

Governance

Good corporate governance is central to Woolworths Group's approach to creating sustainable growth and enhancing long-term shareholder value.

Woolworths Group has followed each of the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (third edition) throughout the reporting period. Further details are set out in the Corporate Governance Statement, which is available on the Woolworths Group website: www.woolworthsgroup.com.au. The members of the board of directors are set out below. Further information about their skills and experience is set out on pages 37 to 39.



DIRECTOR	MEMBER OF:				
	BOARD	AUDIT, RISK, MANAGEMENT & COMPLIANCE COMMITTEE	PEOPLE PERFORMANCE COMMITTEE	SUSTAINABILITY COMMITTEE	NOMINATION COMMITTEE
Gordon Cairns	●	●	●	●	●
Jillian Broadbent	●	●	-	●	●
Jennifer Carr-Smith	●	-	-	-	●
Holly Kramer	●	-	●	●	●
Siobhan McKenna	●	●	●	-	●
Scott Perkins	●	●	●	●	●
Kathee Tesija	●	-	●	●	●
Michael Ullmer	●	●	-	●	●

●

Chairman of board/committee.

●

Member of board/committee.

Board Skills and Experience

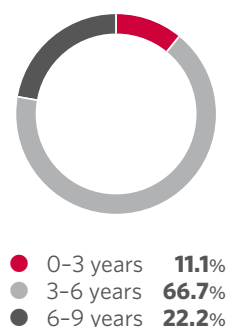
The Board's diverse range of skills, experience and backgrounds supports the effective governance and robust decision-making of the Group. The Board has determined that collectively its directors have skills and experience across the key desired areas listed below. An assessment of the optimum mix of these skills and experience takes place regularly, taking into account the strategic positioning of the Group. Reflecting on the rapid change and disruption taking place across digital, data and technology, the Board highlighted in last year's Annual Report that access to greater operating experience in these areas would complement the Board's strategic oversight of the Group. Ms Carr-Smith's appointment as a director in May 2019 reflects this focus.

SKILL/ EXPERIENCE	SUMMARY	DIRECTORS WITH SKILL/ EXPERIENCE
Retail Markets	Retail knowledge and experience of customer-led transformation in the food, drinks or general merchandise sectors.	8/9
Governance	Experience and a commitment to exceptional corporate governance standards.	8/9
Strategy	Experience defining strategic objectives, assessing business plans and driving execution in large, complex organisations.	9/9
Social Responsibility	Commitment to and experience monitoring programs for social responsibility, carbon emissions reduction, proactive management of workplace safety, mental health and physical well-being, and responsible sourcing.	8/9
Digital, Data and Technology	Expertise and experience in adopting new digital, technologies or implementing technology projects, and digital disruption, leveraging digital technologies or understanding the use of data and data analytics.	8/9
Financial Acumen	Understand financial drivers of the business, and experience implementing or overseeing financial accounting, reporting and internal controls.	9/9
People and Culture	Experience monitoring a company's culture, overseeing the operation of consequence management frameworks, overseeing people management and succession planning, and setting remuneration frameworks.	9/9
Regulatory and Public Policy	Expertise identifying and managing legal, regulatory, public policy and corporate affairs issues.	7/9
Risk Management	Experience anticipating and identifying risks and monitoring the effectiveness of both financial and non-financial risk management frameworks and controls.	9/9

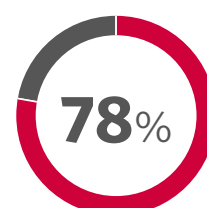
Board Diversity



Board Tenure



Board Global Experience



International business experience and exposure to different political, cultural, regulatory and business environments



Board of Directors



Gordon Cairns

MA (Hons)
University of Edinburgh

INDEPENDENT CHAIRMAN

Appointed:

1 September 2015

Background and experience:

Gordon has extensive Australian and international experience as a senior executive, as Chief Executive Officer of Lion Nathan Ltd, and has held senior management positions in marketing, operations, and finance with PepsiCo, Cadbury Ltd, and Nestle.

Other roles:

Gordon is Chairman of Origin Energy since 2013, a Non-Executive Director of Macquarie Group Limited and Macquarie Bank Limited (since November 2014) and World Education Australia (since November 2007). He is also a former Chairman of the Origin Foundation, David Jones Limited and Rebel Group, Director of the Centre for Independent Studies, Quick Service Restaurant Group and Westpac Banking Corporation, and a senior adviser to McKinsey & Company.



Brad Banducci

MBA, LLB, BComm (Acc)

CHIEF EXECUTIVE OFFICER

Appointed:

26 February 2016

Background and experience:

Brad was appointed Managing Director of Woolworths Food Group in March 2015 followed by Chief Executive Officer of the Group in February 2016. Prior to his appointment, he was Director of the Group's Drinks business between 2012 and March 2015. Brad joined the Group in 2011 after the acquisition of the Cellarmasters Group. He was Chief Executive Officer of Cellarmasters from 2007 to 2011. Prior to this, he was the Chief Financial Officer and Director at Tyro Payments and a Vice President and Director with The Boston Consulting Group, where he was a core member of their retail practice for 15 years.



Jillian Broadbent AC

BA (Maths & Economics)

INDEPENDENT
NON-EXECUTIVE DIRECTOR

Appointed:

28 January 2011

Background and experience:

Jillian has extensive experience in corporate banking and finance in both Australia and internationally, primarily with Bankers Trust Australia.

Other roles:

Chair of the Board of Swiss Re Life & Health Australia, a Director of Macquarie Group and Macquarie Bank (since November 2018) and Chancellor of the University of Wollongong. Previously, inaugural Chair of the Clean Energy Finance Corporation and a member of the Board of the Reserve Bank of Australia.



Jennifer Carr-Smith

BA Economics, MBA

INDEPENDENT
NON-EXECUTIVE DIRECTOR

Appointed:

17 May 2019
Standing for election
2019 AGM

Background and experience:

Jennifer is a seasoned board director and online retail executive with experience across organisations undergoing rapid growth and transformation in a number of sectors, including consumer packaged goods, apparel and grocery. She was Senior Vice President, General Manager of North America Local at Groupon and President and CEO of Peapod, an online grocery delivery service. Jennifer has over 25 years of digital experience with diverse organisations from start-ups to large global companies.

Other roles:

Chair of Swap.com, the largest online consignment and thrift store in the US, and a Director of Perdue Farms.

**Holly Kramer**

BA (Hons), MBA

INDEPENDENT
NON-EXECUTIVE DIRECTOR**Appointed:**8 February 2016
Term expires
2019 AGM**Background and experience:**

Holly has more than 25 years' experience in executive management, marketing and sales, including roles at the Ford Motor Company (in the US and Australia), Pacific Brands and Telstra. She was Chief Executive Officer of Best & Less, a subsidiary of South African retail group Pepkor.

Other roles:

Deputy Chair of Australia Post, a Director of Abacus Property Group (since December 2018) and a member of ASIC's External Advisory Panel (since October 2017). Previously a Director of AMP (October 2015 to May 2018) and Nine Entertainment Co. Holdings (May 2015 to February 2017).

**Siobhan McKenna**

B.Ec (Hons), MPhil

INDEPENDENT
NON-EXECUTIVE DIRECTOR**Appointed:**8 February 2016
Term expires
2019 AGM**Background and experience:**

Siobhan has a significant international background in strategy and policy in the public and private sectors. As an executive she has led consumer facing businesses in the media and digital sectors. She was a Commissioner of the Australian Productivity Commission and a Partner of McKinsey & Company.

Other roles:

Chairman of Foxtel, Fox Sports and Australian News Channel, a Director of AMCIL (since March 2016) and a Director of Nova Entertainment. Previously a Director of Ten Network Holdings (2012 to March 2017) and NBN Co.

**Scott Perkins**

BCom, LLB (Hons)

INDEPENDENT
NON-EXECUTIVE DIRECTOR**Appointed:**

1 September 2014

Background and experience:

Scott has extensive Australian and international experience as a leading corporate adviser on strategy, mergers and acquisitions and capital markets matters. He held senior executive leadership positions at Deutsche Bank from 1999 to 2013. These included Managing Director and Head of Corporate Finance for Australia and New Zealand, membership of the Asia Pacific Corporate and Investment Bank Management Committee and Chief Executive Officer of Deutsche Bank New Zealand.

Other roles:

Director of Origin Energy (since September 2015) and Brambles (since June 2015).

**Kathryn (Kathee) Tesija**

BSRMM (Fashion Merchandising)

INDEPENDENT
NON-EXECUTIVE DIRECTOR**Appointed:**9 May 2016
Term expires
2019 AGM**Background and experience:**

Kathee has extensive retail experience in the US market, particularly in merchandising and supply chain management. During a 30-year executive career with Target Corporation in the US, she served as Chief Merchandising and Supply Chain Officer and Executive Vice President, and led the merchandising and supply chain functions. Kathee is a US resident.

Other roles:

Director of Verizon Communications, Inc (since 2012), and a senior advisor and consultant for Simpfactful, a retail consulting agency in the US.

**Michael Ullmer AO**BSc (Maths) (Hons),
FCA, SF FinINDEPENDENT
NON-EXECUTIVE DIRECTOR**Appointed:**

30 January 2012

Background and experience:

Michael has extensive strategic, financial and management expertise. He was Deputy Chief Executive at National Australia Bank (NAB) from October 2007 until he stepped down from the bank in August 2011. He joined NAB in 2004 as Finance Director. Prior to NAB, Michael was Chief Financial Officer and then Group Executive for Institutional and Business Banking at Commonwealth Bank of Australia. Before that he was a Partner at KPMG and Coopers & Lybrand.

Other roles:

Chairman of Lendlease (Chairman since November 2018, Director since December 2011).



Group Executive Committee



Brad Banducci

CHIEF EXECUTIVE OFFICER

Biography available in Board of Directors, refer to [page 38](#).



Amanda Bardwell

MANAGING DIRECTOR WOOLIESX

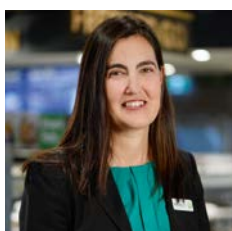
WooliesX includes Woolworths Digital, eCommerce, Customer Loyalty and Customer Services. Amanda joined Woolworths Group in 2001 and during her time has worked across both the Supermarkets and Drinks businesses. Amanda has held positions in general management and specialist senior executive roles across omni-channel retailing, eCommerce, marketing, buying, private label, and business development. Amanda has an MBA from University of New South Wales and a Bachelor of Business from the University of Technology Queensland and is also a member of Chief Executive Women.



Christian Bennett

HEAD OF GOVERNMENT RELATIONS & INDUSTRY AFFAIRS

Prior to joining Woolworths Group in November 2017, Christian led government relations efforts for General Electric Inc across South East Asia, Australia and New Zealand, for BHP Billiton Ltd and was Group Executive Public Affairs, Santos Ltd. In government, Christian spent 14 years in Australia's diplomatic service, including postings in southern Africa, Asia and the United States and secondments to the Office of the Foreign Minister and Department of Prime Minister & Cabinet. Christian holds B.LLB (Hons), B.Comm and MBA degrees from the University of Melbourne.



