



14 September 2023

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Manager,

**2023 Notice of Annual General Meeting**

Attached is the Coles Group Limited 2023 Notice of Annual General Meeting.

This announcement is authorised by the Board.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Daniella Pereira".

Daniella Pereira  
Group Company Secretary

**For more information:**

**Investors**

Anita Healy  
Mobile: +61 411 109 108

Lisa Zimmet  
Mobile: +61 428 857 242  
E-mail: [investor.relations@colesgroup.com.au](mailto:investor.relations@colesgroup.com.au)

**Media**

Jace Armstrong  
Mobile: +61 431 987 599

Therese Allaoui  
Mobile: +61 435 323 339  
E-mail: [media.relations@coles.com.au](mailto:media.relations@coles.com.au)

# colesgroup

## 2023 Notice of Annual General Meeting



Coles Group Limited  
ABN 11 004 089 936

# How to participate in the AGM

The Coles Group Limited 2023 AGM will be held on Friday 3 November 2023 at 10.30am (AEDT). You are invited to participate in the AGM in person or online.



## Get ready for the AGM



### Vote or appoint a proxy

You can cast a direct vote or appoint a proxy online at [www.investorvote.com.au](http://www.investorvote.com.au) or by returning your Voting Form.

**Your direct vote or proxy appointment must be received by no later than 10.30am (AEDT) on Wednesday 1 November 2023 to be valid.**

Please note you may also live vote in person or online during the AGM.



### Ask a question

You can ask a question in advance of the AGM online at [www.investorvote.com.au](http://www.investorvote.com.au), by sending an email to [colesagm@computershare.com.au](mailto:colesagm@computershare.com.au) or submitting your question with your hard copy Voting Form.

**Questions must be received by no later than 5.00pm (AEDT) on Tuesday 31 October 2023.**

## Participate in the AGM

### In person

You may attend in person at Melbourne Convention and Exhibition Centre, Melbourne Room, 1 Convention Centre Place, South Wharf, Melbourne, Victoria.

Venue registration will open from 9:30am (AEDT).

### Online

We recommend you log in and register from 9:30am (AEDT) using the instructions below:

- Enter **Meeting ID 301239077** at <https://web.lumiagm.com> in your web browser. You will need internet access and the latest version of Chrome, Safari, Edge or Firefox.
- Select your registration type: 'Securityholder or Proxy' (including attorneys and corporate representatives) or 'Guest'.
- To register as a securityholder, enter your SRN/HIN and your password, which is the postcode registered on your holding (if you are an Australian resident) or country code (if you are an overseas resident).
- To register as a proxyholder, enter your unique username and password obtained from Computershare Investor Services. These details can be obtained from Computershare Investor Services on +61 3 9415 4024 from 9.30am (AEDT) on the morning of the meeting.
- To register as a guest, enter your name and email address. Guests will not be able to vote or ask questions.

### Your SRN/HIN

You will need your SRN/HIN to participate in the AGM. If you are unable to locate your SRN/HIN, please contact Computershare Investor Services by no later than Friday 27 October 2023 as your SRN/HIN may only be provided by post for security reasons. Please keep your SRN/HIN confidential.

### Need assistance?

If you need assistance, please contact our share registry, Computershare Investor Services on:

(within Australia) **1300 171 785**

(outside of Australia) **+61 3 9415 4078**

## Getting to the AGM



**By tram:** Tram routes 96, 109 and 12 (Stop 124A Casino/ MCEC) will take you to the Clarendon Street entrance. Otherwise, tram routes 70, 75 and the City Circle can drop you off at Stop 1 Spencer St/Flinders St. From there, it is just a short walk up Clarendon Street.

**By train:** The closest station is Southern Cross. Once you exit the station, you can catch the 96, 109 or 12 tram routes as above.

**By taxi or Uber:** Ask your driver to drop you off at the taxi rank outside our venue on Convention Centre Place by the Novotel Melbourne South Wharf hotel entrance.

**By car:** Parking is available at the MCEC and adjacent carparks. Please read the important car parking information on the MCEC website (link below) prior to your trip.

For more information go to:

[www.mcec.com.au/visit/visit-information](http://www.mcec.com.au/visit/visit-information)

# Letter from the Chairman

Dear Shareholder

I am pleased to invite you to the 2023 Annual General Meeting (**AGM**) of Coles Group Limited (**Coles** or the **Company**), which has been scheduled for Friday 3 November 2023 commencing at 10.30am Australian Eastern Daylight Time (**AEDT**). Coles will hold its 2023 AGM as a hybrid meeting. This means you will have the option of attending the AGM:

- in person at Melbourne Convention and Exhibition Centre, Melbourne Room, 1 Convention Centre Place, South Wharf, Melbourne, Victoria; or
- remotely via the online platform at <https://web.lumiagm.com/301239077>.

