parts. First of all, I think that the Woolworths response has acknowledged our obligations and our failings there and we will be taking appropriate steps to rectify.

In terms of the Endeavour Board Elect, you've heard from the Chairman how he sees the obligations and I'm very confident that they will behave in the appropriate way. A question from online again?

Unidentified Male 1: Chairman, I have a question from shareholder Stephen Mayne. The question reads, the explanatory memorandum indicates that Endeavour Group is likely to expand aggressively after the Woolworths demerger in contrast to the handbrake on hotel acquisitions which Woolworths has applied since 2013.

Could Peter Hurle and Steve Donohue comment on the prospect of Endeavour buying more pubs and expanding its pokies fleet, something that hasn't happened over the past eight years?

Gordon Cairns: So thank you, Stephen. You're wracking up a number of questions here. We maybe should have had you just as a sole questioner for today's meeting. First of all, let me correct you. We did not put a handbrake on the acquisition of pubs and pokie machines in the Endeavour Group.

The truth of the matter is that we had to prioritise our capital spending, which is our role as a Board and that priority started off with supermarkets who got the majority of our capital spending. Then the development of WooliesX, which got the second largest tranche.

Then our stance with the hotels business was to optimise their return on capital and the way that we suggested they do that was to first of all pay down debt, which they did and secondly, within that portfolio, to sell pubs that were earning less than weighted average cost of capital. So it was a much more sophisticated process than simply apply a handbrake.

In terms of the Endeavour Group going forward, that's entirely a matter for the Endeavour Board. The thing I would say is, the growth options are actually unlimited and where they decide that to be, whether it be in more Dan Murphy's or more BWS or acquisitions or whatever is entirely up to them.

The bottom line is, we feel very confident that as a standalone Company, they will not be constrained by lack of growth opportunities. No more questions from the floor? Yes, one more from online?

Unidentified Male 1: Chairman, I have a question from shareholder Stephen Mayne. The shareholder asks, which of the proxy advisors could have put out reports ahead of today's meeting and are they all in favour?

Could Chair, Gordon Cairns, also comment on whether he personally supports the Federal Government's proposed crackdown on proxy advisors or whether he feels the current system should be retained?

Gordon Cairns: Did someone applaud there? So in answer to the second part of your question, I have stated my views privately and I would remain confident in the views that I've stated and I think it's appropriate that I state those views privately.

The BCA have a position and the AICD have a position, as do the proxy advisors and I've spoken to all of them, which I think is my obligation as the Chair.

In terms of the first part of your question, I'm going to have to refer - ask Kate here, but my understanding is that all the proxy advisors have voted in favour of the resolution?

Kate Eastoe: That's correct, yes.

Gordon Cairns: That's correct. Thank you for confirming that, Kate. Any more questions from Stephen?

Unidentified Male 1: Yes, Chairman.

Gordon Cairns: Keep going, Stephen.

Unidentified Male 1: Chairman, I have a question from shareholder Stephen Mayne. The shareholder asks, Brad Banducci was running the drinks business when the Dan Murphy's project in Darwin, near three vulnerable Indigenous communities, was first proposed. Why did he keep backing it for almost five years despite the building opposition which eventually became both unstoppable and embarrassing? What lessons have we learnt?

Gordon Cairns: So let me take that question because the decision to continue with Darwin was a Board decision. So we don't sheet responsibility home to individuals and it was approved at all stages by the Board.

We've acknowledged publicly in the Gilbert Report that we could have done better and that we've learned the lessons from our failings in the past and intend to put the appropriate rectification in place. I think that's the best response. Yes?

Unidentified Male 1: Chairman, I have question from shareholder, [Julianne Mills]. The question is, congratulations on your response to the Gilbert Review. The transparency and acknowledgement of the mistakes made in pursuing the Darwin Dan Murphy's store and I encourage you to pursue those social responsibilities reflected in the report.