Natalie Davis

MANAGING DIRECTOR WOOLWORTHS NEW ZEALAND

Natalie was appointed Managing Director, Woolworths New Zealand in July 2018. Prior to this, Natalie was Chief Customer Transformation Officer, Woolworths Group, leading the development of Customer 1st strategies, transformation, and culture. Natalie joined the Group in July 2015 as Director of Customer Transformation, Food Group. Before Woolworths, Natalie was a Partner at McKinsey & Company, where she worked in the UK and Australia for 15 years advising on strategy and commercial transformation. Natalie holds an MBA from INSEAD France, Bachelor of Commerce and Law degrees with Honours, from the University of Sydney, and is also a member of Chief Executive Women.



Steve Donohue

MANAGING DIRECTOR ENDEAVOUR DRINKS

Steve has over 25 years' experience in the retail industry and brings a deep appreciation for core retail principles and a strong focus on the customer experience. Steve Donohue was appointed Managing Director, Endeavour Drinks in January 2018. Steve has held a broad range of roles within the Drinks business, starting as a store manager in Dan Murphy's at 19 years old before progressing into senior buying, merchandising and marketing roles. In 2013 Steve moved to New Zealand to work for Countdown before returning to Australia in 2015 to take up the role of Director, Buying and Merchandising, Woolworths Supermarkets.



Paul Graham

CHIEF SUPPLY CHAIN OFFICER

Before joining the Woolworths Group in 2016, Paul was Global COO and CEO for Europe, Middle East and Africa, DHL Supply Chain. Paul has also been a board member of one of Australia's largest wholesale and grower produce companies, executive chairman of a large multi-billion dollar global marketing services business headquartered in the UK and has served on various government and university advisory boards. He was awarded the Public Service Medal by the government of Singapore for services to the logistics industry in 2014.



Steve Greentree¹

MANAGING DIRECTOR FOODCO AND METRO

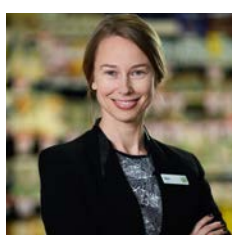
Steve has had an extensive retail career of over 35 years with the Woolworths Group. During his time Steve has held a number of senior roles within Woolworths Group, including Director, Business Development; Chief Operations Officer, Australian Supermarkets and Petrol; Director, Woolworths Liquor Group; general manager of Marketing and state management roles for Australian Supermarkets.



John Hunt

CHIEF INFORMATION OFFICER

John joined Woolworths Group in February 2017, having spent 27 years at Woolworths Holdings in South Africa where he held a range of senior IT, large program management and core retail leadership roles, including CIO and Senior Executive, Food Planning and Value Chain. A graduate from the Cape Peninsula University of Technology in Cape Town, John is a retailer through and through and is passionate about how information technology is being optimally used in enabling the business to support both the front line team members as well as ensuring our customers have the best shopping experience.



Von Ingram

CHIEF CUSTOMER TRANSFORMATION OFFICER

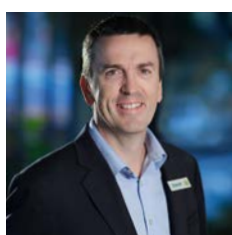
Von Ingram joined Woolworths as Chief Customer Transformation Officer in July 2018, leading transformation and customer first strategy for Woolworths Group. Prior to this, Von was managing director and partner at The Boston Consulting Group (BCG), working in Australia and US retail for 10 years, leading strategy, customer insight and retail transformation roles across a range of retail players in food and general merchandise. Von holds an MBA from Melbourne Business School and has also completed a Bachelor of Commerce, with First Class Honours from the University of Western Australia.



Caryn Katsikogianis

CHIEF PEOPLE OFFICER

Caryn has over 20 years' experience within HR roles. Caryn joined Woolworths Group in 2004 and has held a number of senior HR roles across Woolworths Group, including BIG W, Supply Chain, Supermarkets, Corporate Support and Food Group. Caryn also held the role of General Manager Business Transformation during this time. Originally from South Africa, Caryn holds a Bachelor of Commerce degree from the University of South Africa. Caryn is also a member of Chief Executive Women.



David Marr²

CHIEF FINANCIAL OFFICER

David joined Woolworths Group in 2011 as General Manager of Finance, Woolworths Supermarkets. He became Deputy CFO in November 2013, then was CFO from February 2014 to August 2019, at which time he commenced in the new role of Chief Operating Officer, Woolworths Group. Prior to joining the Group, David spent three years with Tesco plc in the UK, initially as UK Commercial Finance Director and then as Supply Chain Director - Non Food. David has held a number of senior roles within leading Australian companies, including finance director then sales director at Southcorp Limited and Foster's and CFO at Australian Pharmaceutical Industries. David completed a Bachelor of Financial Administration at the University of New England and is a Chartered Accountant.



Claire Peters

MANAGING DIRECTOR WOOLWORTHS SUPERMARKETS

Claire is an experienced retailer with over 22 years of experience. Claire started her retail career in the UK working for grocery retailer, Tesco plc. During this time she held a variety of senior roles including regional retail director; Managing Director, Large Stores; and Commercial Director, Healthcare & Baby, Beauty and Toiletries. In March 2014 Claire moved to Thailand to take up COO responsibilities for Tesco Thailand. Claire holds a BSC Hons in Economics & Sociology from the University of Loughborough, UK. Claire joined the Woolworths Group in June 2017.



Colin Storrie

MANAGING DIRECTOR GROUP PORTFOLIO

Colin Storrie has over 20 years' experience in senior finance roles in listed companies, investment banking and government. Prior to Colin's most recent appointment, he joined as Deputy Chief Financial Officer, Woolworths Group in 2015. Colin has also held group treasurer, deputy chief financial officer and chief financial officer positions at both Qantas Airways Ltd and AMP Ltd. He has held a number of listed and non-listed director roles and is currently an independent non-executive director of UNICEF Australia Ltd, AIG Australia Ltd and North Queensland Airports.

1 Steve Greentree was appointed Managing Director of New Businesses effective 23 July 2019.
2 David Marr was appointed Chief Operating Officer effective 1 August 2019.

Other key appointments:

Stephen Harrison was appointed Chief Financial Officer effective 1 August 2019.
Andrew Hicks was appointed Chief Marketing Officer effective 27 June 2019.
Guy Brent was appointed Managing Director of FoodCo and Metro effective 23 July 2019.



Directors' Statutory Report

This is the report of the directors of Woolworths Group Limited (the 'Company') in respect of the Company and the entities it controlled at the end of, or during, the financial period ended 30 June 2019 (together referred to as the 'Group').

PRINCIPAL ACTIVITIES

The Group operates primarily in Australia and New Zealand, with 3,292 stores and approximately 196,000 employees at year end. The principal activities of the Group during the year were retail operations across:

- **Australian Food:** operating 1,024 Woolworths Supermarkets and Metros
- **Endeavour Drinks:** operating 1,577 stores under Dan Murphy's, BWS, and Summergate brands. The Group also operates Cellarmasters, Langtons and winemarket.com.au online platforms
- **New Zealand Food:** operating 180 Countdown Supermarkets as well as a wholesale operation which supplies a further 69 stores
- **BIG W:** operating 183 BIG W stores
- **Hotels:** operating 328 hotels, including bars, dining, gaming, accommodation and venue hire operations

The Group also has online operations for its primary trading divisions.

THE DIRECTORS AND MEETINGS OF DIRECTORS

The table below sets out the directors of the Company and their attendance at board and committee meetings during the financial period ended 30 June 2019.

DIRECTOR	BOARD MEETINGS				AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE		PEOPLE PERFORMANCE COMMITTEE		SUSTAINABILITY COMMITTEE		NOMINATION COMMITTEE	
	SCHEDULED		SHORT-NOTICE		(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)
	(A)	(B)	(A)	(B)								
Non-executive Directors												
G M Cairns	11	11	4	4	4	4	5	5	4	4	2	2
J R Broadbent AC	11	11	4	4	4	4	-	-	4	4	2	2
J C Carr-Smith ¹	1	1	1	1	-	-	-	-	-	-	-	-
H S Kramer	11	11	4	4	-	-	5	5	4	4	2	2
S L McKenna	11	11	4	3	4	4	5	5	-	-	2	2
S R Perkins	11	11	4	4	4	4	5	5	4	4	2	2
K A Tesija	11	11	4	3	-	-	5	5	4	4	2	2
M J Ullmer AO	11	11	4	3	4	4	-	-	4	2	2	2
Executive Director												
B L Banducci	11	11	4	4	-	-	-	-	-	-	-	-

(A) Number of meetings eligible to attend.

(B) Number of physical meetings attended.

¹ Appointed on 17 May 2019.

Directors also attend meetings of committees of which they are not a member. This is not reflected in the table above. Details of director experience, qualifications and other listed company directorships are set out on [pages 38 to 39](#).

COMPANY SECRETARY

Marcin Firek was appointed Company Secretary in January 2017.

He has held executive, HR, company secretarial and legal roles across a number of major listed companies. He is a Fellow of the Governance Institute of Australia and co-author of its guide to managing continuous disclosure.

Marcin holds a BEc LLB from Macquarie University.

ENVIRONMENTAL REGULATION

The Group's operations are subject to a range of environmental regulations under the law of the Commonwealth of Australia and its states and territories. The Group is also subject to various state and local government food licensing requirements, and may be subject to environmental and town planning regulations incidental to the development of shopping centre sites. The Group has not incurred any significant liabilities under any environmental legislation.

DIRECTORS' AND OFFICERS' INDEMNITY/INSURANCE

- (i) The Constitution of the Company provides that the Company will indemnify to the maximum extent permitted by law, any current or former director, secretary or other officer of the Company or a wholly owned subsidiary of the Company against:
- (a) any liability incurred by the person in that capacity; (b) legal costs incurred in defending, or otherwise in connection with proceedings, whether civil, criminal or of an administrative or investigatory nature in which the person becomes involved because of that capacity; and (c) legal costs incurred in good faith in obtaining legal advice on issues relevant to the performance of their functions and discharge of their duties.
- (ii) Each director and officer has entered into a Deed of Indemnity, Access and Insurance that provides for indemnity against liability as a director or officer, except to the extent of indemnity under an insurance policy or where prohibited by statute. The Deed also entitles the director or officer to access company documents and records, subject to undertakings as to confidentiality, and to receive directors' and officers' insurance cover paid for by the Company.
- (iii) During or since the end of the financial period, the Company has paid or agreed to pay a premium in respect of a contract of insurance insuring directors and officers, and any persons who will insure these in the future, and employees of the Company and its subsidiaries, against certain liabilities incurred in that capacity. Disclosure of the total amount of the premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of insurance.

NON-AUDIT SERVICES

During the period, Deloitte Touche Tohmatsu Australia, the Company's auditor, have performed certain other services in addition to their statutory duties. The board is satisfied that the provision of those non-audit services during the period by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth) or as set out in Code of Conduct APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks or rewards. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in [Note 6.3](#) to the financial statements.