Further information on how to attend the AGM via the online platform is set out in this Notice of Meeting and in the Online Meeting Guide and Frequently Asked Questions which can be found on our website at [www.colesgroup.com.au/agm](http://www.colesgroup.com.au/agm).

Shareholders, proxyholders, attorneys and corporate representatives attending the AGM will be able to watch and listen to the AGM, ask questions and vote live during the AGM. You may also cast your direct vote, appoint a proxy and/or ask a question prior to the AGM.

Details of the business of the AGM are contained from page 6.

The AGM is a valuable opportunity for the Board to discuss with shareholders the performance of the Company, and we encourage all shareholders, proxyholders, attorneys and corporate representatives to participate in the AGM.

I look forward to your attendance and the opportunity to engage with you at our 2023 AGM.

Yours sincerely



**James Graham AM**

Chairman

14 September 2023

# Notice of 2023 Annual General Meeting

Notice is given that the 2023 Annual General Meeting of Coles Group Limited will be held as a hybrid meeting as follows:

**Date:** Friday 3 November 2023

**Time:** 10.30am (AEDT)

**Venue:** Melbourne Convention and Exhibition Centre,  
Melbourne Room  
1 Convention Centre Place  
South Wharf, Melbourne, Victoria

If you plan to attend the AGM venue in person, we encourage you to monitor our website at [www.colesgroup.com.au/agm](http://www.colesgroup.com.au/agm) for any updates. Should it become necessary or appropriate to make alternative arrangements for Coles' AGM, the alternative arrangements will be notified on this website.

**Online:** Login via <https://web.lumiagm.com> with **Meeting ID 301239077** or go directly to <https://web.lumiagm.com/301239077>. You will need internet access and the latest version of Chrome, Safari, Edge or Firefox.

For shareholders, attorneys and corporate representatives:

- Your username is your SRN/HIN.
- Your password is your postcode registered on your holding if you are an Australian resident or your country code if you are an overseas resident. Please refer to the Online Meeting Guide at [www.colesgroup.com.au/agm](http://www.colesgroup.com.au/agm) for your country code.

If you are a proxyholder, you will need to contact Computershare Investor Services on +61 3 9415 4024 from 9.30am (AEDT) on the morning of the meeting for your unique username and password.

If you are attending as a guest, select 'Guest' and enter your name and email details. Guests can access the live AGM webcast, however, will not be able to vote or ask questions.

More information on how to access and participate in the AGM online, including how to ask questions verbally or in writing, is available at [www.colesgroup.com.au/agm](http://www.colesgroup.com.au/agm) and outlined in the sections below.

## **Agenda Items**

### **1. Financial Report, Directors' Report and Auditor's Report**

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 25 June 2023.

### **2. Re-election of Ms Wendy Stops**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Ms Wendy Stops, being eligible, be re-elected as a Director of the Company.

### **3. Remuneration Report**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That the Remuneration Report for the year ended 25 June 2023 be adopted.

*Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. A voting exclusion statement applies to this resolution (see section 7 of the Notes relating to voting).*



#### **4. Approval of short-term incentive grant of STI Shares to the Managing Director and Chief Executive Officer**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That approval be given for all purposes, including ASX Listing Rule 10.14, for the grant of shares to Ms Leah Weckert as the deferred component of her annual short-term incentive award for the year ended 25 June 2023 on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.

*Note: A voting exclusion statement applies to this resolution (see section 7 of the Notes relating to voting).*

#### **5. Approval of long-term incentive grant of performance rights to the Managing Director and Chief Executive Officer**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That approval be given for all purposes, including ASX Listing Rule 10.14, for the grant of performance rights to Ms Leah Weckert as her annual long-term incentive grant for the year ending 30 June 2024 on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.

*Note: A voting exclusion statement applies to this resolution (see section 7 of the Notes relating to voting).*

#### **The Notes relating to voting and the Explanatory Memorandum form part of this Notice of Meeting.**

By Order of the Board.



**Daniella Pereira**

Group Company Secretary

14 September 2023

# Notes relating to voting

## 1. Am I entitled to vote at the AGM?

Registered holders of shares in the Company as at 7.00pm (AEDT) on Wednesday 1 November 2023 will be entitled to attend and vote at the AGM as a shareholder.

## 2. How can I vote?

All items of business at the AGM will be decided by poll.