Gordon Cairns: Thank you, we concur. Yes?

Unidentified Male 1: Chairman, I have a question from shareholder, Stephen Mayne. The question is, did Bruce Mathieson Senior have veto rights over the appointment of the

proposed independent directors of Endeavour Group and did he meet with all of them individually before providing his approval?

Gordon Cairns: The answer to that is, no one Director has veto rights and therefore the composition of the Board was done on a consultative basis with unanimity. Yes?

Unidentified Male 1: Chairman, I have a question from shareholder, Stephen Mayne. The question says, in 2019 CEO Brad Banducci told investors the Woolworths Gaming Unit was about 2.5 times smaller than Crown and about half the size of Star. Isn't the truth that gamblers only lost \$1.412 billion on the 9653 poker machines at the five casino venues run by Crown and Star in 2018 and 2019. What is the equivalent figure from Endeavour's 12,364 machines and do you agree that Endeavour is easily Australia's biggest poker machine operator?

Gordon Cairns: So Stephen, I recall you asked this question at the AGM and I'm going to give you the same answer again, which is the treatment of gaming revenue and associated tax is in accordance with accounting standards, which require that revenue is reported net of any taxes collected on behalf of a third party. Woolworths considers this basis for disclosure appropriate and accounts were also signed off by our auditors. Another question?

Unidentified Male 1: Chairman, I have a question from shareholder Stephen Mayne. The shareholder asks, are there any differences between the Endeavour and Woolworths constitutions, particularly on issues such as the qualification requirements for external candidates to nominate for the board?

Gordon Cairns: I don't actually know the answer to the constitution question but I do know that the qualifications for candidates to both boards are that they should be outstanding non-executive directors who have the capacity to serve on the boards and the qualifications. Yes?

Unidentified Male 1: Chairman, I have a question from shareholder Stephen Mayne. The question reads, the AFR reported that private equity bidders for Endeavour were spooked by the proposal to introduce cashless poker machines in New South Wales and a government issued card for all gamblers. How big a threat is this policy proposal to Endeavour's profits and why wasn't this risk issue canvassed in the explanatory memorandum or the independent expert's report?

Gordon Cairns: To the best of my knowledge, that wasn't the reason for private equity's lack of interest, so you know, as far as I'm concerned, that was not an issue. If that is an

issue going forward, it will clearly be on the Endeavour Group's risk register and reported in their annual report. Yes?

Unidentified Male 1: Chairman, I have a question from shareholder Stephen Mayne. The shareholder asks, the Crown royal commission in Victoria recently discovered that Crown Melbourne had potentially underpaid around \$200 million in poker machine tax. Have we checked that we are paying the right amount of poker machine tax on our 12,363 machines and do we deduct loyalty program costs before calculating taxable revenue as Crown Melbourne was doing?

Gordon Cairns: That's an operational question I don't think is relevant in any way, shape or form to the proposed demerger so I propose not to deal with that question here in the AGM.

Unidentified Male 1: Chairman, I have a question from shareholder Stephen Mayne.

Gordon Cairns: So let me just check the mood of the room here. I think I've been very generous in allowing Stephen to ask a number of questions, but it's getting to the stage where he's dominating proceedings and I'd like to get a feel from the room and for those online, are you comfortable that I cut these questions off, that with - yes. Yes. I think we've had enough questions from Stephen so in the most polite way that I can Stephen, I think I've given you absolute licence to ask as many questions as are appropriate but I think we can now give other shareholders the opportunity. Are there any questions from the floor? Are there any other questions online? There's a question from microphone two?

Judy Ebner: (Shareholder) I have another question [inaudible]...

Gordon Cairns: Could you stand up to the microphone so that we can hear you in the room and online if you wouldn't mind.

Judy Ebner: (Shareholder) Hello. My name is [Judy Ebner]. This is just - I'm getting a bit worried that I won't get a chance to ask the question I came to ask.