OTHER INFORMATION

The following information, contained in other sections of this Annual Report, forms part of this Directors' Report:

- Operating and Financial Review details on [pages 2 to 41](#) inclusive in the Annual Report
- Details of dividends, including the Dividend Reinvestment Plan (DRP) and shares issued as a result of the DRP, as outlined in [Note 4.2](#) and [Note 4.3](#) to the financial statements
- Matters subsequent to the end of the financial period as outlined in [Note 6.4](#) to the financial statements
- Directors' interests in shares and performance rights as set out in [Sections 5.2](#) and [5.3](#) of the Remuneration Report. These remain unchanged as at 1 August 2019
- Performance rights granted during the financial period and subsequent to year end as outlined in [Note 6.2](#) to the financial statements
- Remuneration Report from [pages 44 to 65](#)
- Auditor's Independence Declaration on [page 66](#).

This Report is made in accordance with a Resolution of the Directors of the Company and is dated 29 August 2019.



Gordon Cairns
Chairman



Brad Banducci
Chief Executive Officer



Remuneration Report

Dear Shareholder,

This year's remuneration outcomes reflect the results of the Financial Year 2019 and our three-year transformation journey from F17 to F19. In both cases, we believe the outcomes reflect not only the business performance over the relevant periods, but also strong alignment with the outcomes for our shareholders, customers and team.

Transformation Incentive Program (TIP)

At the outset of our transformation journey (1 July 2016), the Board introduced a new Long Term Incentive (LTI) plan with a number of objectives in mind: (1) to reward executives should they be successful in significantly reversing a period of business underperformance versus competitors; (2) to address the key drivers of past underperformance by refocusing the new incentive program on sales productivity (Sales per Square Metre) and disciplined capital investment (Return on Funds Employed); and (3) to set challenging targets, aligned with the results achieved by other successful global retail turnarounds.

The first of the two awards made under the TIP was tested for vesting in July 2019. As a result of excellent progress on the Group's transformation over this three year period, 78.4% of performance rights have vested with an aggregate outcome between target and stretch. The Board is particularly pleased with the significant value we have delivered to shareholders over this period, with TSR growth of 64% (and 60% share price growth), reflecting top quartile relative total shareholder returns. It is worth highlighting that this is the first time in five years that an LTI award has vested to our Executive KMP.

Short Term Incentives (STI)

Our STI program includes five equal and independent measures which we believe reflect the important financial and non-financial drivers of business performance and the creation of shareholder value: Customers, Safety, Sales (including online), EBIT and Working Capital. The STI also considers the executives' contribution to the Woolworths Group culture, expressed as our Ways-of-Working and Core Values. F19 was a solid year for the business. Despite challenging trading conditions, particularly in the first half, we gained market share through the year. We achieved a 3.3% improvement in Sales and EBIT growth of 5%. Our average Underlying Trade Working Capital improved by 1.2 days, customer satisfaction improved by 3.7%, but our safety performance fell short of target. Consistent with this performance and reflecting the challenging targets that we set, the STI outcome for the Group was 68.1% of target.

Remuneration Changes for F20

Given the dynamic environment in which we operate, the Board reconsiders each year the measures that we use to reward short and long-term performance so that they reflect the most relevant drivers of value in our business. And while we are satisfied that the current remuneration framework is still aligned to our business strategy and is delivering the desired result, we are making a few changes to the STI measures for F20.

First, we will narrow the Working Capital measure to Inventory (days) so we can sharpen our focus on productive inventory management throughout the Group. Second, we will increase the weighting of our online sales on total Customer Satisfaction from 25% to 30%, reflecting the importance of our digital strategy on our future success. Following the updates we made to our remuneration framework from F19, we have chosen not to make any changes to our LTI plan at this time.

Risk and Conduct

Finally, this year the Board has spent time learning from the experience of other organisations, and we have strengthened our assessment of conduct risk when determining individual incentive outcomes. We strongly believe that the Board has an important role to play in setting the standard expected of our team by ensuring there are personal consequences for inappropriate behaviour. Therefore, the Board reviews each executive's performance and applies discretion to their incentive outcomes based on the combination of their business contribution, Ways-of-Working and personal conduct.



Holly Kramer
Chair – People Performance Committee

The report has been prepared and audited against the disclosure requirements of the *Corporations Act 2001* (Cth).

Remuneration Report 2019

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Who is covered by this Report?

The Remuneration Report outlines Woolworths Group's remuneration framework and the outcomes for the year ended 30 June 2019 for our Key Management Personnel (KMP). KMP have the authority and responsibility for planning, directing and controlling the activities of Woolworths Group. This includes the CEO, CFO, Managing Directors of our largest businesses and the Managing Director Group Portfolio, and Non-executive Directors (NEDs). In this report, the term 'Executive KMP' refers to the CEO, CFO and Managing Directors of our largest businesses and the Managing Director Group Portfolio.



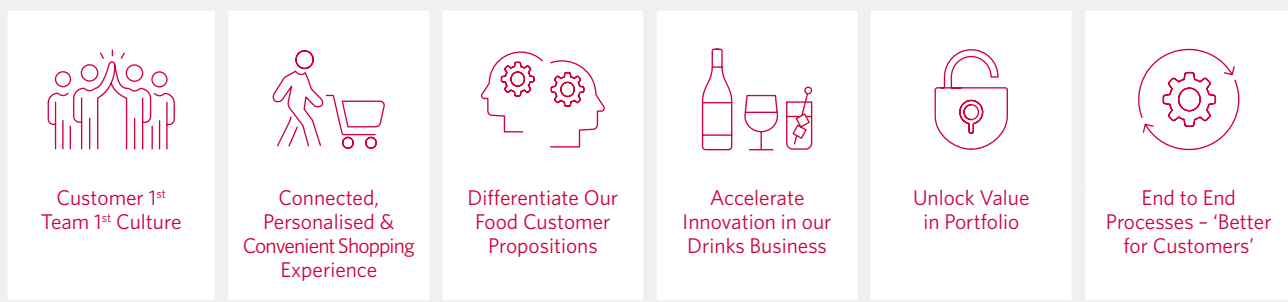
1 2019 REMUNERATION AT A GLANCE

1.1 OUR STRATEGIC PRIORITIES

Our remuneration framework is designed to support Woolworths Group's strategic priorities. We have a clear set of principles which guide our remuneration decision and design. As we operate in a dynamic and rapidly evolving market, we revisit our approach to remuneration on a regular basis so that we are aligned to market expectations and business objectives.

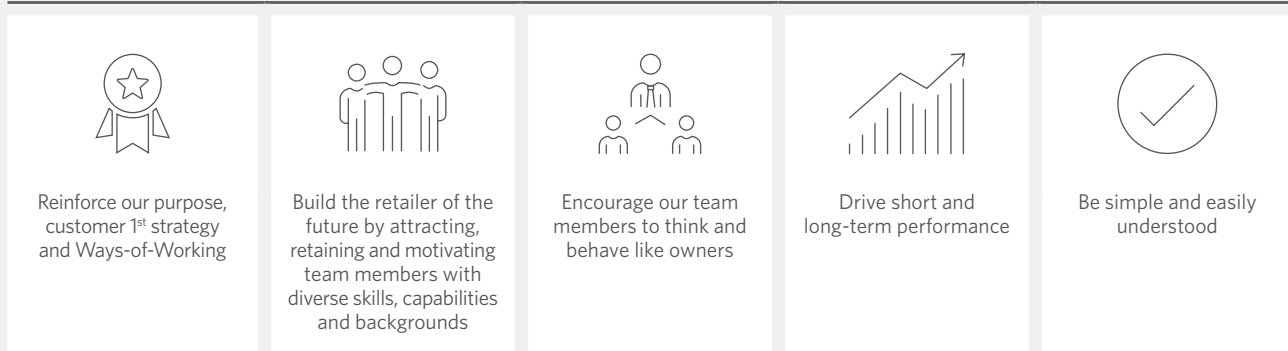
Strategic priorities

Our purpose: We create better experiences together for a better tomorrow



Remuneration principles

Objective: Support Business Transformation



Remuneration framework

Our Remuneration Framework Supports the Strategy

Total Fixed Remuneration (TFR)

TFR Consists of Base Salary, Superannuation and Car Allowance

TFR is set in relation to the external market and takes into account:

- size and complexity of the role
- individual responsibilities
- experience and skills.

Target TFR positioning is median of our Comparator Group, which includes the ASX25 plus additional reference as required to major national and international retailers.

Short Term Incentive (STI)

50% of the STI is delivered in cash and the remaining 50% is deferred in share rights for two years

STI Balanced Scorecard, with 60% Weighted on Financial objectives 40% on Non-financial objectives:

- Sales (20%)
- EBIT (20%)
- Working Capital (20%)
- Customer Satisfaction (20%)
- Safety (20%)

Individual performance includes assessment against business and Ways-of-Working goals.

Long Term Incentives (LTI)

Performance rights vesting after three years

LTI supports alignment to long-term overall company performance and is consistent with strategic business drivers and long-term shareholder return.

Consists of three equally weighted measures:

- Relative TSR
- Sales Per Square Metre
- Return on Funds Employed (ROFE)

Remuneration governance

The Board actively reviews our remuneration principles and framework and may apply discretion so that it effectively delivers appropriate outcomes for our shareholders, customers and team.

1.2 HOW WE PERFORMED AND REMUNERATION RECEIVED

This section provides a summary of F19 remuneration and performance outcomes and actual remuneration earned for our Executive KMP. This includes the STI and LTI outcomes and the link to performance.

F19 Executive KMP

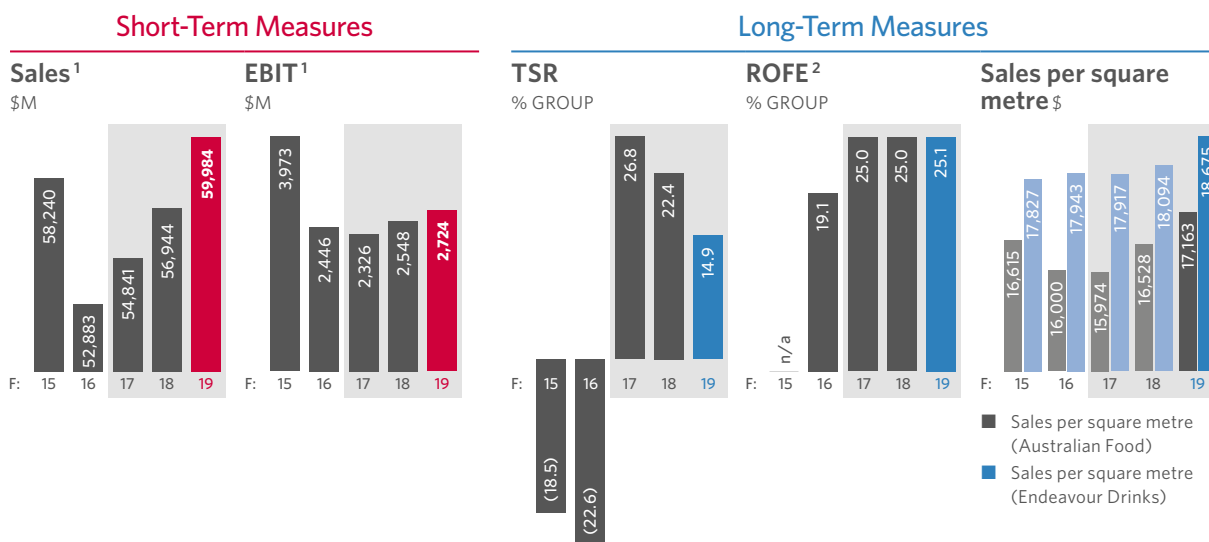
The table below presents the remuneration paid to, or vested for, Executive KMP in F19.

