



Company	Coles Group
Code	COL
Meeting	AGM
Date	13 November 2019
Venue	Melbourne Convention Centre
Monitor	Stewart Burn and John Whittington

Number attendees at meeting	Many hundreds (too many to count)
Number of holdings represented by ASA	1,122
Value of proxies	\$5.8m
Number of shares represented by ASA	2.5m (equivalent to 18th largest holder)
Market capitalisation	\$20.7 billion
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair James Graham and Richard Freudenstein

Coles Group – We survived, just!!!

Well what a marathon for their first AGM, 3 hours plus, superbly chaired by James Graham. He is definitely worth his fee in our opinion. Mr Graham fielded copious questions from unions and activists groups regarding redundancies being caused by the automation of their distribution centres, mistreatment of workers employed by Coles suppliers and Coles membership of the Business Council of Australia. He handled all questions well, giving very competent and well-structured answers and instead of ignoring the grievances, referred the speaker to discuss their issues with the relevant Coles staff after the meeting. He promised that any instances of wage theft will be fully investigated and that “yes” Coles Group did have some issues with supply chain governance that needed to be addressed and he said that next year will be a different story. He even managed to address the normal issues of shareholders concerned about flybuy cards, shareholder discount cards and Coles insurance.

Good presentations by [Graham](#) and [Steven Cain](#). Some new initiative in new health products, automated distribution centres, meat export and smarter selling. There was a lot of emphasis on how Coles works with the community to enhance wellbeing.

We asked questions regarding the performance of the new petrol relationship with Viva, the independence of the chairman and the change of policy regarding the short-term incentives (STIs)

and long-term incentives (LTIs) for the CEO. The new relationship with Viva is performing well with a target of 75m litres a week from current sales of 65m litres a week with Coles to get a royalty from every litre sold, plus the increased sales in Coles express. Good answers were given justifying the independence of the chair. With regards to remuneration, they currently consider 3 years as being suitable for LTIs, “we will keep working on them to change this”

The re-election of James Graham, Jacqueline Chow were overwhelmingly approved (98 and 99%) as were the remuneration report (97%), approval of long-term incentives for the MD and CEO (98%) and the appointment of the auditor (99%). In each of these cases the ASA voted in favour. The resolution for amending the constitution to protect workers was lost with 96% voting against it. Mr Graham explaining that passing this resolution would expose Coles and its strategy to the manipulation of small lobby groups.

Oh yes, the food was excellent, we won't have lunch beforehand next year, Coles showcased their produce in a magnificent way, it was almost like being at a market, with multiple tasting options.