Gordon Cairns: We'll give you every opportunity.

Judy Ebner: (Shareholder) It's really not to do with the demerger, it's just from the point of view of a shopper. Usually at Bondi Junction Woolies where we're not going to at the moment. Has there been a decision as far as capital goes in Woolworths to reduce the choice and variety of products available to shoppers? I have noticed recently that my favourite bread, a wholemeal grain bread covered with sesame seeds is no longer available. You could get at one stage two loaves for I think about \$3.50.

The other thing, my greater concern is the creeping in of the use of plastics, particularly in the provision of drinks, juices. So for example, I have gone out of my way to buy Australian tomato juice which has come in tins. This is no longer available and it concerns me very much because I can see a number of shoppers, particularly at Bondi Junction, starting to go to Aldi which is also at Bondi Junction, which doesn't have the variety that Woolworths used to have but is very quick.

I have no other complaint about Woolworths. I find the people who work there wonderful, particularly the checkout people and so on, but it concerns me very much, this creep of plastics. Thank you very much.

Gordon Cairns: Thank you for your question. I'm going to be tolerant here because normally shoppers' questions we refer to our retail staff who are here because otherwise the meeting could end up being dominated. Given that you're such a loyal Woolworths shopper and you obviously care and you've come a long way here today, I might ask Brad to take that question.

Brad Banducci: Thank you for the question. Our Bondi Junction store actually has a lot of challenges as you would know through the shape of it and therefore the whole entry and exit is something we need to improve and we are working on doing that together with Westfield to change the shape, so thank you for being a loyal shopper there. We're aware that it's not the ideal entry and exit.

We're actually working very hard on improving and extending the range in that store and it should be coming through in the next two months. It's part of our [up] strategy or range enhancement so you should see more, not less. I can't talk to the bread specific question but if you could just leave the details with us, we'll follow up with you on that. You should be aware that actually one of our biggest challenges as we go forward is keeping bread in stock, in particular as we do more online and we're working very hard on our systems to change that.

Packaging, on that topic, we are very committed to taking out plastic out of our stores and we've made a number of commitments for 2025. Again, I'd need to look into the tomato juice example of the cans, but most - if it's a Woolworths brand product, it should be increasingly in recyclable plastic and that's certainly also true for many of our suppliers but if that's not the case, if you could leave us the details, we'll chase that through. Certainly our strategy is to become completely recyclable in plastic in every form.

So thank you and thank you for the patience in the store and we'll make sure when we get relaunched, which we do intend to, that we make sure that you get invited to the reopening.

Gordon Cairns: Thank you. We also - I'll go to one here online and then we'll come back to microphone two.

Unidentified Male 1: Chairman, I have a question from the Foundation for Alcohol. Question is, as a major shareholder of a future standalone Endeavour, what does Woolworths see is their responsibility to ensure Endeavour addresses all 24 recommendations of the Gilbert review?

Gordon Cairns: So thank you FARE. Our first obligation obviously is to ensure that Woolworths fulfils the recommendations coming out of the Gilbert review and in order to show our commitment, we have published them and not only that, but prior to the report, we gave a commitment that we would do no work on the Dan Murphy's until the report was published. So we absolutely accept the report.

In terms of the Endeavour Group, we will be a shareholder but it will be up to the Endeavour Group board to decide how they respond to the Gilbert review. I am very confident, knowing the management and the directors of the Endeavour Group, that they recognise their responsibility in the corporate social responsibility area. Microphone 2.

Unidentified Female: Mr Chairman, I'd like to introduce [Joanna Chung].

Joanna Chung: (Shareholder) Hello, I'm a shareholder since your initial IPO. I shop in Bondi Junction and Double Bay. I would like to know whether there is a date when Woolworths will replace all the plastic bags in the fresh food section with compostable bags and I would like to have an answer if I can please.