EXECUTIVE KMP	TOTAL FIXED REMUNERATION	RELOCATION & OTHER BENEFITS	F19 CASH STI	VESTED F17 DEFERRED STI	VESTED F17-19 LTI	OTHER SHARE RIGHTS VESTED	TOTAL
Brad Banducci Chief Executive Officer	2,584,832	-	973,830	2,105,761	6,935,917	-	12,600,340
Stephen Donohue Managing Director, Endeavour Drinks	963,498	-	294,805	-	2,052,973	-	3,311,276
David Marr Chief Financial Officer	1,244,749	-	446,906	509,340	3,355,556	-	5,556,551
Claire Peters Managing Director, Woolworths Supermarkets	1,301,499	110,858	442,650	-	1,755,980	1,447,658	5,058,645
Colin Storrie Managing Director, Group Portfolio	849,749	-	346,595	-	2,353,321	-	3,549,665

Further detail of individual remuneration outcomes is provided on [page 53](#) of this report.

Group Five Year Performance Summary

The remuneration outcomes for our Executive KMP varies with short-term and long-term performance outcomes. The graphs and table below show the link between Executive KMP remuneration and the Group's core financial performance measures over the past five years. There were no LTI awards due to vest in F15 and F16. In F17 and F18, the awards did not meet the performance hurdles which resulted in zero vesting.



STI and LTI Outcomes

	F15	F16	F17	F18	F19
STI (average % of Target) ³	-	-	114.2	98	71.5
LTI (% of maximum) ⁴	n/a	n/a	-	-	78.4

1 From continuing operations before significant items. F15 sales and EBIT includes the results of the Petrol business which was reported as a discontinued operation from F17 (with F16 comparatives restated).

2 For the Group before significant items.

3 Based on the average STI outcome for Executive KMP. Outcomes are a percentage of target including individual performance modifiers.

4 Based on the percentage of the maximum LTI award which vested.



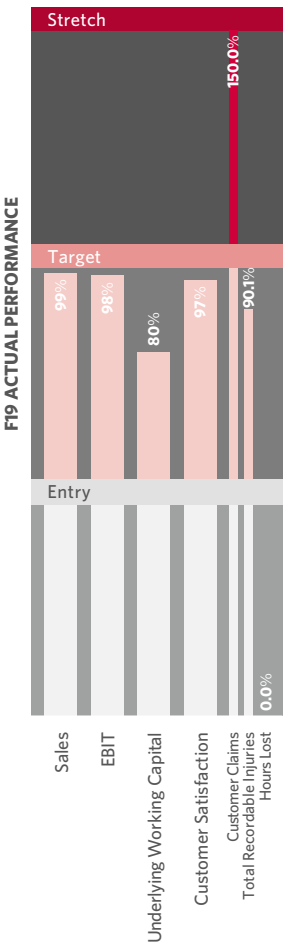
1.2 HOW WE PERFORMED AND REMUNERATION RECEIVED

Performance against: F19 STI Measures

The STI balanced scorecard includes a mix of metrics, with 60% weighting on financial metrics and 40% weighting on non-financial metrics. The metrics are reviewed annually by the Board so that they remain fit for purpose and continue to drive our strategic agenda over the annual performance period.

Reflective of Group performance, the F19 Business STI outcome is below target performance:

68.1% of Target
45.4% of Max



Sales

Despite challenging trading conditions, particularly in the first half, Woolworths' performance improved in the second half. Sales growth was achieved in all businesses, with Australian Food 3.1%, Endeavour Drinks 3.2%, NZ Food 2.3%, BIG W 4.3% and Hotels 1.8% on a comparable 52-week basis. Sales performance for the Group for F19 was \$60,464 million, representing a growth of 3.3% on a comparable 52-week basis and an **overall outcome 99% of target performance**.

ENTRY: \$60,367M	TARGET: \$61,057M	STRETCH: \$61,746	ACTUAL F19: \$60,464M ¹
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1 Sales for the purposes of determining performance for the STI scorecard includes sales from certain legal form agency arrangements that are presented on a gross basis and excludes other operating revenue.

Earnings Before Interest and Tax (EBIT)

Following a challenging first half with 1% earnings growth, in the second half we achieved 10% normalised growth, delivering a result above Entry. Earnings were significantly below target for Endeavour Drinks, with Australian Food, BIG W and Hotels also missing target. EBIT for the Group was \$2,724 million, representing growth of 5.0% on a comparable 52-week basis and an **overall outcome of 98% of target performance**.

ENTRY: \$2,703M	TARGET: \$2,777M	STRETCH: \$2,851M	ACTUAL F19: \$2,724M ¹
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1 EBIT from continuing operations before significant items.

Underlying Working Capital

Trade Payables drove a significant portion of improved underlying Trade Working Capital (TWC) performance, benefitting from an increased focus on trading terms in recent years. Inventory days were also positive, primarily through achieving faster stock-turns on broadly flat inventory levels, with higher inventory in Endeavour Drinks and BIG W declining through the second half. For F19, average underlying TWC improved by 1.2 days, with an **overall outcome of 80% of target performance**.

ENTRY: 0.9DAYS	TARGET: 1.5 DAYS	STRETCH: 2.1 DAYS	ACTUAL F19: 1.2 DAYS ¹
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1 Underlying TWC excludes impact of improved on-time supplier payments, reflected in reported average TWC.

Customer Satisfaction

Customer satisfaction improved across all businesses, but performance was hampered particularly in Australian Food due to the impact of drought and flood conditions on the quality and supply of fresh food. For F19, Australian Food improved by 4 pts, and both Woolworths New Zealand and Endeavour Drinks (BWS and Dan Murphy's) improved by 2 pts. For F19, weighted average for Voice of Customer (VOC) Net Promoter Score (NPS) was 52.7, with an **overall outcome of 97% of target performance**.

ENTRY: 52.0	TARGET: 54.5	STRETCH: 57.0	ACTUAL F19: 52.7
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Safety

We are pleased by the reduction in the number of customer claims achieving Stretch performance at 150% of target. Team member Total Recordable Injuries improved from last year but missed target by 32 injuries achieving between Entry and Target at 90%. We are concerned about the deterioration in our hours lost compared to last year resulting in below Entry performance. The F19 overall outcome for Safety was **80% of target performance**.

1	ENTRY: 0%	TARGET: 4%	STRETCH: 8%	ACTUAL F19: 6%
2	ENTRY: 0%	TARGET: 5%	STRETCH: 10%	ACTUAL F19: 4.5%
3	ENTRY: 0%	TARGET: 4%	STRETCH: 8%	ACTUAL F19: 0%

1 Improvement in Customer claims.
2 Improvement in Total Recordable (team member) Injuries.
3 Improvement in Hours Lost.

Executive KMP STI outcomes are determined based on business and individual performance. When assessing individual performance, the Board reviews 'what' the executive has achieved, which is largely their contribution to business performance and delivery of strategic priorities. The Board also considers 'how' these outcomes have been achieved, through demonstration of the Group's Ways-of-Working and Core Values (see page 53 of this report for further detail on individual Executive KMP performance). The Board's assessment of individual performance may reduce the outcome for the executive to zero for below Entry level performance, or it may increase the outcome to 150% for Stretch level performance.

1.2 HOW WE PERFORMED AND REMUNERATION RECEIVED

Performance against: F17 LTI Measures

The F17 Transformation Incentive Plan (TIP) was granted in July 2016. The Plan was put in place to help drive the Group's transformation strategy and was underpinned by three key equally weighted performance measures, Relative TSR, ROFE and Sales per Square Metre. We set challenging performance targets against each measure, so that maximum outcomes would only be delivered if very demanding stretch objectives were achieved.

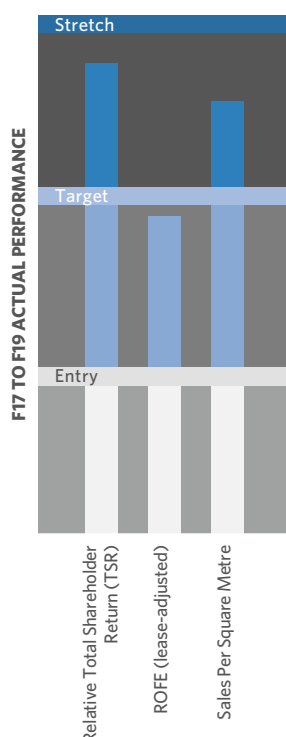
Below is a summary of the key features of F17 TIP:

- The number of performance rights were awarded at face value equal to 200% of Total Fixed Remuneration at 1 July 2016, using the 5 day Volume Weighted Average Price (VWAP) up to and including 1 July 2016 (\$20.73).
- The allocated performance rights represented the maximum number of rights that could vest subject to performance against the set measures and Board approval.
- The vesting schedule for entry, target and stretch performance is shown below:

	rTSR	SALES/SQM	ROFE
Entry	11.66%	11.66%	11.66%
Target	16.66%	16.66%	16.66%
Stretch	33.33%	33.33%	33.33%

Reflective of performance of the F17 LTI Award which vested in July 2019, above target performance:

156.8% of Target
78.4% of Max



RELATIVE TOTAL SHAREHOLDER RETURN (rTSR)

In order to achieve full vesting, Woolworths Group's TSR needed to be at the 90th percentile of the comparator group and meet the share price gateway, of greater than \$20.85 at testing date of 1 July 2019. Woolworths Group 5 day VWAP share price up to and including 1 July 2019 was \$33.22, easily achieving the required gateway price. TSR improved by 64% over the performance period, ranking Woolworths Group at number 4 in our peer group, which was 89th percentile performance. This was the strongest performing measure of the TIP over the three-year period, delivering shareholder value well above market.

SHARE PRICE GATE: MINIMUM SHARE PRICE \$20.85		ACTUAL RESULT: \$33.22	
ENTRY: 50TH PERCENTILE	TARGET: 60TH PERCENTILE	STRETCH: 90TH PERCENTILE	ACTUAL RESULT: 89TH PERCENTILE

RETURN ON FUNDS EMPLOYED (ROFE) (LEASE-ADJUSTED)

F19 ROFE (lease adjusted) performance was achieved with close to double digit (9.5%) earnings growth in F18, following a final year of food margin rebase in F17. Earnings growth of 5% was delivered in F19 following a strong H2, impacted by trading challenges in H1.