If you are entitled to vote at the AGM, you can vote in the following ways:

<b>Option</b>	<b>Instructions</b>
<b>Cast a direct vote before the AGM</b>	<p>You can cast a direct vote prior to the AGM either online or by submitting a Voting Form. Instructions on how to submit a direct vote prior to the meeting are in section 3 below.</p> <p>To be effective, your direct vote must be received no later than 10.30am (AEDT) on Wednesday 1 November 2023.</p> <p>If you are casting a direct vote online, go to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> and follow the instructions.</p> <p>If you are casting a direct vote by submitting a Voting Form, please mark box A in Step 1 of the Voting Form. By marking box A in Step 1, you are voting your shares directly and are not appointing a third party, such as a proxy, to act on your behalf.</p> <p>Then, select 'FOR', 'AGAINST' or 'ABSTAIN' for each item in Step 2 of the Voting Form.</p>

If you mark box A in Step 1 and do not provide a voting direction on any item in Step 2, your Voting Form will operate as a proxy appointment and your vote will be passed to the Chairman of the meeting as your proxy.

If box A and box B are both completed on the Voting Form and you provide a voting direction on an item in Step 2, your direct vote will take precedence over the proxy appointment.

Where you appoint a proxy before the AGM but then subsequently lodge a direct vote following the instructions above, your direct vote will take precedence and your proxy appointment will be invalidated.

---

**Appoint a proxy before the AGM**

You can appoint a proxy to attend and cast a live vote during the AGM (either in person or online) on your behalf. Instructions on how to submit a proxy appointment online or by returning your Voting Form are in section 3 below.

To be effective, your proxy appointment must be received no later than 10.30am (AEDT) on Wednesday 1 November 2023.

Your proxy need not be a shareholder and can be either an individual or a body corporate. If you submit your proxy appointment without naming your proxy, the Chairman of the meeting will act as your proxy.

If you are entitled to cast two or more votes, you may appoint two proxies and specify the proportion or number of votes each proxy is appointed to exercise. This may be done by specifying both names on the Voting Form. If no proportion or number is specified, each proxy may exercise half of your votes. Fractions of votes will be disregarded.

If you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth) (**Corporations Act**); and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes online or on the Voting Form. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as your proxy decides, subject to any applicable voting exclusions.

If you have specified how your proxy is to vote on an item of business, but your proxy does not attend the meeting or does not vote on the item, then the Chairman of the meeting will be taken to have been appointed as your proxy and will vote on your behalf as you have directed (subject to any applicable voting exclusions).

Where you lodge a direct vote before the AGM but then subsequently appoint a proxy following the instructions above, your proxy appointment will take precedence and your direct vote will be invalidated.

---

---

**Appoint an attorney or corporate representative before the AGM**

You may appoint an attorney or, if you are a corporate shareholder, a corporate representative to attend and cast a live vote during the meeting (either in person or online) on your behalf.

**Attorneys**

If you would like to appoint an attorney, the power of attorney (or a certified copy) must be received by the Company's share registry by 10.30am (AEDT) on Wednesday 1 November 2023 to be effective for the AGM, unless the power of attorney has previously been lodged with the Company's share registry.

**Corporate representatives**

A body corporate that is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative. The appointment must comply with the requirements in section 250D of the Corporations Act.

Evidence of the appointment of a representative, including any authority under which it has been signed, must be lodged with the Company before the meeting (unless it has previously been given to the Company). Evidence of appointment can be provided to the Company's share registry ahead of the AGM through the contact details contained in this Notice of Meeting.

---

---

**Vote live in person during the AGM**

If you (or your proxy, attorney or corporate representative) intend to attend and vote at the meeting in person, please arrive at the venue at least 30 minutes prior to the time designated for the meeting to register.

Instructions on how to vote in person at the meeting will be given during the course of the meeting.

If you have appointed a proxy or cast a direct vote prior to the AGM but subsequently attend the AGM in person, you will have the opportunity to either retain your prior instruction or revoke it and vote in person during the meeting.

---

**Vote live online during the AGM**

If you (or your proxy, attorney or corporate representative) attend the AGM online, you will be able to vote live during the meeting via the online platform when invited by the Chairman of the meeting. You will be able to vote 'FOR', 'AGAINST' or 'ABSTAIN' on each item.

If you have appointed a proxy or cast a direct vote prior to the AGM but subsequently attend the AGM online and vote live, your previous direct vote or proxy instruction will be revoked and your live vote will take precedence.

Appointed proxies will need to contact Computershare Investor Services on +61 3 9415 4024 to request their unique username and password from 9.30am (AEDT) on the morning of the meeting.

---

Shareholders who do not plan to attend the AGM are encouraged to lodge a direct vote prior to the meeting or to appoint a proxy.

Please note that for the purposes of the AGM, a shareholder is deemed to have instructed the Company that any direct vote cast before the meeting will stand unless the shareholder subsequently appoints a valid proxy, or the shareholder (or their proxy, attorney or corporate representative) live votes during the meeting.

### 3. How do I submit my direct vote or proxy appointment?

To be valid, your direct vote or proxy appointment (together with any authority under which it is signed or a certified copy of the authority) must be received by no later than 10.30am (AEDT) on Wednesday 1 November 2023. You can cast a direct vote or appoint a proxy using the Voting Form or online.