Gordon Cairns: Again, I'm going to be accommodating here because what I don't want is to turn this meeting into questions outside of the demerger, because otherwise shareholders who have come here will become impatient. So if we can make this the last operational question, I'll take that on notice and hand it over to Brad.

Brad Banducci: Thank you. We couldn't agree more with the need to be compostable in fruit and veg. Our customers are all [significant] to us. I just wrote to everyone through Everyday Rewards. We've got two trials under way. We're having problems with compostability of the bags [stretching] sufficiently and then we've got to work on tare

weights because when a bag is weighed at the checkout, we've got to make sure that we don't charge for the bag, we charge for the product.

So we've got two big issues we're working on, we've got two trials under way. Neither is working as well as we would like it to be. Alex Holt who is our chief sustainability officer with me, we couldn't agree more, so we hope to unlock it in the next six to 12 months. It is surprisingly hard, I will just tell you, and it's intensely frustrating. You can buy an alternative right now but it's too expensive at a dollar which is a hessian bag but rest assured of our commitment to try and address this as soon as we can get the technology to work the way it needs to work. So thank you. We agree entirely.

Gordon Cairns: So I'll take a question from microphone two. Now this is a gentleman who has to travel 150 kilometres to get to his nearest Woolworths, which I think is a true commitment of a loyal customer. So I'm happy to take your question as a devoted Woolworths customer.

Unidentified Female: Mr Chairman, I'd like to introduce Trevor Gibb.

Gordon Cairns: Trevor, welcome.

Trevor Gibb: (Shareholder) Thank you Gordon. Yes apart from the travel 150 Ks each way and getting blown away in the cyclone the other week. Just one thing. In regards to the Endeavour, we've got Everyday Rewards on BWS. Why isn't that Everyday Rewards covering Dan Murphy's?

Gordon Cairns: Brad...

Brad Banducci: Dan Murphy's has its own program Trevor of My Dan's which has actually been the highest growth program in the Group and Steve can talk to the stats of it but it's got just a very different structure of a program and therefore putting a points program together with a program that helps you discover the products that are right for you and gives you great deals on that. We just haven't managed to reconcile how they fit together, so there's no cunning plan.

Everyday - BWS was always been part of the program as you will remember when it was Woolworths liquor so there was that long history there and we just haven't managed to get the mechanics to work to extend - and in all the agreements that we have written, we have left the ability in the next 18 months to three years to stand back and see how the program should work. As I say, My Dan's has been unbelievably successful actually inside the Group, so there hasn't been the same compelling need inside Dan's either...

Trevor Gibb: (Shareholder) So there's no thought about combining it together with part of Endeavour?

Brad Banducci: Look, it's something that we've left open in the partnership agreements, I'd say at this stage it just hasn't been needed or sort of demanded by the Dan's customers who have been getting great deals out of My Dan's.

Trevor Gibb: (Shareholder) Admittedly, my closest Dan Murphy's is about 600 km away.

Brad Banducci: Okay, well hopefully Steve can correct that for you at some point.

Trevor Gibb: (Shareholder) Once a fortnight down to BWS, that will be fine. Thank you.

Gordon Cairns: I'll leave the economics of that to Steve. Okay, we have another question online.

Unidentified Male 1: Chairman, we have a question from Mr Matthew Wilkinson. The question reads, following the demerger, will the Endeavour Group Board be issued shares in Endeavour? If so, will they be required to hold those shares for a period of time?

Gordon Cairns: So following the demerger, the Endeavour Board will actually be required to own shares, and I think I'm right in saying that that will be one time their board fee. In the case of the Chairman it will be two times your board fee?

Unidentified Male 2: One times the chair fee.

Gordon Cairns: One times the chair fee, yes. So the answer is yes, and obviously then the trading rules will apply equally to them and to management.

Yes, another question online.

Unidentified Male 1: Chairman, I have a question from Smart Art and Design Pty Ltd. The question reads, why are you avoiding questions around pokie revenue? Wouldn't a more transparent approach eliminate the repetition of the questions and help shareholders understand how much income is impacted?