Overall For F19 ROFE (Lease-adjusted) was 13.76%. This represents a 20 bps improvement in lease adjusted ROFE over the three-year period.

In determining ROFE (lease adjusted) performance, adjustments have been applied to exclude Petrol earnings and Funds Employed from the metric given this business was not part of the Group at the end of the performance period. Excluding Petrol reduced the ROFE (lease adjusted) Target for F17 TIP by 9 bps, which increased overall vesting by 0.4%.

ENTRY: 13.6%	TARGET: 14.0%	STRETCH: 15.7%	ACTUAL RESULT: 13.76% ¹
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¹ Lease-adjusted ROFE uses a simplified lease adjustment to ensure consistency and transparency over the plan period.

SALES PER SQUARE METRE

This metric measures sales productivity improvements delivered through a better customer experience. Pleasingly, sales per square metre has improved for each of Australian Food, New Zealand Food and Endeavour Drinks over all three years of the performance period.

Overall Sales per square metre was \$16,913, representing growth of 7% on a three-year basis.

There were two material changes in measurement methodology through the performance period, for which adjustments have been applied to ensure that the reward outcome for executives fairly reflects business performance. The first related to the accounting treatment of Agency sales, which was applied in our Statutory Accounts from F17, and the second to a review of store trading space in Australia and New Zealand carried out in the period. The net impact of these methodology changes was a 0.8% reduction in actual sales per square metre performance, which decreased overall vesting by 1.3%.

ENTRY: \$16,120	TARGET: \$16,423	STRETCH: \$16,955	ACTUAL RESULT: \$16,913
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2 EXECUTIVE KMP REMUNERATION

2.1 OVERVIEW OF F19 REMUNERATION FRAMEWORK

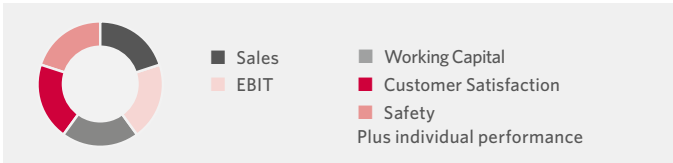
This section provides an overview of our F19 remuneration framework. We have also included detail on how the performance metrics of our STI and LTI plans help support our short-term and long-term objectives.

Our Approach & Rationale: Short Term Incentive

We believe that alignment of our STI arrangements from the CEO through to our store teams is a key symbol of our customer 1st and team 1st approach to transforming our business. This has resulted in increased engagement and accountability across the business in general and maintained focus on our key areas of performance. All measures and targets are reviewed annually so that STI drives the right outcomes each year.

Assessing business performance:

Five equally weighted business scorecard measures that drive outcomes for shareholders, customers and our team:



Delivering for our customers and team:

Customer Satisfaction with 25% weighting to Online

At Woolworths, our strategy is underpinned by great customer experiences. Our success is dependent on us delivering convenient ways to shop, and competitive prices for our customers so they continue to choose us over our competitors. Our online platforms are key to delivering new and improved ways customers can shop with us. Customer feedback measures for F19 have been broadened to include NPS to better measure progress against our ambition to deliver ‘consistently good’ shopping experiences. We use Voice of Customer (VOC) and Net Promoter Score (NPS) methodology weighted 25% to our online customers and 75% to our in-store customers to measure overall customer satisfaction.

Safety

Safety performance is measured using three equally weighted measures, which includes improvement in: (i) Customer Claims; (ii) Total recordable (team member) injuries; and (iii) Hours Lost. In F19 we moved from measuring frequency rates to the number of injuries so that our measures are easier to understand and communicate. Hours lost was a new metric included in the overall Safety performance to help us understand both the frequency and severity of injuries.

Delivering for our shareholders:

Sales, EBIT and Working Capital

It is critical for the success of our business to constantly work towards improving not only the efficiency of our team, but the productivity of the store’s selling space and our inventory management. We include financial measures into 60% of our balanced scorecard for STI. Sales, earnings before interest and tax (EBIT) and underlying working capital performance combine to support strong financial performance for our shareholders.

Assessing individual performance:

Three equally weighted categories of goals are used to review performance:

- Business strategy goals capture how individuals contribute to the initiatives and projects that will transform our business for the future
- Ways-of-Working and people goals capture how business and strategic goals have been delivered, and how leaders set their team’s up for success
- Business performance goals capture how individuals contribute to the performance of the business within the year

Delivering STI Outcomes:

Depending on business and individual performance:

- Zero for below entry performance
- 50% of STI target for entry performance
- 100% of STI target for target performance
- 150% of STI target for maximum performance

This gives the Board sufficient opportunity to vary STI outcomes so they reflect differing levels of performance, without driving inappropriate behaviours. The Board also has discretion to vary STI awards due to factors that are beyond these performance measures to ensure rewards appropriately reflect complete performance.

STI awards are delivered:

- 50% as cash
- 50% deferred in share rights for two years

The 50% deferred component is a risk management lever to facilitate malus policy application during the deferral period. It also supports share ownership.

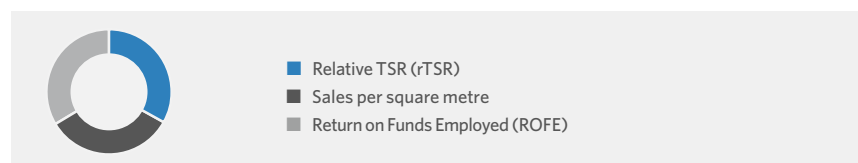
2.1 OVERVIEW OF F19 REMUNERATION FRAMEWORK

Our Approach & Rationale: Long Term Incentive

The Woolworths Incentive Share Plan (WISP) replaced the Transformation Incentive Plan (from F19) and focuses on delivery of long-term goals.

Assessing business performance:

It rewards executives subject to performance against three equally weighted measures over a three year performance period:



Relative TSR (rTSR)

Relative TSR is used as a measure in our LTI plan to align executive outcomes and long-term shareholder value creation. The peer group is the ASX30 excluding metals and mining companies. Peer group ranking at the 75th percentile or higher 100% vesting is achieved and ranking at the median 50% vesting is achieved. Between the 75th and median, pro-rata vesting is achieved from 50% to 100%. Peer group ranking below the median results in zero vesting.

Sales per square metre (SQM)

Sales per square metre measures sales productivity improvements across the Food and Drinks businesses. Efficient use of our physical network for in-store and online sales is core to our success.

Return on Funds Employed (ROFE) (Lease-Adjusted)

ROFE is an important measures to drive behaviours consistent with the delivery of long-term shareholder value. ROFE improvements can be delivered through earnings growth as well as the disciplined allocation of capital and management of assets, which is important for a business that is building capabilities for the future. Lease-adjusted ROFE measures the balance between our earnings growth and the disciplined allocation and application of assets used to generate those earnings. We adjust for leases to recognise that a very significant portion of our sites are leased. This approach is also similar to the accounting standard definition of ROFE that will change to incorporate a lease-adjusted definition from F20.

The vesting schedule for these measures is:

	rTSR	SALES/SQM	ROFE
Entry	16.66%	6.66%	6.66%
Target	n/a	20%	20%
Stretch	33.33%	33.33%	33.33%

The Sales/SQM and ROFE targets are published following the end of the performance period given the commercial sensitivity of this information.

Considering individual performance:

The Board has discretion to adjust the vesting outcome for individuals, which may be reduced (including to zero) if there have been cases of inappropriate behaviour or risk management. These would be the most serious of cases that would not have been adequately dealt with through normal performance management or consequence frameworks.

Delivering LTI Outcomes:

Executive KMP are awarded a maximum value of 170% of TFR as at the beginning of the performance period. Awards are made at face value based on the five-day VWAP up to and including 1 July at the beginning of the performance period, as performance rights. Dividends (in the form of additional shares) accrue over the performance period and vest subject to the above performance conditions. The deferred nature of LTI arrangements also provides a risk management lever to facilitate malus policy application during the performance period.

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Our Approach & Rationale: Total Fixed Remuneration

- TFR is positioned at the median, and Total Maximum Remuneration at the 75th percentile through variable pay where outstanding performance is delivered.
- Our comparator peer group includes ASX 25 plus additional reference as required to major national and international retailers.

When setting remuneration, the Board takes the overall market position as a guide and also references other factors such as competition for skills, internal relativities, potential and strategic impact.



2.1 OVERVIEW OF F19 REMUNERATION FRAMEWORK

What is the remuneration mix for Executive KMP?

The remuneration mix for Executive KMP is weighted towards variable remuneration to support a significant focus on achieving our transformation objectives. 67% of the remuneration is performance-based pay. This represents both the STI and LTI as a percentage of total remuneration, with 75% of performance-based pay delivered as deferred equity.

TOTAL TARGET MIX		Performance Based				
Total Fixed Remuneration 33.4%	Target STI 33.3%		Target LTI 33.3%			
	Cash 16.65%	Deferred 16.65%	Relative TSR with 11.1%	Sales per trading square metre 11.1%	ROFE 11.1%	
TOTAL MAXIMUM MIX		Performance Based				
Total Fixed Remuneration 23.8%	Maximum STI 35.7%		Maximum LTI 40.5%			
	Cash 17.86%	Deferred 17.86%	Relative TSR with 13.5%	Sales per trading square metre 13.5%	ROFE 13.5%	

2.2 WHAT WE PAID EXECUTIVE KMP IN F19 AND PROGRESS ON MINIMUM SHAREHOLDING REQUIREMENTS

The following pages compare target, maximum and actual remuneration received during F19 for the current Executive KMP. Amounts include:

- Total fixed remuneration received (including cash salary, superannuation, car allowance and premium for Directors' and Officers' indemnity insurance)
- Relocation and other benefits received
- Cash STI received as a result of business and individual performance in F19 (versus the target cash STI value)
- Equity that vested during the year at face value (versus the maximum initial award face value) for each plan
- Equity granted in F19 and all unvested equity awards (Share Rights for Deferred STI and Performance Rights for LTI)

In F19 the F17 Deferred STI (DSTI) plan vested for our Executive KMP. This included the portion of the F17 STI award deferred as share rights and vested on 1 July 2019. For the CEO this represented 50% of the F17 STI award and for other Executive KMP this was 25% of their STI award. The LTI award which vested in F19 was the F17 TIP award. Details of the vesting outcome of this award is provided on [page 49](#). The Executive KMP summaries show the vested face value of the F17 TIP award using both the share price at grant (\$20.73) and the share price at vesting (\$33.22). The significant 60% uplift in share price and the accumulated dividends (allocated in the form of shares) are the contributing factors of the greater actual LTI vested value in comparison to maximum LTI shown in the summaries below. Similarly the vested face value of the F17 DSTI award uses the share price at vesting. Again, the increase in share price from the grant date and the accumulated dividends (additional shares) is the reason for the greater actual DSTI vested value in comparison to the target and maximum DSTI shown below.

