



21 September 2022

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Manager,

**2022 NOTICE OF ANNUAL GENERAL MEETING**

Attached is the Coles Group Limited 2022 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  
Company Secretary

**For more information:**

**Investors**

Anita Healy  
Mobile: +61 411 109 108  
E-mail: [investor.relations@colesgroup.com.au](mailto:investor.relations@colesgroup.com.au)

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

**Media**

Blair Speedy  
Mobile: +61 431 960 249  
E-mail: [media.relations@coles.com.au](mailto:media.relations@coles.com.au)

# colesgroup



## 2022 Notice of Annual General Meeting

Coles Group Limited  
ABN 11 004 089 936

## How to participate in the AGM

The Coles Group Limited 2022 AGM will be held on Wednesday, 9 November 2022 at 10.30am (AEDT). You are invited to participate in the AGM in person or online.

NOVEMBER

9

10.30am (AEDT)

### 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 10.30 am (AEDT) on Monday 7 November 2022 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 by sending an email to [colesagm@computershare.com.au](mailto:colesagm@computershare.com.au) or submitting your question with your Voting Form.

**Questions must be received no later than 5.00pm (AEDT) on Friday 4 November 2022.**

#### Prepare to attend the AGM

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.

Please do not attend the AGM venue in person if you are unwell or are required to isolate under government restrictions.

## ATTEND 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).

**All shareholders who attend the AGM (whether in person or online) will be able to vote and ask questions at the meeting. More information on how to attend and participate online is available at [www.colesgroup.com.au/agm](http://www.colesgroup.com.au/agm).**

### Online

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

- Enter **Meeting ID 366051396** at <https://web.lumiagm.com> in your web browser. You will need 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 postcode (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 8.30am (AEDT) on the morning of the meeting.
- To register as a guest, enter your name and email address.



### 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 Wednesday 26 October 2022 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**

## Letter from the Chairman

---

Dear Shareholder

I am pleased to invite you to the 2022 Annual General Meeting (**AGM**) of Coles Group Limited (**Coles** or the **Company**) which has been scheduled as follows:

**Date:** Wednesday 9 November 2022

**Time:** 10.30am Australian Eastern Daylight Time (**AEDT**).

Coles will hold its 2022 AGM as a hybrid meeting. This means that subject to COVID-19 restrictions applying at the time, you will have the option of attending the AGM in person at our meeting venue or remotely via the online platform.

You may wish to consider which of the available options to participate in the AGM is most suitable for you having regard to your circumstances.

The AGM will be convened at Melbourne Convention and Exhibition Centre, Melbourne Room, 1 Convention Centre Place, South Wharf, Melbourne, Victoria if you wish to attend in person.

If you prefer to participate in the AGM remotely, you may do so online at [web.lumiagm.com/366051396](http://web.lumiagm.com/366051396).

Shareholders, proxyholders, attorneys and corporate representatives attending the AGM in person or online will be able to watch and listen to the AGM, ask questions and vote live during the AGM.

Further details on how to attend the AGM via the online platform are 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).

Please note that in the interests of health and safety, restrictions and precautionary measures may be imposed on attendance at the Melbourne Convention and Exhibition Centre, if necessary.

We encourage all shareholders, proxyholders, attorneys and corporate representatives to participate in the AGM. If you are unable to join us at the AGM (either in person or online), a recording of the AGM will be available to view at [www.colesgroup.com.au/agm](http://www.colesgroup.com.au/agm) after the conclusion of the meeting. You may also cast your direct vote, appoint a proxy and/or ask a question prior to the AGM. Direct votes and proxy appointments must be received (in hard copy or online) no later than 10.30am (AEDT) on Monday 7 November 2022 to be valid for the AGM.

As recently announced, Mr Terry Bowen and Mr Scott Price will join the Board as Non-executive Directors on 1 October 2022. At this Annual General Meeting, Mr Bowen and Mr Price will stand for election and Ms Jacqueline Chow and myself, are standing for re-election. In relation to my own position, I have advised the Board that, if re-elected, I would expect to retire during the ensuing term.

I look forward to your attendance and the opportunity to engage with you at our 2022 AGM.

Yours sincerely



**James Graham AM**  
Chairman

21 September 2022

# Notice of 2022 Annual General Meeting

---

Notice is given that the 2022 Annual General Meeting of Coles Group Limited will be held as a hybrid meeting as follows:

**Date:** Wednesday 9 November 2022  
(registration will commence at 9.30am (AEDT))

**Time:** 10.30am (AEDT)

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

If you are attending the physical AGM venue, please be mindful of any laws, government warnings and recommendations in relation to COVID-19 that apply at the time and monitor the Coles website at [www.colesgroup.com.au/agm](http://www.colesgroup.com.au/agm) for any updates.