**Online:**

(Computer or smartphone)

Log in to:

[www.investorvote.com.au](http://www.investorvote.com.au)

You will need the control number, your SRN/HIN and postcode/country code shown on the right-hand side of your Voting Form to submit your form online.

To use the smartphone voting service, scan the QR code which appears on your Voting Form and follow the instructions provided to access [www.investorvote.com.au](http://www.investorvote.com.au) and submit your vote from your smartphone.

If you received the Notice of Meeting electronically, you would have received a personalised email link with your Notice of Meeting. You can submit your direct vote or proxy appointment by following the instructions set out in the email.

---

**Mail:**

(Voting Form)

Mail your Voting Form to:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne Victoria 3001  
Australia

---

**In Person:**

(Voting Form)

Deliver your Voting Form to:

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford Victoria 3067  
Australia

---

Participating intermediaries can submit their voting instructions online through [www.intermediaryonline.com](http://www.intermediaryonline.com).

#### **4. Can I appoint the Chairman as my proxy?**

You can appoint the Chairman of the meeting as your proxy.

You can direct the Chairman of the meeting how to vote by marking the boxes for the relevant resolution (for example, if you wish to vote 'FOR', 'AGAINST' or to 'ABSTAIN' from voting). However, if you do not mark a box next to Items 3, 4 and 5, then by completing and submitting the proxy appointment you will be expressly authorising the Chairman of the meeting to vote as he or she sees fit in respect of Items 3, 4 and 5 even though the items are connected with the remuneration of the Company's key management personnel (**KMP**).

If your appointed proxy does not attend the meeting, or does not vote as directed, the Chairman of the meeting will become your proxy by default and will cast any available proxies as directed.

#### **5. Can I appoint another member of the Company's KMP as my proxy?**

Yes. However, if you appoint a member of the Company's KMP (which includes each of the Directors) other than the Chairman of the meeting as your proxy, they will not be able to vote as your proxy on Items 3, 4 and 5 unless you direct them how to vote. Additionally, Ms Weckert and her associates will not be able to vote your proxy in favour of Items 4 or 5 unless you direct them how to vote. If you intend to appoint any of those persons as your proxy, you should ensure that you direct that person how to vote on Items 3, 4 and 5.

#### **6. What are the Chairman's voting intentions?**

The Chairman of the meeting intends to vote all available proxies in favour of each Item.

If you appoint the Chairman of the meeting as your proxy, or the Chairman of the meeting becomes your proxy by default, and you have not directed the Chairman of the meeting how to vote on an item of business, the Chairman of the meeting intends to exercise your votes in favour of each Item.



## 7. Do any voting exclusions apply?

Yes, voting exclusions apply to Items 3, 4 and 5 as follows:

### Item 3 - Remuneration Report

The Company will disregard any votes cast on Item 3:

- by or on behalf of a member of the Company's KMP whose remuneration details are included in the Company's Remuneration Report for the year ended 25 June 2023 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Item 3:

- in accordance with a direction on the Voting Form or received online (as applicable); or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy even though Item 3 is connected with the remuneration of the KMP.

### Items 4 and 5 - Approval of short-term and long-term incentive grants to the MD and CEO

The Company will disregard any votes cast on Items 4 and 5:

- in favour of either Item, by or on behalf of Ms Weckert or any of her associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast on Items 4 and 5:

- as proxy or attorney for a person entitled to vote on the relevant Item in accordance with a direction given to the proxy or attorney to vote on the Item in that way; or
- by the Chairman of the meeting as proxy for a person entitled to vote on the relevant Item pursuant to an express authorisation to exercise the proxy as the Chairman of the meeting decides; or

- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 relevant Item; and
  - the holder votes on the relevant Item in accordance with directions given by the beneficiary to the holder to vote in that way.

## **8. How can I ask questions?**

Coles welcomes your questions and comments.

### **Questions in advance of the meeting**

You may submit written questions ahead of the AGM relating to the business of the meeting, including questions for the Company's Auditor, Ernst & Young (**EY**). Questions for the Company's Auditor must relate to the content of the Auditor's Report or the conduct of the audit of the Financial Report.

Written questions must be received by the Company no later than 5.00pm (AEDT) on Tuesday 31 October 2023.

Questions may be sent to the Company in one of the following ways:

Post: Coles AGM

C/- Computershare Investor Services Pty Limited

GPO Box 242

Melbourne, Victoria 3001

Email: [colesagm@computershare.com.au](mailto:colesagm@computershare.com.au)

Online: At [www.investorvote.com.au](http://www.investorvote.com.au) when lodging a direct vote or proxy vote online.