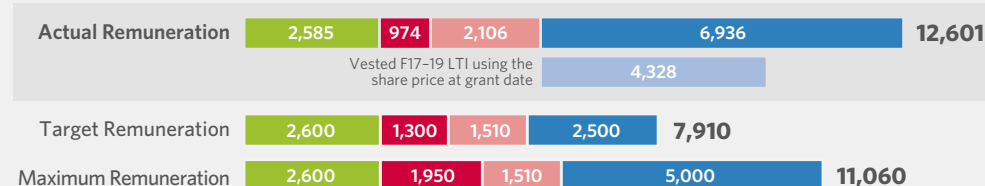
In addition, the individual tables below show the progress against the Minimum Shareholding Requirements (MSR). This includes the aggregate value of current shareholdings and deferred unvested STI awards for Executive KMP. Calculations have been made using Woolworths Group 5-day VWAP up to and including 1 July 2019 of \$33.22. Further detail on the MSR requirements are included in section 3.4.

LEGEND ■ TFR ■ Relocation & other benefits ■ Cash STI ■ Vested DSTI ■ Vested LTI (vested value) ■ Vested LTI (grant value) ■ Other share rights vested

Brad Banducci CHIEF EXECUTIVE OFFICER

Term as KMP: Full Year

Actual remuneration received for F19 v Target and Maximum (\$'000)



Progress on Minimum Shareholding Requirement (MSR) as at 1 July 2019 (\$'000)

ACTUAL	\$5,442
TARGET	\$5,200
Compliance by 1 July 2022	

Equity Granted (\$'000)

F19 DSTI	\$974
F19 LTI	\$4,829
Total value	\$5,803

Unvested LTI & STI Awards (\$'000)

F18 DSTI	\$1,554
F18 LTI	\$6,974
F19 LTI	\$4,829
F19 DSTI	\$974
Total value	\$14,331

Vested LTI and STI Awards (\$'000)

F17 DSTI	\$2,106
F17 LTI	\$6,936
Total value	\$9,042



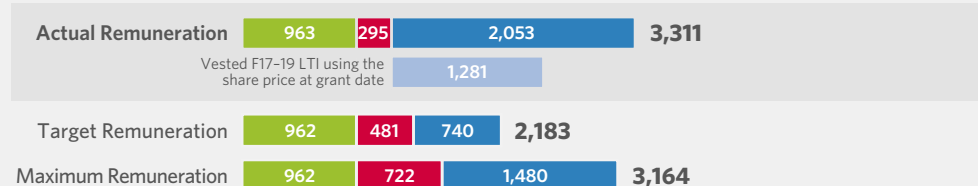
Remuneration Report

2.2 WHAT WE PAID EXECUTIVE KMP IN F19 AND PROGRESS ON MINIMUM SHAREHOLDING REQUIREMENTS

Stephen Donohue MANAGING DIRECTOR, ENDEAVOUR DRINKS

Term as KMP: Full Year

Actual remuneration received for F19 v Target and Maximum (\$000)



Progress on Minimum Shareholding Requirement (MSR)

as at 1 July 2019 (\$000)

ACTUAL  **\$731**

TARGET  **\$962**

Compliance by 1 July 2023

Equity Granted (\$000)

F19 DSTI	\$295
F19 LTI	\$1,858
Total value	\$2,153

Unvested LTI & STI Awards (\$000)

F18 DSTI	\$58
F18 LTI	\$2,366
F19 LTI	\$1,858
F19 DSTI	\$295
Total value	\$4,577

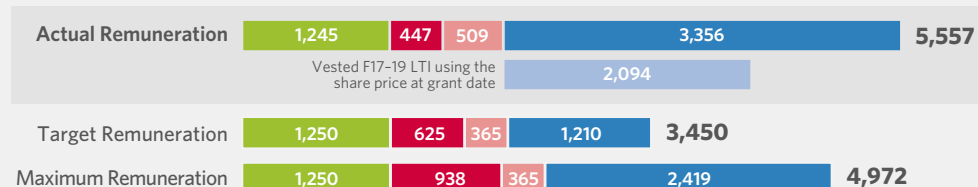
Vested LTI and STI Awards (\$000)

F17 DSTI	n/a
F17 LTI	\$2,053
Total value	\$2,053

David Marr CHIEF FINANCIAL OFFICER

Term as KMP: Full Year

Actual remuneration received for F19 v Target and Maximum (\$000)



Progress on Minimum Shareholding Requirement (MSR)

as at 1 July 2019 (\$000)

ACTUAL  **\$2,714**

TARGET  **\$1,250**

Compliance by 1 July 2023

Equity Granted (\$000)

F19 DSTI	\$447
F19 LTI	\$2,336
Total value	\$2,783

Unvested LTI & STI Awards (\$000)

F18 DSTI	\$345
F18 LTI	\$3,374
F19 LTI	\$2,336
F19 DSTI	\$447
Total value	\$6,502

Vested LTI and STI Awards (\$000)

F17 DSTI	\$509
F17 LTI	\$3,356
Total value	\$3,865

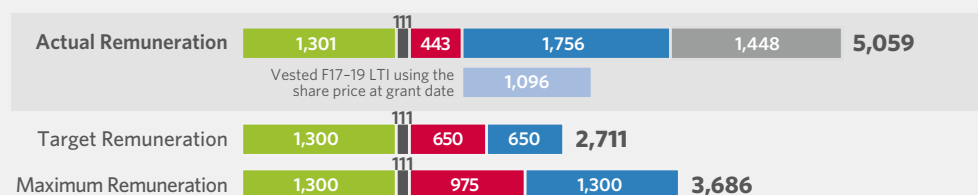
From 1 August 2019, David commenced in the Chief Operating Officer role with primary responsibility for overseeing the merger and subsequent separation of Endeavour Group, as announced to the market on 3 July 2019.

2.2 WHAT WE PAID EXECUTIVE KMP IN F19 AND PROGRESS ON MINIMUM SHAREHOLDING REQUIREMENTS

Claire Peters MANAGING DIRECTOR, WOOLWORTHS SUPERMARKETS

Term as KMP: Full Year

Actual remuneration received for F19 v Target and Maximum (\$000)



Progress on Minimum Shareholding Requirement (MSR) as at 1 July 2019 (\$000)

ACTUAL \$1,902**TARGET** \$1,300

Compliance by 1 July 2023

Equity Granted (\$000)

F19 DSTI	\$443
F19 LTI	\$2,511
Total value	\$2,954

Unvested LTI, STI & Other Awards (\$000)

F18 DSTI	\$387
F18 LTI	\$3,626
F19 LTI	\$2,511
F19 DSTI	\$443
Other	\$731
Total value	\$7,698

Vested LTI, STI & Other Awards (\$000)

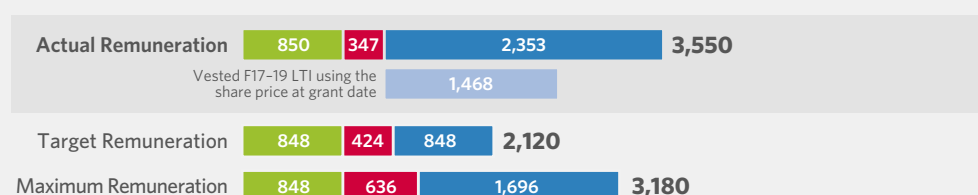
F17 DSTI	n/a
F17 LTI	\$1,756
Other	\$1,448
Total value	\$3,204

Total costs associated with relocation support and applicable fringe benefits tax for Ms Peters was \$110,858 for F19. Claire also had 43,577 sign-on share rights which vested during F19, representing a face value of \$1,447,658 as shown above under 'Vested Other Awards'.

Colin Storrie MANAGING DIRECTOR GROUP PORTFOLIO

Term as KMP: Full Year

Actual remuneration received for F19 v Target and Maximum (\$000)



Progress on Minimum Shareholding Requirement (MSR) as at 1 July 2019 (\$000)

ACTUAL \$900**TARGET** \$848

Compliance by 1 July 2023

Equity Granted (\$000)

F19 DSTI	\$347
F19 LTI	\$1,638
Total value	\$1,985

Unvested LTI & STI Awards (\$000)

F18 DSTI	\$242
F18 LTI	\$2,366
F19 LTI	\$1,638
F19 DSTI	\$347
Total value	\$4,593

Vested LTI and STI Awards (\$000)

F17 DSTI	n/a
F17 LTI	\$2,353
Total value	\$2,353

LEGEND ■ TFR ■ Relocation & other benefits ■ Cash STI ■ Vested DSTI ■ Vested LTI (vested value) ■ Vested LTI (grant value) ■ Other share rights vested



Remuneration Report

2.3 TERMS OF EXECUTIVE KMP SERVICE AGREEMENTS

All Executive KMP are employed on service agreements that detail the components of remuneration paid but do not prescribe how remuneration levels are to be modified from year to year. The agreements do not provide for a fixed term, although the service agreements may be terminated on specified notice. The notice period is 12 months for the CEO and 6 months for all other Executive KMP. Below is a summary of the termination provisions for Executive KMP.

Termination by Company

Where the notice period is worked:

- Total fixed remuneration is paid in respect of and for the duration of the notice period.

Where the notice period is paid in lieu:

- Total fixed remuneration in respect of the notice period (and, if appropriate, a reasonable estimate of STI) is paid as a lump sum.

In both circumstances:

- The extent to which STI and LTI arrangements remain in place will be treated in accordance with the relevant rules for the award and at the discretion of the Board.

If termination is for cause:

- Only accrued leave and unpaid total fixed remuneration for days worked is paid
- STI and LTI are forfeited.

Termination by Executive KMP

Where the notice period is worked:

- Total fixed remuneration is paid in respect of and for the duration of the notice period.

Where the notice period is paid in lieu:

- Total fixed remuneration in respect of the notice period is paid as a lump sum.

In both circumstances:

- The extent to which STI is payable will be treated in accordance with the relevant rules for the award and at the discretion of the Board
- Unvested deferred STI and LTI are treated in accordance with the relevant rules for the award and at the discretion of the Board. Refer to section 3.3 for further detail.

In addition, and upon further payment (where required), the Company may invoke a restraint period of up to 12 months following separation, preventing Executive KMP from engaging in any business activity with competitors.

2.4 F20 OUTLOOK

Each year the Board reviews the measures that are used in our STI and LTI plans, and this year we have decided to make minor changes to the balanced scorecard in our STI plan.

From F20 we will replace the working capital measure with inventory (days) as we can sharpen our focus on productive inventory management throughout the Group.

We will also increase the weighting of the online portion of total Customer Satisfaction from 25% to 30% when we measure our Customer Satisfaction results, reflecting the importance of our digital strategy on our future success. There will be no other changes to incentive metrics for F20, and we will continue to have alignment of STI measures from CEO through to our store teams.

As announced on 3 July 2019, we intend to separate our drinks and hospitality businesses (Endeavour Group) from Woolworths Group. This change may impact our remuneration framework including unvested awards under our employee share plans. The Board will work through this in F20 with a view to ensuring that DSTI and LTI participants will be no better or worse off following the transaction. This may include a review of our performance measures in light of the change in our business.

3 GOVERNANCE

3.1 ROLE OF THE BOARD

The Board reviews, challenges, applies judgement and, as appropriate, approves the PPC's recommendations. It approves the remuneration of Executive KMP and of Non-executive Directors and the policies and frameworks that govern both.