**Online:** Login via <https://web.lumiagm.com> with **Meeting ID 366051396** or go directly to [web.lumiagm.com/366051396](https://web.lumiagm.com/366051396). You will need the latest version of Chrome, Safari, Edge or Firefox.

For shareholders, attorneys, corporate representatives:

- Your username is your SRN/HIN.
- Your password is your postcode 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 8.30am (AEDT) on the morning of the meeting for your unique username and password.

If you are attending as a guest, select 'I am a guest' and enter your name and email details.

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).

## 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 26 June 2022.

### 2. Election and re-election of Directors

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

- 2.1. That Mr Terry Bowen, being eligible, be elected as a Director of the Company.
- 2.2. That Mr Scott Price, being eligible, be elected as a Director of the Company.
- 2.3. That Mr James Graham, being eligible, be re-elected as a Director of the Company.
- 2.4. That Ms Jacqueline Chow, 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 26 June 2022 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 Mr Steven Cain as the deferred component of his annual short-term incentive award for the year ended 26 June 2022 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 Mr Steven Cain as his annual long-term incentive grant for the year ending 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).*

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

By Order of the Board.



**Daniella Pereira**  
Company Secretary

21 September 2022

# 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 Monday 7 November 2022 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:

Option	Instructions
--------	--------------

<b>Cast a direct vote before the AGM</b>	
--	--

	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.
--	--

To be effective, your direct vote must be received no later than 10.30am (AEDT) on Monday 7 November 2022.

If you are casting a direct vote online, follow the instructions at [www.investorvote.com.au](http://www.investorvote.com.au).

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.

Then, select 'FOR', 'AGAINST' or 'ABSTAIN' for each item in Step 2 of the Voting Form.

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 priority 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 Monday 7 November 2022.

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. If no proportion or number is specified, each proxy may exercise half of your votes.

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 Monday 7 November 2022 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.

---

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?

---

**Online:**

(Computer or  
smartphone)

Log in to:

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

You will need the control number, 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 [www.investorvote.com.au](http://www.investorvote.com.au) 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 the 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

---

**Facsimile:**

(Voting Form)

Fax your Voting Form to:

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

---

**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, Mr Cain and his 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 resolution.

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 resolution.

## 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 26 June 2022 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 Mr Cain or any of his 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
- as proxy for a person entitled to vote on the relevant Item by the Chairman of the meeting 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 Friday 4 November 2022.

Please send written questions to:

Coles AGM

C/- Computershare Investor Services Pty Limited

GPO Box 242

Melbourne, Victoria 3001

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

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 Lumi 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 verbal questions, 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 VIC 3067

Mailing address: GPO Box 242  
Melbourne VIC 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 26 June 2022 (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 2022 Annual Report on the Company's website at [www.colesgroup.com.au](http://www.colesgroup.com.au).

## **2. Election and re-election of Directors**

The ASX Listing Rules require Coles to hold an election of directors at each AGM. Mr Terry Bowen and Mr Scott Price have each been appointed as a Director of the Company, with effect from 1 October 2022. In accordance with rules 8.1(c) and 8.1(j) of the Company's Constitution, Mr Bowen and Mr Price will each retire from office at the conclusion of the AGM and, being eligible, offer themselves for election at the meeting.

In accordance with rules 8.1(d) and 8.1(j) of the Company's Constitution, Mr James Graham and Ms Jacqueline Chow will retire from office at the conclusion of the AGM and, being eligible, offer themselves for re-election at the meeting.

## 2.1.Election of Mr Terry Bowen



**Terry Bowen**, BAcc, FCPA, MAICD

Terry Bowen will become a Non-executive Director of Coles on 1 October 2022. Appropriate checks into Mr Bowen's background and experience were completed before Mr Bowen was appointed to the Board.

Mr Bowen is currently a Non-executive Director of BHP Group Limited and Transurban Group. He is also Chairman of the Operations Group at BGH Capital, and is a Non-executive Director of Navitas Pty Ltd and a Director of the West Coast Eagles.

From 2007 to 2009, Mr Bowen served as Finance Director of Coles, and then Finance Director of Wesfarmers Limited from 2009 to 2017. Mr Bowen was formerly the Chief Financial Officer of Jetstar Airways, Finance Director of Wesfarmers Landmark, and before this held senior finance roles with Tubemakers of Australia Limited.