The Chairman of the meeting will endeavour to address the key themes raised during the meeting, subject to time availability. Please note that individual responses will not be sent to shareholders.

### **Questions during the meeting**

If you (or your proxy, attorney or corporate representative) attend the meeting in person or online, you will have a reasonable opportunity to ask questions and make

comments on all the items of business set out in this Notice of Meeting including an opportunity to ask questions of the Company's Auditor, EY.

If you attend the meeting online, the online platform will allow you to submit written questions or ask questions verbally using an audio facility during the meeting. If you wish to use the audio facility to ask a verbal question, you will need a computer with a working microphone or a smartphone.

More information on how to ask questions is available at [www.colesgroup.com.au/agm](http://www.colesgroup.com.au/agm).

Please restrict yourself to two questions or comments initially. Further questions will be considered if time permits. Questions and comments may be grouped or amalgamated if there are multiple questions or comments on the same topic. There may not be sufficient time available to address all questions and comments raised.

## **9. Technical difficulties**

Technical difficulties may arise during the course of the meeting. This may include local technical difficulties experienced by shareholders attending the meeting online, such as poor internet connection. The Chairman of the meeting has discretion as to whether and how the AGM should proceed if a technical difficulty arises. In exercising this discretion, the Chairman of the meeting will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chairman of the meeting considers it appropriate, he or she may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders, particularly those who plan on attending online, are encouraged to vote in advance of the meeting.

## **10. Alternate arrangements**

If it becomes necessary or appropriate to make alternative arrangements to hold the AGM to those set out in this notice, the alternate arrangements will be communicated on our website at [www.colesgroup.com.au/agm](http://www.colesgroup.com.au/agm).

## 11. Communication with shareholders

At Coles, we want shareholders to take advantage of electronic communications. Receiving your shareholder communications electronically is the simplest – and most environmentally sustainable – way to stay informed. In line with Coles’ commitment to act together now for future generations ahead, we encourage you to sign up to receive e-communications. To sign up, visit [www.computershare.com.au/easyupdate/COL](http://www.computershare.com.au/easyupdate/COL). In line with this approach and our commitment to the environment and sustainability, unless you elect otherwise:

- we will provide our Annual Reports to you by making them available on our website; and
- if you have provided an email address, our Notices of Meeting and related documents will be made accessible electronically.

## 12. How do I contact the Company’s share registry?

The Company’s share registry can be contacted at:

Computershare Investor Services Pty Limited

Address: Yarra Falls  
452 Johnston Street  
Abbotsford Victoria 3067

Mailing address: GPO Box 242  
Melbourne Victoria 3001

Telephone: (within Australia) 1300 171 785  
(overseas) +61 3 9415 4078

Facsimile: (within Australia) 1800 783 447  
(overseas) +61 3 9473 2555

# Explanatory Memorandum

This Explanatory Memorandum has been prepared to help shareholders understand the items of business at the forthcoming AGM.

## **1. Financial Report, Directors' Report and Auditor's Report**

The Corporations Act requires the annual Financial Report of the Company and its controlled entities for the year ended 25 June 2023 (which includes the Financial Statements, Notes to the Financial Statements and Directors' Declaration), the Directors' Report and the Auditor's Report to be laid before the AGM.

Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders on the reports. However, shareholders will be given a reasonable opportunity to raise questions or comment on the management of the Company.

A reasonable opportunity will also be given to shareholders as a whole at the meeting to ask the Company's Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor in relation to the conduct of the audit.

Shareholders can access a copy of the 2023 Annual Report on the Company's website at [www.colesgroup.com.au](http://www.colesgroup.com.au).

## 2. Re-election of Ms Wendy Stops

The ASX Listing Rules require Coles to hold an election of directors at each AGM. In accordance with rules 8.1(d) and 8.1(j) of the Company's Constitution, Ms Stops will retire from office at the conclusion of the AGM and, being eligible, offers herself for re-election at the meeting.



**Wendy Stops** BAppSc (Information Technology), GAICD

Non-executive Director since November 2018, Member of the Nomination Committee and the Audit and Risk Committee

Wendy Stops is the Chair of Fitted for Work, Deputy Chancellor and Council member at the University of Melbourne, Chair of the Advisory Board for the Melbourne Business School's Centre for Business Analytics and a member of the AICD's Governance of Innovation and Technology Panel.

Previously, Ms Stops was a member of the Advisory Committee to the Digital Technology Taskforce of the Department of Industry, Science and Resources and was a senior management executive in the information technology and consulting sectors. This included her last 16 years with Accenture in various senior management positions in Australia, Asia Pacific and globally. Her board experience includes Blackmores Limited (where she was Chairman from 2022 until delisting in 2023), Commonwealth Bank of Australia Limited, Altium Limited and Accenture Software Solutions Australia Limited. Currently, Ms Stops is a member of Chief Executive Women, serving on their Leaders Program Committee, and a graduate of the AICD.