When reviewing performance and determining incentive outcomes, the Board starts from the presumption that performance outcomes that determine incentive awards should align with market-reported outcomes, management activity and shareholder outcomes. To achieve this alignment, the Board retains discretion over final performance and incentive outcomes, and recognises that there are cases where adjustments should be made to deliver appropriate reward outcomes. In determining reward outcomes, the Board will pay specific attention to items that are:

- outside of the control of management
- the result of portfolio/strategy changes implemented but not envisaged in the original performance targets
- due to significant change in asset valuations outside the normal course of business.

3.2 ROLE OF THE PEOPLE PERFORMANCE COMMITTEE (PPC)

The PPC operates under its own Charter and reports to the Board. Its role is to provide advice and assistance to the Board in relation to people management and remuneration policies, so that remuneration outcomes for senior executives are appropriate and aligned to company performance and shareholder expectations.

The PPC receives relevant reports from the Audit, Risk Management and Compliance Committee (ARMCC) and Sustainability Committee to help inform its decisions on remuneration outcomes as a consequence of risk related matters.

The PPC Charter, which the Board reviews annually, was updated in August 2019 to better reflect PPC's objectives in relation to:

- supporting our Customer 1st and Team 1st Culture, Ways-of-Working and Core Values;
- building an ethical corporate culture where Woolworths is known as a place where people come to work to do the right thing; and
- approving key people policies and practices that have a material impact on the delivery of our strategy and drive a strong culture.

A copy of the PPC Charter is available on the company's website: www.woolworthsgroup.com.au

Independent Remuneration Advisors

Where appropriate, the Board and the PPC consult external remuneration advisors. When such external remuneration advisors are selected, the Board considers potential conflicts of interest. Advisors' terms of engagement regulate their access to, and (where required) set out their independence from, members of Woolworths Group management.

The requirement for external remuneration advisor services is assessed annually in the context of matters the PPC needs to address. External advisors advice is used as a guide, but do not serve as a substitute for directors' thorough consideration of the relevant matters.

The Board and PPC engaged PwC as its independent Remuneration Advisor. No remuneration recommendations, as defined by the *Corporations Act 2001* (Cth), were made by remuneration advisors.



Remuneration Report

3.3 TREATMENT OF UNVESTED EQUITY AWARDS UPON EXIT

For the Deferred STI and LTI plans the Board has overriding discretion over the treatment of awards when an executive ceases employment. At the 2017 AGM, shareholders approved the approach that the Board proposes to take when exercising this discretion to determine how unvested share rights awards will be treated when an executive ceases employment with us:

REASON FOR LEAVING	DEFERRED STI	UNVESTED LTI
Genuine retirement	Remain 'on foot' until the end of the deferral period and vest at that time	Award pro-rated for portion of the performance period participant has worked and remain 'on foot' until the end of the performance period
Death, illness and incapacity		
Termination for cause/gross misconduct	Award forfeited	Award forfeited
Termination for poor performance		
Resignation		
Other reasons as determined by the Board		

In cases of resignation, the Board will consider the circumstances surrounding each case to allow for the appropriate treatment. For instance, where the executive is not resigning to join a direct competitor and all reasonable steps have been taken to continue to support the success of the business through to their final date of employment, the Board may consider it appropriate to allow some DSTI awards not to lapse. The Board will continue to monitor the executive post employment and if they do not meet their post-employment obligations, the Board may lapse any remaining awards. For clarity, in cases where the executive resigns to join a competitor organisation, or in the Board's opinion the executive does not support the business to their final day of employment, any unvested DSTI and LTI will generally lapse.

3.4 OTHER GOVERNANCE REQUIREMENTS

Hedging policy	Under the Securities Trading Policy, senior executives may not enter into any derivative (including hedging) transaction that will protect the value of either unvested securities or vested securities that are subject to a disposal restriction, issued as part of the LTI plan. Compliance with the policy is a condition of participation in the LTI plan.
Malus Policy	The executive KMP STI and LTI arrangements are subject to malus provisions that enable the Board to adjust unpaid and/or unvested awards (including to reduce to zero) where it is appropriate to do so. The Board may determine that any unpaid cash STI or unvested deferred STI or LTI awards will be forfeited in the event of wilful misconduct, dishonesty or severe breach of our Code of Conduct by the executive. The Board may also adjust these awards in cases of unexpected or unforeseen events impacting performance outcomes, performance with regard to non-financial risk, an outcome which would cause significant reputational damage to the Woolworths Group brand, or a broader assessment of performance indicating there should be an adjustment.
Minimum shareholding requirements	<ul style="list-style-type: none"> CEO: Equal to 200% of TFR Other Executive KMP: Equal to 100% of TFR Compliance is required with three years for CEO and five years for other Executive KMP from 1 July 2018.
Dividends	Shares equivalent to the value of dividends foregone during the period between grant and vesting are provided at the time of vesting. No dividend equivalent shares are provided on awards (or portions thereof) which do not vest.

4 NON-EXECUTIVE DIRECTORS' ARRANGEMENTS

4.1 NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY AND STRUCTURE

Non-executive Director fees are paid from an aggregate annual fee pool of \$4,000,000, as approved by shareholders at the AGM on 18 November 2010. Total board and committee fees paid during F19 were \$2,859,903 (refer to section 5.1).

Non-executive Directors do not receive variable pay and no Directors' fees are paid to Executive Directors.

In recognition of the equal importance and workload of all of the Board's Committees, the Board reviewed Non-executive Director fees and determined to increase Chair and Member fees for the People Performance Committee and Sustainability Committee as detailed in the table below, effective 1 July 2019. The table below provides a summary of F19 and F20 Board and Committee fees:

BOARD AND COMMITTEE FEES (\$)	CHAIR		MEMBER	
	F19 FEE INCL. SUPER	F20 FEE INCL. SUPER	F19 FEE INCL. SUPER	F20 FEE INCL. SUPER
Board	\$790,531	\$790,531	\$254,990	\$254,990
Audit, Risk Management and Compliance Committee	\$65,000	\$65,000	\$32,500	\$32,500
People Performance Committee	\$54,525	\$65,000	\$27,265	\$32,500
Sustainability Committee	\$45,000	\$65,000	\$22,500	\$32,500
Nomination Committee	Nil	Nil	Nil	Nil

4.2 NON-EXECUTIVE DIRECTORS' MINIMUM SHAREHOLDING REQUIREMENT

Non-executive Directors are required to hold a minimum number of shares for alignment with other shareholders. The minimum shareholding requirement is:

- Chair – 200% of the annual base fee by 1 July 2022
- Other Non-executive Directors – 100% of the annual base fee within three years of appointment.

The shares or share instruments may be held personally, by a close family member either directly, within a self-managed superannuation fund or by a family trust or private company.

As of the financial year end, all Non-executive Directors hold, or are on track to achieve, the minimum shareholding requirement. Details of the current shareholdings for Non-executive Directors as at 30 June 2019 are provided in section 5.3.

4.3 NON-EXECUTIVE DIRECTORS' EQUITY PLAN

The Non-executive Director equity plan (the plan) was introduced in F18 to further encourage and facilitate share ownership for board members. The plan provides an automated mechanism for participants to acquire shares, recognising that Non-executive Directors can often be limited in their ability to purchase shares as a result of the Australian insider trading laws. Non-executive Director share rights are allocated quarterly and convert into ordinary shares each half year, subject to compliance with the Company's Securities Trading Policy.

The plan supports the minimum shareholding requirement for board members as it allows Non-executive Directors to reach the minimum shareholding requirements more quickly, as shares are acquired on a pre-tax basis. Details of the share rights allocated to Non-executive Directors are set out in section 5.2. This plan will be extended to US-based directors from F20, subject to shareholder approval.



5 KMP STATUTORY DISCLOSURES

5.1 KMP REMUNERATION

The table below sets out the remuneration of current Non-executive Directors of Woolworths Group Limited. Amounts represent the payments relating to the period during which the individuals were KMP.

		SHORT-TERM BENEFITS				
KMP		DIRECTOR FEES \$	FEES SACRIFICED UNDER NEDP ¹ \$	NON-MONETARY AND OTHER BENEFITS ² \$	POST EMPLOYMENT BENEFITS ³ \$	TOTAL \$
Non-executive Directors						
G M Cairns	F19	670,000	100,012	1,499	20,531	792,042
	F18	708,912	49,983	990	20,049	779,934
J R Broadbent, AC	F19	154,459	150,018	1,499	20,531	326,507
	F18	244,932	34,968	990	20,049	300,939
J C Carr-Smith ^{4,5}	F19	41,885	-	1,499	-	43,384
H S Kramer	F19	249,188	62,277	1,499	20,531	333,495
	F18	291,808	15,352	990	20,049	328,199
S L McKenna	F19	294,224	-	1,499	20,531	316,254
	F18	288,989	-	990	20,049	310,028
S R Perkins	F19	345,893	-	1,499	20,531	367,923
	F18	244,006	81,332	990	20,049	346,377
K A Tesija ⁴	F19	354,610	-	1,499	1,855	357,964
	F18	298,540	-	990	17,024	316,554
M J Ullmer, AO	F19	180,290	120,014	1,499	20,531	322,334
	F18	247,186	59,975	990	20,049	328,200

1 Amounts represent Non-executive Directors' fees sacrificed to purchase share rights under the Non-executive Directors' Equity Plan. Refer to Section 4.3 for further details.

2 Non-monetary and other benefits include the deemed premium in respect of the Directors' and Officers' Indemnity insurance.

3 Post employment benefits represents superannuation.

4 Ms Carr-Smith's and Ms Tesija's director fees include an Overseas Directors' allowance of \$10,000 per eligible flight during the current and prior period.

5 Ms Carr-Smith was appointed as a Non-executive Director on 17 May 2019.

5.1 KMP REMUNERATION

The table below sets out the remuneration of current Executive KMP of Woolworths Group Limited. Amounts represent the payments relating to the period during which the individuals were KMP.

KMP	SHORT-TERM BENEFITS					SHARE-BASED PAYMENTS ⁶				TOTAL \$
	SALARY ¹ \$	CASH INCENTIVE ² \$	NON- MONETARY AND OTHER BENEFITS ³ \$	POST EMPLOYMENT BENEFITS ⁴ \$	OTHER LONG-TERM BENEFITS ⁵ \$	EQUITY GRANTS AT RISK ⁷ \$	OTHER EQUITY GRANTS ⁸ \$			
Executive KMP										
B L Banducci	F19	2,666,748	973,830	1,499	25,000	54,832	2,612,049	1,372,325	7,706,283	
	F18	2,514,092	1,368,000	990	25,000	37,779	1,751,601	752,970	6,450,432	
S J Donohue	F19	892,126	294,805	1,499	76,442	52,509	879,367	23,182	2,219,930	
	F18	231,243	153,656	990	20,280	13,411	140,444	-	560,024	
D P Marr	F19	1,230,129	446,906	1,499	25,000	22,647	1,289,061	319,471	3,334,713	
	F18	1,178,299	910,028	990	25,000	17,777	967,238	182,139	3,281,471	
C E Peters	F19	1,298,775	442,650	112,357	-	19,096	1,029,571	469,691	3,372,140	
	F18	1,314,701	1,022,580	231,848	-	19,451	673,460	686,485	3,948,525	
C G Storrie	F19	729,405	346,595	1,499	71,250	12,485	1,028,398	154,310	2,343,942	
	F18	784,625	638,223	990	71,250	12,548	551,379	68,407	2,127,422	

1 Salary includes the net change in accrued annual leave within the period.

2 Represents the cash component of the F19 STI which was 50% of the total STI award.

3 Non-monetary and other benefits include the deemed premium in respect of the Directors' and Officers' Indemnity insurance and, where applicable, relocation benefits and associated fringe benefits tax.