The Board considers Mr Bowen to be independent.

### Recommendation

On the basis of Mr Bowen's skills, qualifications and experience, the Board (other than Mr Bowen, who will join the Board on 1 October 2022) recommends that shareholders vote in favour of the election of Mr Bowen as a Director.

## 2.2.Election of Mr Scott Price



**Scott Price**, BA, MBA, MA

Scott Price will become a Non-executive Director of Coles on 1 October 2022. Appropriate checks into Mr Price's background and experience were completed before Mr Price was appointed to the Board.

Mr Price retired in early 2022 as Executive Vice-President; President, UPS International. Mr Price was also previously UPS's Chief Strategy and Transformation Officer and was responsible for strategic planning, Global Business Services and the company's Advanced Technology Group.

From 2009 to 2017, Mr Price led Walmart's Asia store business before moving to the United States to lead global sourcing, international technology, real estate and strategy. He was also previously President and CEO of DHL Asia and then DHL Europe and began his career at The Coca-Cola Company in Asia. Mr Price is currently a board member of the not-for-profit World Food Program USA.

The Board considers Mr Price to be independent.

### **Recommendation**

On the basis of Mr Price's skills, qualifications and experience, the Board (other than Mr Price, who will join the Board on 1 October 2022) recommends that shareholders vote in favour of the election of Mr Price as a Director.

### 2.3.Re-election of Mr James Graham



**James Graham AM** BE (Chem)(Hons), MBA, FIEAust EngExec, FTSE, FAICD, SF FIN

Chairman and Non-executive Director since November 2018, Chairman of the Nomination Committee and Member of the People and Culture Committee

James Graham has extensive business, investment, corporate and governance experience, including as a Non-executive Director of Wesfarmers Limited for 20 years, prior to his retirement in July 2018. Mr Graham is Chairman of Gresham Partners Limited, having founded the Gresham Partners Group in 1985.

From 2001 to 2009, Mr Graham was a Director of Rabobank Australia Limited, initially as Deputy Chairman and then Chairman, and was responsible for the Bank's operations in Australia and New Zealand. He was also Chairman of the Darling Harbour Authority between 1989 and 1995, and was previously Managing Director of Rothschild Australia Limited. In 2008, Mr Graham was made a member of the Order of Australia.

The Board considers Mr Graham to be independent.

#### Recommendation

On the basis of Mr Graham's skills, qualifications and experience, and his contribution to the Board's activities, the Board (with Mr Graham abstaining) recommends that shareholders vote in favour of the re-election of Mr Graham as a Director.

## 2.4. Re-election of Ms Jacqueline Chow



**Jacqueline Chow** MBA, BSc (Hons), GAICD

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

Jacqueline Chow is a Non-executive Director of Boral Limited, nib Holdings Limited and Charter Hall Group. She is also a Director of the Australia-Israel Chamber of Commerce of New South Wales.

From 2016 to 2019, Ms Chow was a Director of Fisher & Paykel Appliances. Ms Chow previously held senior management positions, including Chief Operating Officer, Global Consumer and Food Service, with Fonterra Co-operative Group, one of the world's largest dairy product producers and exporters. Prior to that, she was in senior management with Campbell Arnott's and Kellogg Company. She was also Programme Steering Group Director, Ministry for Primary Industries, New Zealand and Deputy Chair of the Global Dairy Platform Inc. She was previously a Senior Advisor at McKinsey Consulting RTS.

The Board considers Ms Chow to be independent.

### Recommendation

On the basis of Ms Chow's skills, qualifications and experience, and her contribution to the Board's activities, the Board (with Ms Chow abstaining) recommends that shareholders vote in favour of the re-election of Ms Chow as a Director.



### 3. Remuneration Report

The Remuneration Report on pages 65 to 83 of the Company's 2022 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 26 June 2022.

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 51,785 fully paid ordinary shares to Mr Steven Cain, MD and CEO, as the deferred equity component of his short-term incentive (**STI**) award for FY22 (**STI Shares**).

Subject to shareholder approval, the STI Shares will be allocated to Mr Cain shortly after the 2022 AGM and, in any event, no later than 12 months from the date of the 2022 AGM.

#### Key terms of the FY22 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 Mr Cain's STI award in the form of equity

also aligns the interests of the MD and CEO with the interests of shareholders.

For FY22, the MD and CEO was entitled to receive a STI award of up to 120% of his FY22 total fixed compensation (**FY22 TFC**) as his 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.