The Board considers Ms Stops to be independent.

## **Recommendation**

The Board considers that since her appointment, Ms Stops has made a significant contribution to the Board. The Board considers that Ms Stops' deep digital and information technology experience as well as her extensive knowledge of both Coles and the Australian business and economic landscape support her re-election.

The Board (with Ms Stops abstaining) recommends that shareholders vote in favour of the re-election of Ms Stops as a Director.

## **3. Remuneration Report**

The Remuneration Report on pages 60 to 78 of the Company's 2023 Annual Report sets out the remuneration policies of the Company and reports on the remuneration arrangements in place for the Company's KMP during the year ended 25 June 2023.

Shareholders will have a reasonable opportunity at the meeting to ask questions about or make comments on the Remuneration Report.

As prescribed by the Corporations Act, the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote and discussion at the meeting into account in setting remuneration policy for future years.

A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

## **Recommendation**

The Board recommends that shareholders vote in favour of the adoption of the Remuneration Report.

## **4. Approval of short-term incentive grant of STI Shares to the MD and CEO**

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

Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of 26,054 fully paid ordinary shares to Ms Leah Weckert, Managing Director

and CEO (**MD and CEO**), as the deferred equity component of her short-term incentive (**STI**) award for FY23 (**STI Shares**).

The total number of STI Shares to be awarded reflects Ms Weckert's STI outcomes from 27 June 2022 to 30 April 2023 for her prior role as Chief Executive, Commercial & Express plus the STI outcomes from 1 May 2023 to 25 June 2023 for her current role as MD and CEO.

Subject to shareholder approval, the STI Shares will be allocated to Ms Weckert shortly after the 2023 AGM and, in any event, no later than 12 months from the date of the 2023 AGM.

### **Key terms of the FY23 STI award**

The STI is designed to provide increased focus on, and reward for, performance against those areas that most significantly drive the delivery of the Company's strategic initiatives. Providing a portion of Ms Weckert's STI award in the form of equity also aligns the interests of the MD and CEO with the interests of shareholders.

For FY23, Ms Weckert was entitled to receive a STI award of up to 120% of her relevant FY23 total fixed compensation (**FY23 TFC**) as her maximum STI opportunity with:

- 50% of any STI award payable in cash; and
- 50% of any STI award deferred into equity in the form of STI Shares, subject to shareholder approval.

Ms Weckert's FY23 TFC increased on 1 May 2023 when she was appointed MD and CEO of Coles. This resulted in an increase to the maximum value of her STI opportunity, being 120% of her increased FY23 TFC for the period from 1 May 2023 onwards.

The STI Shares will be granted under the Coles Group Limited Equity Incentive Plan (**Plan**).

### **Performance conditions**

Ms Weckert's FY23 STI award was subject to achievement of performance conditions in a Balanced Scorecard comprising 60% weighting of financial metrics and 40% weighting of strategic and non-financial metrics. Ms Weckert was provided with slightly revised metrics upon her appointment as Managing Director and CEO to reflect



her new responsibilities, and her performance was assessed accordingly. These revised metrics included EBIT, Group Sales, Coles Online Sales, Safety, Team Member Engagement, Customer Net Promoter Score and Ocado Transformation. Refer to the FY23 Remuneration Report for further information.

Performance against the Balanced Scorecard metrics was assessed by the Board based on the Company's annual audited results and financial statements and other data provided to the Board.

Shareholders are referred to the FY23 Remuneration Report for full details of the performance conditions of Ms Weckert's FY23 STI award.

### **FY23 STI award**

At the end of FY23, the Board assessed the achievement of the performance conditions and determined Ms Weckert's total STI award to be \$947,315, being 79.5% of her FY23 TFC.

Subject to shareholder approval, Ms Weckert will be allocated 26,054 STI Shares which represents the calculated value of 50% of her total STI award, being \$473,657. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate the MD and CEO including payment in cash.

The number of STI Shares to be allocated to Ms Weckert was determined by multiplying the FY23 STI award outcome by 50%, and then dividing by \$18.18 (the volume weighted average price of Coles shares traded on the ASX over the ten trading days up to and including 25 June 2023), with the result then rounded up to the nearest whole number to determine the number of shares to be allocated.

As the STI Shares form part of Ms Weckert's remuneration, they will be granted at no cost and there will be no amount payable on vesting. The Company may issue new shares or acquire shares on market to satisfy awards under the Plan. The Board retains a discretion to make a cash equivalent payment in lieu of an allocation of shares.

### **Restrictions applying to STI Shares - Deferral Period**

The STI Shares will be subject to a two-year deferral period, ending in September 2025 or such other date separately notified by the Board (**Deferral Period**). During the Deferral

Period, the STI Shares will be held in trust on Ms Weckert's behalf and are not transferable.