Gordon Cairns: So thank you for that question. I am not avoiding the question. The reason I didn't go into detail is because we have previously stated that gaming revenue is around about \$700 million, which is less than 50% of [hotels] revenue, and so I didn't see the need to repeat that or go into detail as we've already got it on the public record.

Unidentified Male 1: Chairman, there are no further questions showing online in relation to this item.

Gordon Cairns: Great, and we've got no further questions from the floor. Sorry, there is a gentleman who wants to ask a question.

Unidentified Participant: In the booklet, Chairman, the figures show the last - trading is up to 27 weeks. Can you update that a little bit better than that, how the most - in the event the merger goes ahead, can you give us a more updated figure?

Gordon Cairns: We can't, unfortunately sir we cannot - first of all, we don't give earnings guidance. We don't give earnings guidance. Secondly, that was the most up-to-date numbers that we had at our disposal. We think the market is sophisticated and your shareholders are sophisticated enough to look through the last two years and see the growth in our business.

It looks like we have another question from the Australian Shareholders Association on microphone one. Don.

Operator: Mr Chairman, I'd like to introduce Don Adams.

Don Adams: (Shareholder) Thank you. I won't ask an operational question like I once asked you about the lack of marmalade in the Newtown Metro.

Gordon Cairns: Hopefully we've fixed that.

Don Adams: (Shareholder) No. But I would ask is there anything in the agreements between yourselves, Woolworths and Endeavour, that would prevent you going into the liquor business at some time in the future or prevent them going into the grocery business?

Gordon Cairns: Yes, Don, I think I answered that question earlier which was we're in the liquor business in Countdown and we'll obviously continue there in New Zealand, and we have - we've prescribed from moving into the liquor business here in Australia while the partnership agreements are [unclear].

Don Adams: (Shareholder) Okay, thank you.

Gordon Cairns: Okay, so thank you everyone for the excellent questions. I'd like to thank everyone for their contribution to this discussion. Your Woolworths Group directors recommend that shareholders vote for these demerger resolutions. I also intend to vote all open proxies I have for these resolutions. The proxy position prior to the meeting is now on the screen.

I think we can all see how the votes are going. Can people see, can everyone see? Some people are having trouble with the - may be having trouble with their voting. I'll just give it a few seconds. Are we all good? Excellent, thank you.

Second item of business relates to the employee incentive resolution. The law in Australia restricts the benefits that can be given without shareholder approval to Endeavour team members who hold a managerial or executive office, as defined in the Corps Act, on cessation of their employment with Endeavour and any of its subsidiaries. This resolution seeks advance approval for a three-year period of the giving of certain benefits to allow Endeavour to treat departing members appropriately, having regard to the circumstances in which the Endeavour team member is ceasing employment and in accordance with the applicable laws and Endeavour policy. Details are set out in the explanatory notice of the meeting and you will recall this is something that you voted on for Woolworths. Are there any questions or comments on this resolution?

We have one from...

Unidentified Male 1: Chairman, I have received a question but it is relating to the prior item of business, would you like to take that item?

Gordon Cairns: No, we've concluded that, thank you. Okay, well if there are no questions either from the floor or online, thank you, ladies and gentlemen. We will now vote on the employee incentive resolution. Your Woolworths Group directors recommend that shareholders vote for the employee incentive resolution. I also intend to vote all open proxies I have for this resolution. The proxy position prior to the meeting is now on the screen.

If you haven't already done so, please submit your vote now. As I said earlier, the result of the poll will be released later today via the ASX and on our website. If the demerger resolutions are passed, as set out in the demerger booklet, we expect the demerger to be implemented on 1 July 2021.

Thank you shareholders for joining us online, by telephone and in person. This has been five years in the making and I am now delighted to declare the poll and the meeting closed. Thank you

**End of Transcript**