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

### Performance conditions

Mr Cain's FY22 STI award was subject to achievement of performance conditions in a Balanced Scorecard comprising 60% financial metrics and 40% strategic and non-financial metrics. These included EBIT, Group Sales, Coles Online Sales, Safety, Team Member Engagement, Customer Net Promoter Score and Ocado Transformation metrics.

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 FY22 Remuneration Report for full details of the performance conditions of Mr Cain's FY22 STI award.

### FY22 STI award

At the end of FY22, the Board assessed the achievement of the performance conditions and determined Mr Cain's total STI award to be 82.81% of his FY22 TFC, being \$1,780,364.

Subject to shareholder approval, Mr Cain will be allocated 51,785 STI Shares which represents 50% of his total STI award, being \$890,182. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate the CEO including payment in cash.

The number of STI Shares to be allocated to Mr Cain was determined by multiplying the FY22 STI award outcome by 50%, and then dividing by \$17.19 (the volume weighted average price of Coles shares traded on the ASX over the ten trading days up

to and including 26 June 2022), with the number of shares then rounded up to the nearest whole number.

As the STI Shares form part of Mr Cain'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 2024 or such other date separately notified by the Board (**Deferral Period**). During the Deferral Period, the STI Shares will be held in trust on Mr Cain'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 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 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, Mr Cain must not sell, transfer, encumber, hedge or otherwise deal with the STI Shares.

Once the STI Shares cease to be subject to restrictions, Mr Cain 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 Mr Cain abstaining) recommends that shareholders vote in favour of the grant of STI Shares to Mr Cain.

## 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 218,878 performance rights to Mr Cain, MD and CEO, as his long-term incentive (**LTI**) for FY23, 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 2022 AGM and, in any event, no later than 12 months from the date of the 2022 AGM. If shareholder approval is not provided, the Board intends to provide Mr Cain with a LTI in the form of cash, subject to the terms outlined below.

### Key terms of the FY23 LTI

The LTI is designed to align the interests of the MD and CEO with the interests of shareholders by providing him with the opportunity to receive an equity interest in Coles through the granting of performance rights.

It is proposed that Mr Cain be granted 218,878 performance rights, which have been determined by dividing Mr Cain's LTI opportunity (i.e. 175% of Mr Cain's FY23 total fixed compensation of \$2,150,000 equalling to \$3,762,500) by the volume weighted average price of Coles shares traded on the ASX over the 10 trading days up to and including 26 June 2022 (being \$17.19), rounded up to the nearest whole number.

As the performance rights will form part of Mr Cain'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 Mr Cain 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 Mr Cain to any dividends or voting rights. Upon vesting of performance rights, Mr Cain 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 Mr Cain 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 27 June 2022 to 29 June 2025 (**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 FY23 LTI, RTSR performance will be assessed against a comparator group of companies comprising the S&P ASX100 Index as at 26 June 2022. 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**

Mr Cain must not sell, transfer, encumber, hedge or otherwise deal with performance rights. Mr Cain 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 Mr Cain abstaining) recommends that shareholders vote in favour of the grant of performance rights to Mr Cain.



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

- Mr Cain's current total remuneration package for FY23 comprises \$2,150,000 (inclusive of superannuation) as total fixed compensation (**TFC**), a STI opportunity up to a maximum of \$2,580,000 (being 120% of TFC) and a LTI opportunity up to a maximum of \$3,762,500 (being 175% of TFC). Shareholders are referred to the FY22 Remuneration Report for full details of Mr Cain's remuneration arrangements.
- Mr Cain has previously been awarded the following securities at no cost under the Plan:
  - 225,976 performance rights pursuant to the FY22 Long Term Incentive Offer;
  - 64,514 STI Shares pursuant to the FY21 STI award;
  - 223,133 performance rights pursuant to the FY21 Long Term Incentive Offer;
  - 75,866 STI Shares pursuant to the FY20 STI award;
  - 275,901 performance rights pursuant to the FY20 Long Term Incentive Offer;
  - 85,057 Restricted Shares pursuant to the FY19 Executive Restricted Share Offer; and
  - 85,057 Performance Shares pursuant to the FY19 Long Term Incentive Offer.
- Mr Cain 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 Mr Cain of any shares on release of those STI Shares; or
  - performance rights or allocation to Mr Cain 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.

For personal use only

For personal use only

This page has been left intentionally blank

For personal use only

This page has been left intentionally blank



For personal use only

**Coles Group Limited**

ABN 11 004 089 936

800-838 Toorak Road

Hawthorn East

VIC 3123 Australia