4 Post employment benefits represents superannuation.

5 Other long-term benefits represents the net change in accrued long service leave within the period.

6 Represents the portion of the grant date fair value of share rights expected to vest and is recognised as an expense over the vesting period. The amount recognised is adjusted to reflect the expected number of instruments that will vest except where non-vesting is due to failure to achieve market-based performance conditions.

7 The fair value of share rights with the relative TSR performance measure is calculated at the date of grant using a Monte Carlo simulation model, whilst the fair value of other share rights is calculated using a Black-Scholes option pricing model.

8 Not subject to any further performance conditions except continuous employment.



Remuneration Report

5.2 KMP SHARE RIGHT MOVEMENTS

The table below summarises the share rights granted as part of the Non-executive Directors' Equity Plan.

	OPENING BALANCE NO.	SHARE RIGHTS GRANTED UNDER THE NON-EXECUTIVE DIRECTORS' EQUITY PLAN		SHARE RIGHTS VESTED NO.	CLOSING BALANCE NO.
		NO.	\$ ¹		
Non-executive Directors					
G M Cairns	1,781	3,390	100,012	(3,563)	1,608
J R Broadbent, AC	1,246	5,085	150,018	(3,919)	2,412
J C Carr-Smith	-	-	-	-	-
H S Kramer	547	2,111	62,277	(1,657)	1,001
S L McKenna	-	-	-	-	-
S R Perkins	2,898	-	-	(2,898)	-
K A Tesija	-	-	-	-	-
M J Ullmer, AO	2,137	4,068	120,014	(4,275)	1,930

1 Amount represents Non-executive Director fees sacrificed.

The table below summarises the movements during the period in holdings of share right interests in Woolworths Group Limited for current Executive KMP. A share right entitles the holder to one fully paid ordinary Woolworths Group Limited share, subject to applicable performance and vesting conditions.

		OPENING BALANCE NO.	SHARE RIGHTS GRANTED		SHARE RIGHTS VESTED ³		SHARE RIGHTS LAPSED ⁴ NO.	CLOSING BALANCE NO.
			NO. ¹	\$ ²	NO.	\$		
Executive KMP								
B L Banducci	F19	598,039	211,354	4,649,629	-	-	(77,619)	731,774
	F18	349,071	272,699	5,472,037	-	-	(23,731)	598,039
S J Donohue	F19	164,210	63,025	1,375,233	-	-	(19,496)	207,739
	F18	110,276	71,389	1,340,379	(14,011)	(359,727)	(3,444)	164,210
D P Marr	F19	332,690	89,445	1,945,421	-	-	(95,701)	326,434
	F18	269,098	117,142	2,275,506	(16,912)	(433,023)	(36,638)	332,690
C E Peters	F19	234,308	95,108	2,104,390	(43,577)	(1,388,557)	-	285,839
	F18	143,590	110,094	2,054,235	(19,376)	(517,060)	-	234,308
C G Storrie	F19	155,834	62,345	1,364,351	-	-	-	218,179
	F18	93,905	71,784	1,340,379	(9,855)	(269,876)	-	155,834

No share rights held by current Executive KMP were forfeited during the period.

- 1 The holders of share rights issued in accordance with the Group's LTI and DSTI awards are entitled to dividends over the vesting period which are mandatorily reinvested as additional share rights ('Dividend Equivalent Share Rights' or 'DESR'). DESR vest on the same conditions as the underlying LTI or DSTI award to which they relate. The number of share rights granted during the period includes those share rights granted in accordance with the period's LTI and DSTI awards and DESR.
- 2 Share rights granted is the total fair value of share rights granted during the period determined by an independent actuary. This will be recognised in employee benefits expense over the vesting period of the share right, in accordance with Australian Accounting Standards.
- 3 The value of share rights vested during the period is calculated based on the VWAP of Woolworths Group Limited shares traded in the five days prior to and including the date of vesting.
- 4 The number of share rights which lapsed as a result of failure to meet performance hurdles relates to the F14 and F16 LTI plans.

5.3 KMP SHARE MOVEMENTS

The table below summarises the movements during the period of interests in shares of Woolworths Group Limited held by current KMP.

	OPENING BALANCE NO.	SHARES ISSUED UNDER DRP NO.	SHARES RECEIVED ON VESTING OF SHARE RIGHTS NO.	SHARES PURCHASED/ (DISPOSED) NO.	CLOSING BALANCE NO.
Non-executive Directors					
G M Cairns	27,060	998	3,563	-	31,621
J R Broadbent, AC	65,138	-	3,919	-	69,057
J C Carr-Smith	-	-	-	-	-
H S Kramer	6,442	-	1,657	1,500	9,599
S L McKenna	10,534	110	-	-	10,644
S R Perkins	14,575	-	2,898	-	17,473
K A Tesija	4,980	-	-	4,000	8,980
M J Ullmer, AO	20,000	-	4,275	-	24,275
Executive KMP					
B L Banducci	53,638	-	-	-	53,638
S J Donohue	20,257	-	-	-	20,257
D P Marr	55,957	-	-	33 ¹	55,990
C E Peters	21,373	-	43,577	(41,350)	23,600
C G Storrie	19,791	-	-	16 ¹	19,807

1 Represents restricted shares purchased via salary sacrifice through the Employee Share Purchase Plan.



Remuneration Report

5.4 SHARE RIGHTS OUTSTANDING FOR EXECUTIVE KMP

The table below sets out the grants and outstanding number of share rights for current Executive KMP. No amounts were paid or are payable by the recipient on receipt of the share rights and there are no outstanding vested share rights as at 30 June 2019.

	AWARD	GRANT DATE ¹	PERFORMANCE PERIOD START DATE	NO. OF RIGHTS AT 30 JUNE 2019	EXERCISE DATE ²
Executive KMP					
B L Banducci	F17 LTI	24/11/16	01/07/16	266,305	30/08/19
	F17 DSTI	31/10/17	01/07/17	63,387	01/07/19
	F18 LTI	23/11/17	01/07/17	209,927	28/08/20
	F18 DSTI	17/09/18	01/07/18	46,790	01/07/20
	F19 LTI	21/11/18	01/07/18	145,365	01/07/21
				731,774	
S J Donohue	F17 LTI	28/10/16	01/07/16	78,825	30/08/19
	F18 LTI	31/10/17	01/07/17	71,227	28/08/20
	F18 DSTI	17/09/18	01/07/18	1,751	01/07/20
	F19 LTI	30/11/18	01/07/18	55,936	01/07/21
				207,739	
D P Marr	F17 LTI	28/10/16	01/07/16	128,838	30/08/19
	F17 DSTI	31/10/17	01/07/17	15,332	01/07/19
	F18 LTI	31/10/17	01/07/17	101,562	28/08/20
	F18 DSTI	17/09/18	01/07/18	10,375	01/07/20
	F19 LTI	30/11/18	01/07/18	70,327	01/07/21
				326,434	
C E Peters	F17 LTI	29/09/16	29/09/16	67,421	30/08/19
	Sign-on rights	29/09/16	29/09/16	22,011	27/05/20
	F18 LTI	31/10/17	01/07/17	109,161	28/08/20
	F18 DSTI	17/09/18	01/07/18	11,657	01/07/20
	F19 LTI	30/11/18	01/07/18	75,589	01/07/21
				285,839	
C G Storrie	F17 LTI	28/10/16	01/07/16	90,356	30/08/19
	F18 LTI	31/10/17	01/07/17	71,227	28/08/20
	F18 DSTI	17/09/18	01/07/18	7,275	01/07/20
	F19 LTI	30/11/18	01/07/18	49,321	01/07/21
				218,179	

The minimum value of share rights is assessed as nil and has not been specifically detailed in the table above on the basis that no share rights will vest unless the performance or vesting criteria are satisfied.

¹ Grant date is the offer acceptance date.

² With the exception of sign-on share rights, exercise of all other share rights will occur the day after the full year results are announced to the market. This may occur before 31 August in each respective period if the performance hurdles are met as outlined in Section 2.

³ The maximum value of award to vest represents the total maximum value of employee benefits expense, as based on the value at grant date that would be recorded if all share rights which remain outstanding at 30 June 2019 satisfied all relevant vesting conditions.

⁴ The fair value of share rights with the relative TSR performance measure is calculated at the date of grant using a Monte Carlo simulation model, taking into account the impact of the relative TSR condition whilst the fair value of other share rights are calculated using a Black-Scholes option pricing model. The value disclosed is an input to the calculation of the grant date fair value of the share rights recognised as an expense in each reporting period. No performance conditions, other than ongoing employment, are attached to DSTI and sign-on share rights awards. Vesting remains at the discretion of the Board.

MAXIMUM VALUE OF AWARD TO VEST (\$) ³	GRANT DATE FAIR VALUE OF PERFORMANCE SHARE RIGHT ⁴			
	RELATIVE TSR	SALES PER TRADING SQM	ROFE	SIGN-ON AND DSTI
4,769,723	\$11.48	\$23.92	\$23.92	-
1,505,941	-	-	-	\$25.54
3,966,096	\$7.19	\$26.87	\$26.87	-
1,238,709	-	-	-	\$27.45
3,410,920	\$13.65	\$29.67	\$29.67	-
14,891,389				
1,453,486	\$11.75	\$24.66	\$24.66	-
1,340,379	\$7.59	\$26.55	\$26.55	-
46,363	-	-	-	\$27.45
1,328,870	\$14.46	\$29.72	\$29.72	-
4,169,098				
2,375,664	\$11.75	\$24.66	\$24.66	-
364,277	-	-	-	\$25.54
1,911,229	\$7.59	\$26.55	\$26.55	-
274,665	-	-	-	\$27.45
1,670,756	\$14.46	\$29.72	\$29.72	-
6,596,591				
1,207,511	\$10.28	\$23.74	\$23.74	-
477,705	-	-	-	\$23.33
2,054,235	\$7.59	\$26.55	\$26.55	-
308,620	-	-	-	\$27.45
1,795,770	\$14.46	\$29.72	\$29.72	-
5,843,841				
1,666,091	\$11.75	\$24.66	\$24.66	-
1,340,379	\$7.59	\$26.55	\$26.55	-
192,617	-	-	-	\$27.45
1,171,734	\$14.46	\$29.72	\$29.72	-
4,370,821				

1
PERFORMANCE
HIGHLIGHTS2
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