At the end of the Deferral Period, the STI Shares will cease to be subject to any dealing restrictions (other than the requirements of the Company's Securities Dealing Policy).

### **Dividend and voting rights**

STI Shares will carry the same voting rights as other fully paid ordinary shares in the Company. STI Shares are also entitled to receive any dividends or distributions that accrue in respect of the STI Shares from the grant date.

### **Other key terms of the STI Shares**

#### **Cessation of employment**

Where employment is terminated for cause or ceases due to resignation (other than due to redundancy, genuine retirement as determined by the Board, death, permanent disability, or ill health) or significant underperformance, all STI Shares will be forfeited, unless the Board determines otherwise.

In all other circumstances, all STI Shares will remain on foot and be subject to the original terms of offer, as if Ms Weckert had not ceased employment, unless the Board determines otherwise.

Pursuant to the Plan Rules and offer terms, the Board retains discretion to release, leave on foot or forfeit some or all STI Shares in all circumstances.

#### **Change of control**

Where there is likely to be a change of control, the Board has the discretion to determine that all or a specified number of STI Shares cease to be subject to restrictions. Where only some of the STI Shares cease to be subject to restrictions on a change of control, the remainder of the STI Shares will immediately be forfeited.

If a change of control occurs before the Board exercises its discretion, all STI Shares will cease to be subject to restrictions.

#### **Clawback**

The Board has broad 'clawback' powers to determine that unvested STI Shares or vested STI Shares are forfeited, or that amounts are to be repaid, in certain circumstances

(for example, in the case of fraud or serious misconduct, proceeds of any sale of shares or the value of dividends or distributions provided for shares might be repaid as a debt to Coles).

### **Restrictions on dealing**

During the Deferral Period, Ms Weckert must not sell, transfer, encumber, hedge or otherwise deal with the STI Shares.

Once the STI Shares cease to be subject to restrictions, Ms Weckert will be free to deal with the shares, subject to the requirements of the Company's Securities Dealing Policy.

A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

Additional information in relation to this Item 4 is provided below.

### **Recommendation**

The Board (with Ms Weckert abstaining) recommends that shareholders vote in favour of the grant of STI Shares to Ms Weckert.

## **5. Approval of long-term incentive grant of performance rights to the MD and CEO**

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

Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of 192,520 performance rights to Ms Weckert, MD and CEO, as her long-term incentive (**LTI**) for FY24, as well as for the issue of any shares on vesting of the performance rights.

Subject to shareholder approval, the performance rights will be granted under the Plan shortly after the 2023 AGM and, in any event, no later than 12 months from the date of the 2023 AGM. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate the MD and CEO including by providing an LTI in the form of cash.

### **Key terms of the FY24 LTI**

The LTI is designed to align the interests of the MD and CEO with the interests of shareholders by providing her with the

opportunity to receive an equity interest in Coles through the granting of performance rights.

It is proposed that Ms Weckert be granted 192,520 performance rights, which have been determined by dividing Ms Weckert's LTI opportunity (i.e. 175% of Ms Weckert's FY24 total fixed compensation of \$2,000,000 equalling to \$3,500,000) by the volume weighted average price of Coles shares traded on the ASX over the 10 trading days up to and including 25 June 2023 (being \$18.18), rounded up to the nearest whole number.

As the performance rights will form part of Ms Weckert's remuneration, they will be granted at no cost and there will be no amount payable on vesting. The Company may issue new shares or acquire shares on market to satisfy performance rights which vest under the Plan. Each performance right entitles Ms Weckert to one ordinary share in the Company on vesting. The Board retains a discretion to make a cash equivalent payment in lieu of an allocation of shares.

Prior to vesting, performance rights do not entitle Ms Weckert to any dividends or voting rights. Upon vesting of performance rights, Ms Weckert will receive a dividend equivalent amount in relation to the performance rights that vest, delivered in additional shares which are equal in value to the amount of dividends that would have been paid had Ms Weckert been the owner of Coles shares during the period from the performance rights grant date to the vesting date. The Board retains a discretion to settle the dividend equivalent amount in cash.

### **Performance conditions**

The performance period will run from 26 June 2023 to 28 June 2026 (**Performance Period**).

Vesting of the LTI will be subject to the achievement of two performance conditions:

- 50% of the performance rights will be subject to a relative total shareholder return (**RTSR**) condition; and
- 50% of the performance rights will be subject to a cumulative return on capital (**Cumulative ROC**) condition.

