



Company	Coles Group
Code	COL
Meeting	AGM
Date	5 November 2020
Venue	Virtual Meeting
Monitor	Stewart Burn and John Whittington

Number attendees at meeting	338, comprising 220 guests, 113 shareholders and 5 third party proxies.
Number of holdings represented by ASA	780
Value of proxies	\$33.3m
Number of shares represented by ASA	1.8m (equivalent to 18th largest holder)
Market capitalisation	\$24.3b
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair James Graham and Richard Freudenstein

Coles Group – What a Year!!!

The first year of full operation since the spin-off from Wesfarmers, the first virtual AGM and again a long affair with many, many questions. The meeting was opened by an MC who introduced the meeting procedures. Good presentations by James Graham and Steven Cain. Initiatives in Coles Online, support of indigenous communities, community support and direct milk sourcing were emphasised. There was a lot of emphasis on how Coles works with the community to enhance wellbeing, especially as it worked under the influence of the pandemic.

The reports can be found here

https://cdn-api.markitdigital.com/apiman-gateway/CommSec/commsec-node-api/1.0/event/document/1410-02305102-5Q13HRUTL7RQJRSBVI482VVUN2/pdf?access_token=uMLPTYdUJUeilaQQ5HMe3CeDXvw5

https://cdn-api.markitdigital.com/apiman-gateway/CommSec/commsec-node-api/1.0/event/document/1410-02305105-6B0EDEI01UAP26RSKMDPAGN1RI/pdf?access_token=uMLPTYdUJUeilaQQ5HMe3CeDXvw5

Well, James Graham chaired his virtual meeting very well and as usual was very inclusive. He fielded copious questions re the use of plastics bags, the recent IT outage, what does the level of customer satisfaction actually mean, relevance of sales achieved per square metre, fuel discount for flybuys card holders, lack of job opportunities for disadvantaged people, the use of renewable energy, future use of online meetings, reduction of carbon emissions, 2020 sustainability report and sustainable shopping solutions, the cost of pandemic staff discounts to shareholders, security at stores, the impact of lower workforce availability on its produce sourcing, the role of the new Shanghai office, slavery act and ethical sourcing and finally advertising in the Murdoch press. He handled all questions well, giving very competent and well-structured answers.

The re-election of Paul O'Malley, David Cheesewright and Wendy Stops, were overwhelmingly approved (99.5%, 99.8% and 99.2%), as were the remuneration report (96.7%), approval of short-term incentives for the MD and CEO (98.7%) and the approval of long-term performance rights for the MD and CEO (97.2%). In each of these cases the ASA voted in favour.

We asked questions regarding liquor, where it was stated that with the recent appointment of Darren Blackhurst to oversee liquor, he will strengthen the operation and pursue growth, the sales increases were better than statutory figures in the Annual Report due to divestment of hotels. With regards to the performance of Coles express and its reduction in EBIT of 28%. As restrictions have eased, they are starting to see a recovery and they are confident that conditions will improve as the situation returns to normal, with petrol volumes currently at 50m litres a week, still short of the 70-75m targeted. Coles gets a royalty from every litre sold, plus the increased sales in Coles express. With regards to our question re the remuneration of Mr Cain, they stated there will be no adjustment to Mr Cain's total fixed compensation (TFC) in 2021 and that the \$1.5m paid this year was transitional from Wesfarmers. We again raised the issue of STI and LTI vesting periods.

No food this year, but based on last years' smorgasbord, we are looking forward to next year, when we can attend the meeting.