RTSR measures the performance of an ordinary Coles share over the Performance Period (including the value of any cash dividend and any other shareholder benefits paid during the period) against the total shareholder return performance of a comparator group of companies over a similar period. For the FY24 LTI, RTSR performance will be assessed against a comparator group of companies comprising the S&P ASX100 Index as at 25 June 2023. The Board has discretion to adjust the comparator group to take account of events such as takeovers, mergers and demergers.

Cumulative ROC measures the Company's average annual return on capital over the Performance Period against targets set by the Board. Cumulative ROC is calculated based on the audited financial information of the Company and its controlled entities. The Board will assess Cumulative ROC after the end of the Performance Period.

In assessing achievement against the Cumulative ROC performance condition, the Board may have regard to any matters that it considers relevant and retains discretion to review and adjust outcomes to ensure that the results are appropriate.

### Testing of the performance conditions

The percentage of performance rights subject to each performance condition that vests will be determined by reference to the following vesting schedules:

#### RTSR condition (50% weighting)

Achievement against RTSR condition	Portion of performance rights that vest
Below the 50th percentile	0% vesting
Equal to the 50th percentile	50% vesting
Between the 50th and 75th percentile	Straight-line pro rata vesting between 50% and 100%
Equal to the 75th percentile or above	100% vesting

## Cumulative ROC condition (50% weighting)

Achievement against Cumulative ROC condition	Portion of performance rights that vest
Equal to or below 95% of target	0% vesting
Between 95% and 105% of target	Straight-line pro rata vesting between 0% and 100%
Equal to 105% of target or above	100% vesting

No retesting of the performance conditions is permitted.

## Other key terms of the LTI performance rights

### Cessation of employment

Where employment is terminated for cause or ceases due to resignation (other than due to redundancy, genuine retirement as determined by the Board, death, permanent disability, or ill health) or significant underperformance, all unvested performance rights will lapse, unless the Board determines otherwise.

In all other circumstances, a pro rata number of performance rights will remain on foot and be subject to the original terms of offer, as if the MD and CEO had not ceased employment, unless the Board determines otherwise.

Pursuant to the Plan Rules and offer terms, the Board retains discretion to vest, leave on foot or lapse some or all performance rights in all circumstances.

### Change of control

Where there is a change of control event, the Board may in its absolute discretion determine that all or a specified number of performance rights vest. Where there is an actual change in the control of the Company then, unless the Board determines otherwise, unvested performance rights will vest on a pro rata basis (based on the portion of the Performance Period that has elapsed). Where only some of the performance rights vest, the remainder will immediately lapse. In determining whether to exercise its discretion, the Board may have regard to any circumstances it considers appropriate.

## Clawback

The Board has broad 'clawback' powers to determine that performance rights lapse, any shares allocated on vesting are forfeited, or that amounts are to be repaid, in certain circumstances (for example, in the case of fraud or serious misconduct, proceeds of any sale of shares or the value of dividends or distributions provided for vested shares might be repaid as a debt to Coles).

## Restrictions on dealing

Ms Weckert must not sell, transfer, encumber, hedge or otherwise deal with performance rights. Ms Weckert will be free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of Coles' Securities Dealing Policy.

A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

Additional information in relation to this Item 5 is provided below.

## Recommendation

The Board (with Ms Weckert abstaining) recommends that shareholders vote in favour of the grant of performance rights to Ms Weckert.

## Items 4 and 5 - Additional information provided in accordance with ASX Listing Rule 10.15

- Ms Weckert's current total remuneration package for FY24 comprises \$2,000,000 (inclusive of superannuation) as total fixed compensation (**TFC**), a STI opportunity up to a maximum of \$2,400,000 (being 120% of TFC) and a LTI opportunity up to a maximum of \$3,500,000 (being 175% of TFC). Shareholders are referred to the FY23 Remuneration Report for full details of Ms Weckert's remuneration arrangements.
- Ms Weckert has previously been awarded the following securities at no cost under the Plan for her previous executive roles with Coles:
  - 373,021 performance rights pursuant to the FY19 - FY23 Long Term Incentive Offers;
  - 46,033 STI Shares pursuant to the FY20 - FY22 STI awards;

- 36,453 Restricted Shares pursuant to the FY19 Executive Restricted Share Offer; and
  - 36,453 Performance Shares pursuant to the FY19 Long Term Incentive Offer.
- Ms Weckert is the only Director entitled to participate in and receive STI Shares and LTI performance rights under the Plan.
  - No loan will be made by the Company in relation to the acquisition of:
    - STI Shares or allocation to Ms Weckert of any shares on release of those STI Shares; or
    - performance rights or allocation to Ms Weckert of any shares on vesting of those rights.
  - Details of any STI Shares and performance rights issued under the Plan will be published in Coles' 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 STI Shares or performance rights under the Plan after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.





**Coles Group Limited**

ABN 11 004 089 936  
800-838 Toorak Road  
Hawthorn East  
VIC 3123 Australia